

The Orao Affair: The Key to Military Integration in post-Dayton Bosnia and Herzegovina.

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Following Dayton three ethnocentric armies remained in Bosnia and Herzegovina, presenting a significant obstacle to the consolidation of the multi-ethnic Bosnian state. This article examines the development of the separate armies and the reform process that ultimately unified them. It will contend that such progress would not have been possible without the political fallout that followed the revelation that a Bosnian company had been conducting trade with Iraq in contravention of a UN embargo prior to the 2003 invasion. Faced with the threat of international sanctions, local and international actors moved rapidly to overhaul the defence sector, resulting in the military integration of the three armed forces and the creation of a single army answerable to the Bosnian state.

The Dayton Peace Agreement (DPA), signed in December 1995, brought an end to a brutal conflict that was sparked by Bosnia and Herzegovina's (*Bosna i Hercegovina*, BiH) bid to secede from Yugoslavia in April 1992. In addition to bringing peace, Dayton also established the structures of the new Bosnian state, divided the country into two autonomous entities, and allowed for the continued existence of the armies that had fought each other in the war. The presence of multiple armies not only greatly increased the chances of renewed violence, but also served to undermine the authority, legitimacy, and viability of the nascent Bosnian state. Richard Holbrooke, the chief architect of Dayton, would recall: "The most serious flaw in the DPA was that it left two opposing armies in one country, one for the Serbs and one for the Croat-Muslim Federation."¹ Those wishing to address this flaw were faced with a panoply of obstacles, such as the extensive and recent legacy of war, a complicated governance structure prone to paralysis, and a Serb entity that placed significant symbolic value on its army and, at times, openly rejected the notion of a Bosnian state. However, following a political scandal in 2002-3, known as the "Orao Affair", local and international actors implemented a series of sweeping reforms which culminated in the unification of the entity armies.

The new Armed Forces of Bosnia and Herzegovina (*Oružane snage Bosne i Hercegovine*, OSBiH) became the largest multi-ethnic institution in the country, and was answerable to the state-level Presidency of BiH rather than the ethnocentric entities. The process of military integration constitutes one of the most significant steps in the stabilisation and consolidation of the Bosnian state since Dayton. This article contends that military integration (and defence reform more generally) was an unlikely prospect prior to the Orao Affair. In the process, it will provide an account of the scandal and its impact, and argue that the progress made in reforming and unifying the entity armies should be viewed as a direct result of Orao. This article is based on an extensive array of archival material acquired from both entity armies and leading newspapers in BiH, interviews with some of the key international actors from the period, and material documenting the work of the International Community in BiH.

The Entity Armies

The entities created by the DPA broadly reflected the territory held by each army at the end of the war. The Federation of Bosnia-Herzegovina (*Federacija Bosne i Hercegovine*, FBiH), one of two entities, has a decentralised structure, and its

¹ Richard Holbrooke. *To End a War*. (New York, 1998) p.363

population is 70 percent Bosnian Muslim and 22 percent Bosnian Croat. Republika Srpska (RS), the other entity, is more centralised, and is 81 percent Bosnian Serb.² Although many people live outside their respective ethnic enclaves, governance of the entities remains the preserve of the dominant ethnic group. Whilst the DPA issued each entity with extensive powers, the presence of multiple entity armies (rather than a single army of the Bosnian state) was not a product of design. Holbrooke notes that 'since NATO would not disarm the parties as an obligated task, creating a single army or disarming Bosnia-Herzegovina was not possible.'³ Thus, the state-level constitution recognised, but did not enshrine, the presence of entity armies:

Neither Entity shall threaten or use force against the other Entity, and under no circumstances shall any armed forces of either Entity enter into or stay within the territory of the other Entity without the consent of the government of the latter and of the Presidency of Bosnia and Herzegovina. All armed forces in Bosnia and Herzegovina shall operate consistently with the sovereignty and territorial integrity of Bosnia and Herzegovina.⁴

The armed forces were obliged to defend and preserve the territorial integrity of Bosnia, but were also restricted to their respective entities. The omission of any further detail regarding the status of the militaries in the constitution put them, by default, under the control of the entities, as 'all governmental functions and powers not expressly assigned in this Constitution to the institutions of Bosnia and Herzegovina shall be those of the Entities.'⁵ As a result, each entity established its own Ministry of Defence and chain of command, and the RS Constitution was amended in order to reserve the right of the RS national assembly to declare war.⁶ Coordination at the national level with regard to defence was limited to the Standing Committee on Military Matters, which held no power and merely served to provide what has been described as a 'tenuous link between the three militaries.'⁷ Indeed, the Standing Committee failed to meet until 1998, and even then was periodically boycotted by all parties involved.⁸ NATO, burdened as it was with enforcing the ceasefire, controlling BiH's airspace and supervising boundaries, was reluctant to disarm the armies in the years immediately after conflict. The recent U.S. experience in Somalia no doubt informed the decision to prioritise caution and avoid the ubiquitous "mission creep," and as a result even paramilitary formations were left armed until August 1997.⁹ When coupled with the ambiguity of the Dayton Agreement with regard to the armies in Bosnia, this situation offered each entity scope to possess and develop its own armed force.

The Army of FBiH (*Vojaska Federacije*, VF) constitutes one of the two entity armies that existed in Bosnia. It was formed through the merging of two distinct armies that had periodically been at war from 1992 until 1994. The Army of the Republic of Bosnia and Herzegovina (*Armija Republike Bosne i Hercegovine*, ARBiH) was broadly composed of Bosnian Muslims, although it retained something of a multi-ethnic character, and was the largest force to fight in the war. Estimates suggest that by the end of the conflict the ARBiH commanded over 200,000 troops, including reservists.¹⁰ The

² Agency for Statistics of Bosnia and Herzegovina. *Census of Population, Households and Dwellings in Bosnia and Herzegovina, 2013*. (Sarajevo, 2016) <http://www.popis2013.ba/popis2013/doc/Popis2013prvoIzdanje.pdf> (accessed 20 December 2017)

³ Holbrooke. *To End a War*. p.363

⁴ OHR. *The General Framework Agreement*. (14/12/1995) Annex 4

⁵ *Ibid.* Article 3

⁶ OHR, Department for Legal Affairs. *Constitution of Republika Srpska*. (Official Gazette of RS) Article 70

⁷ M. Morton. 'Three Hearts in the Chest of One State: The Armed Forces of Bosnia and Herzegovina.' *Journal of Slavic Military Studies*, Vol. 25, No. 4. (2012) p.517

⁸ Florence Gaub. *Military Integration after Civil Wars: Multiethnic armies, identity and post-conflict reconstruction*. (Routledge, 2011) p.94

⁹ R. Cody Phillips. *Bosnia-Herzegovina: The U.S. Army's Role in Peace Enforcement Operations 1995-2004*. (U.S. Army Center of Military History; Pub 70-97-1) p.15; M. O'Conner. 'NATO Plans to Disarm Paramilitary Forces in Bosnia.' *The New York Times*. (09/08/1997)

¹⁰ Marko Attila Hoare. *How Bosnia Armed*. (Saqi Books, 2004) p.112

Croatian Defence Council (*Hrvatsko vijeće obrane*, HVO) was predominantly Croat, and began operations as the military wing of the Croatian Democratic Union (*Hrvatska demokratska zajednica*, HDZ).¹¹ Both the ARBiH and HVO were formed in April 1992, as the war began, and whilst the HVO was better organised and equipped, both were hastily raised formations composed of territorial units, police, and local volunteers. The conflict between the two armies was ended by the Washington Agreement in March 1994. The Agreement brought an end to the conflict between Bosnian Muslims and Croats, established the Federation, and made provisions for its military, with Article Six of the Agreement stipulating that: 'Both sides agree to the establishment of a unified military command of the military of the Federation.'¹² This would be manifested through the creation of an entity Ministry of Defence and a joint command structure, a process formally completed in December 1997.¹³

The legacy of the conflict between the two component parts of the VF was reflected in its structure and development. Most prominent was the preservation of the ethnically defined units that had fought in the war. As a result, the VF was composed of three corps of Bosnian Muslims and one corps of Croats, totalling 24,000 men, who only served together at the Federation army headquarters.¹⁴ Such ethnic division is not uncommon, and can be found in the present-day militaries of the UK, Belgium and Canada.¹⁵ However, a 2005 NATO report reflected on the presence of parallelism in the Federation military, and illuminates the extent to which the VF was in fact two separate armies. Property and equipment seized by the respective armies during the war was held separately, each maintained their own logistics and support processes, and despite a Federation Intelligence Service being established in 1997, work within it was divided. Furthermore, veterans' affairs and wartime archives were not consolidated, and both the ARBiH and HVO kept their own bank accounts, with the joint Federation account kept all but empty.¹⁶ Further division can be identified from the sources of VF funding. A 1998 report from the International Crisis Group concluded that the Bosnian Muslim element was largely financed domestically, with 40% of funds coming from the Gulf. The Croat element, however, was financed entirely from abroad, with 83% of its funds coming from Croatia, and the rest from émigrés and the Gulf.¹⁷ This situation led some observers to claim that the Croat forces constituted a "foreign force," and thus were in contravention of the DPA.¹⁸

The extent to which the VF remained a deeply divided institution is illustrated by events that took place in 2001. The November 2000 elections, in which the HDZ lost ground to a ten party coalition, initiated a tumultuous year in Bosnian Croat politics, culminating with the withdrawal of the HDZ from the institutions of the Federation and an attempt to establish Croat self-rule in Herzegovina.¹⁹ They requested that Croats in the Army of the Federation refuse orders from non-Croats, meetings were held between Croat officers and the wartime HVO leadership to discuss forming a new army, and numerous Croat soldiers removed the Federation insignia from their uniforms. The attempt at self-rule was largely financed by funds held by the Hercegovska Bank (which was subject to one of the largest corruption scandals in post-Dayton BiH), some of which were used to pay Croat VF officers if they left their posts.²⁰ Crisis was only averted following

¹¹ Ibid. P.86

¹² United States Institute of Peace. *Washington Agreement*. (1994) Article 6

¹³ 'Temelj vojne organizacije Vojske Federacije BiH.' *Prva linija*, No. 57. (December 1997) p.9

¹⁴ Sgt. P. Fitzgerald. 'The armed forces in Bosnia and Herzegovina.' *SFOR Informer*, Vol. 127. (SFOR, 2001) p.1

¹⁵ Gaub. *Military Integration after Civil Wars*. p.1

¹⁶ DRC Team 8. *Concept Paper on Parallelism*. (NATO, 2005)

¹⁷ ICG Balkans Report No.80. *Is Dayton Failing?: Bosnia Four Years After the Peace Agreement*. (Sarajevo, 1999) p.9

¹⁸ OHR. *The General Framework Agreement*. (14/12/1995) Annex 1-A

¹⁹ Thierry Domin. 'Political Situation in Bosnia and Herzegovina.' *SFOR Informer*, Vol.126. (14/11/2001) The November 2000 elections were accompanied by a referendum, deemed illegal by the OSCE, on Croat autonomy in BiH. This was followed by a series of boycotts of federal institutions, the formation of parallel governance structures, and widespread protests.

²⁰ O. Keränen. 'International statebuilding as contentious politics: the case of post conflict Bosnia and Herzegovina.' *The Journal of Nationalism and Ethnicity*, Vol. 31, No. 3, (2013) p.362

an international investigation into the dealings of Hercegovacka Bank, the intervention of the Croatian Foreign Ministry, which pledged its support for the state and entity institutions of Bosnia, and the appointment of a new Defence Minister. Despite this, General Dragan Ćurčić, Deputy Commander of the VF (and the highest-ranking Croat), resigned, citing his desire to remain loyal to the Croat people.²¹ Whilst the VF remained intact until the creation of a unified Bosnian army, it is apparent that in practice the idea of a united army was purely symbolic. Whatever bonds linked the composite elements were tenuous.

Whilst structurally the VF can be considered fragile, it did have at its disposal significant resources. A combined 1998 budget of over 400 million Deutschmarks dwarfed the 70 million the Army of Republika Srpska (*Vojska Republike Srpske*, VRS) received. Much of this was spent on maintaining an army more than twice the size of the VRS, as well as an additional pool of reservists. However, a significant focus was placed on modernisation.²² An American Military Consulting Firm – Military Professional Resources Incorporated (MPRI) – had earned itself a reputation in the region after it had helped “professionalise” the Croatian Army prior to Operation Storm. The latter offensive defeated the Serb state in Croatia, Republika Srpska Krajina, in a week, as the Croatian Army marched to within 16 miles of the largest Bosnian Serb city, Banja Luka. Paul Williams, who served as a legal counsel to the Bosnian delegation at Dayton, reported that at the accords the Bosnians sought similar assistance, hoping to make it a precondition to them signing the treaty.²³ However, British and French concerns that arming the Bosnian Muslims could lead to a return to war prevented such provisions being included, leaving the Bosnians reliant on verbal assurances from the U.S. delegation that assistance would be provided.²⁴ These assurances were quick to manifest themselves, and in May 1996 MPRI officially began working with the VF under the Train and Equip Program.²⁵ The US State Department established the Joint Interagency Taskforce for Military Stabilisation of the Balkans to administer the program, and US Ambassador James Pardew would lead the initiative.²⁶ He described its aims frankly:

We do not seek an offensive force, but in the future if somebody wants a fight it will be more than fair. This war had an aggressor, and it had a victim. The program [seeks] to ensure that there will be no future victims and no easy prey for partisans of war.²⁷

The journal of the VF, *Prva linija* (Frontline), heralded Train and Equip with the headline 'The Professionals Come!'²⁸ It explained that the Programme 'creates conditions to enhance the combat power and efficiency of our units, and in this way modern weapons, professionalism and expertise compensate for the significantly reduced and limited numerical strength of our units.'²⁹ Through Train and Equip, the VF acquired an array of small arms, hundreds of artillery pieces, armoured vehicles, tanks and even a squadron of helicopters, with almost all of the new equipment being of American or French origin.³⁰ MPRI also oversaw the establishment of the Federation Ministry of Defence and Joint Command, completed in 2001, introduced the American concept of a Training and Doctrine Command, and established

²¹ OHR. *Chronology/Monthly Tracker 2001*. (2001) Available at: http://www.ohr.int/?ohr_archive=chronologymonthly-tracker-2001 (Accessed: 11/05/2017)

²² Fitzgerald. 'The armed forces in Bosnia and Herzegovina.' p.1

²³ P.R. Williams. 'Promise them anything.' *The Weekly Standard*. (18/12/1995) Available at: <http://www.weeklystandard.com/promise-them-anything/article/7983> (Accessed: 11/05/2017)

²⁴ J.M.O. Sharp. 'Dayton Report Card.' *International Security*, Vol. 22, No. 3. (1997) p.116

²⁵ P.W. Singer. *Corporate Warriors: The Rise of the Privatised Military Industry*. (Cornell, 2003) p.128

²⁶ Co-Chairman of the 2005 Defence Reform Commission Dr. Raffi Gregorian, interview with the author. (18/07/2017)

²⁷ C. Lamb. 'The Bosnian Train and Equip Programme: A Lesson in Inter-agency Integration of Hard and Soft Power.' *Institute for National Strategic Studies Strategic Perspectives*, No. 15. (2014) p.11

²⁸ Anon. 'Profesionalci dolaze!' *Prva linija*, No. 42. (May, 1996) p.1

²⁹ Editorial. 'Profesionalci dolaze!' *Prva linija*, No. 42. (May, 1996) p.3

³⁰ SIPRI. *Transfers of major conventional weapons: sorted by supplier. Deals with deliveries or orders made for year range 1996 to 2015*. http://armstrade.sipri.org/armstrade/page/trade_register.php (accessed 20 December 2017)

modern training methods copied from the US military, including a computer simulation centre and a field combat training centre.³¹ Such was the transformation of the VF that conscripts are said to have translated and learnt US Army chants for use on exercises.³²

In 2002, 10,000 VF soldiers were demobilised, completing a series of troop reductions that began with Dayton, leaving the VF with a standing force of 14,000 men. However, any quantitative shortfall was addressed through a greater quality of training and education, most of which was offered by friendly states and brought the troops up to NATO standard.³³ By January 1998, 1,500 VF personnel had received education and training abroad, most significantly in Turkey, and another 500 were being trained as far afield as the USA, Malaysia, Qatar and Pakistan.³⁴ Schools were established for personnel to learn foreign languages, predominantly English, German and Turkish, and new accommodation was also built, with the aim of creating 'quality living and work conditions.'³⁵ The rapid transformation of the VF, with the assistance of MPRI and friendly states, established a modern professional army in the Federation, and represented a significant shift from the VF that had fought in the war. The developments were welcomed by *Prva linija* as it promised 'training to world standards' and the creation of 'armed forces for the 21st Century.'³⁶ However, despite professionalisation and modernisation, the VF failed to integrate its Bosnian Croat and Bosnian Muslim composite elements at any level below that of the most senior leadership.

The development of the VRS in many respects contrasts with the VF. Whilst the latter was constructed from two armies, formed from a patchwork of groups on the eve of war, the VRS was created by the allocation of the forces of the Yugoslav Second Military District (which had been created in January 1992), under the command of General Ratko Mladić, to the Bosnian Serb leadership.³⁷ The trial of Duško Tadić (a Bosnian Serb paramilitary) at the International Criminal Tribunal for the former Yugoslavia, offers some important insights regarding the origins of the VRS. The presiding judge, Gabrielle McDonald, gave this analysis:

The evidence proves that the creation of the VRS was a legal fiction. The only changes made after the 15 May 1992 Security Council resolution were the transfer of troops, the establishment of a Main Staff of the VRS, a change in the name of the military organisation and individual units, and a change in the insignia. There remained the same weapons, the same equipment, the same officers, the same commanders, largely the same troops, the same logistics centres, the same suppliers, the same infrastructure, the same source of payments, the same goals and mission, the same tactics, and the same operations. . . the VRS clearly continued to operate as an integrated and instrumental part of the Serbian war effort.³⁸

An interview with the leading Serbian military historian of the period, Bojan Dimitrijević, offered a detailed insight into the formation of the VRS which challenges some of the assumptions made by Judge McDonald. Dimitrijević described how in May 1992 the headquarters of the Second Military District was moved to Han Pijesak, in Northern BiH. This headquarters became the nucleus of the General Staff of the VRS, however personnel not originally from BiH returned to their native republics, and were replaced by Bosnian Serbs who had been stationed

³¹ Singer. *Corporate Warriors*. p.129; NATO Senior Political-Military Advisor Rohan Maxwell, interview with the author. (20/10/2016)

³² NATO Senior Political-Military Advisor Rohan Maxwell, interview with the author. (20/10/2016)

³³ G.P. Herd & Lt.Col. T. Tracey. 'Democratic Civil Military Relations in Bosnia and Herzegovina: A New Paradigm for Protectorates?' *Conflict Studies Research Centre: Balkan Series*, Vol. 5, No. 66. (November 2005) p.8

³⁴ S. Poskić. 'Obuka – Imperativ daljeg razvoja.' *Prva linija*, No. 58. (January, 1998) p.5

³⁵ Ibid. pp.4-5

³⁶ 'Obuka po svjetskim standardima.' *Prva linija*, No. 49. (March, 1997), p.1; 'Oružane snage za 21. stoljeće.' *Prva linija*, No. 48. (February, 1997) p.1

³⁷ James Gow. *The Serbian Project and its Adversaries*. (London, 2003) p.77

³⁸ ICTY. *Separate and Dissenting Opinion of Judge McDonald*. (ICTY, 1997) Para. 7

elsewhere in Yugoslavia. This process, he argued, meant that the only VRS unit which truly resembled its JNA predecessor was the Banjalučki Corps, which had been a reserve unit mostly composed of Bosnian Serbs. He stated that 'the other corps used the infrastructure of the previous corps of the JNA, but in most cases they were manned by different people.'³⁹

The ties between the VRS and Belgrade would continue throughout the war, and can be identified in the formation of a shared intelligence service in 1994, the flow of reinforcements and supplies from the Yugoslav Army into Bosnia (estimated at 20,000 troops and 100 tanks), and the presence of Yugoslav Army passbooks on captured VRS officers.⁴⁰ Dimitrijević notes that supplies, ammunition, fuel, medical supplies were provided to the VRS by the Yugoslav Army, and wounded VRS soldiers were treated in Serbia. Furthermore, Serbs who had been born in Croatia or BiH were encouraged to return to their homes to fight, and an 'imaginary unit' of the Yugoslav Army was established, the 30th Kadrovski Centar (Personnel Centre), which Dimitrijević described as 'some kind of shadow name for the VRS.' The 30th Personnel Centre was responsible for conducting all of the administrative tasks of the VRS, such as ensuring officers were paid, allocating pensions, and offering assistance to the families of fallen soldiers.⁴¹ The link with Belgrade would remain central to the VRS as an entity army, with observers describing it as 'an integral part of the Yugoslav Army.'⁴² In 1998, 40 percent of VRS funding came directly from Yugoslavia, and until 2002 its officers' wages were still being paid from Belgrade.⁴³

The continued reliance on Belgrade following Dayton can be explained as much by necessity as by fraternal bonds. By the end of the war the VRS was on the verge of defeat, with estimates placing its 1995 operational force at 30,000.⁴⁴ Much of the equipment it had inherited from the JNA had served its purpose in a war against armies without heavy weapons, but had since become all but obsolete. For example, the main tank used by the VRS in the war, the T-55, was designed in 1945 and stood little chance against the M60 Pattons received by the Federation through Train and Equip: they were a modernised model of a tank specifically built to destroy T-55s. Problems with outmoded equipment were compounded by a chronic shortage of spare parts, which meant that almost all of the VRS's equipment was difficult to maintain. Moreover, it had reportedly depleted most of its ammunition reserves in the war.⁴⁵

The total budget of the VRS in 1998 was 70 million Deutschmarks, half of what the Bosnian Croats received, and a fraction of the total VF budget.⁴⁶ As a result, the VRS was limited to a comparatively small force of 10,000 men, although the total defence system inherited from Yugoslavia was maintained, allowing for the rapid mobilisation of reserve troops.⁴⁷ Little was done to improve the quality of training offered to VRS personnel, although senior officers began to attend training seminars in Oberammergau, Germany, alongside their VF counterparts in 1998.⁴⁸ The food and

³⁹ Bojan Dimitrijević, interview with the author. (15/10/2017)

⁴⁰ Gow. *The Serbian Project and its Adversaries*. p.78

⁴¹ Bojan Dimitrijević, interview with the author. (15/10/2017)

⁴² James Gow and Ivan Zverzhanovski. *Security, Democracy and War Crimes: Security Sector Transformation in Serbia*. (Palgrave Macmillan, 2013) p.124

⁴³ Ibid.

⁴⁴ M. Vašić. 'The Yugoslav Army and the Post-Yugoslav Armies.' in D.A. Dyker and I. Vejvoda, eds. *Yugoslavia and After: A study in Fragmentation, Despair and Rebirth*. (Longman, 1996) p.133

⁴⁵ Ibid.

⁴⁶ ICG Balkans Report No.80, 'Is Dayton Failing?: Bosnia Four Years After the Peace Agreement', Sarajevo, 1999, p. 9

⁴⁷ 'Stvorena u borbi.' *Srpska vojska*, No. 38. (June, 1996) p.10; Beginning in 1969, a system of Total National Defence (*Opštenarodna Odbrana*) was introduced in Yugoslavia which established a large number of reservists, organised at a local level, who could be quickly mobilised in the case of an invasion. For more see: Adam Roberts. *Nations in Arms: The Theory and Practice of Territorial Defence*. (London, 1976).

⁴⁸ G. Aybet. 'NATO Conditionality in Bosnia and Herzegovina: Defense Reform and State-Building.' *Problems of Post-Communism*, Vol. 57, No. 5. (September, 2010) p.26

accommodation offered to VRS conscripts deteriorated in quality over time, and no official arms imports were made by RS between Dayton and military unification.⁴⁹ Whilst equipment may have been sourced covertly from Yugoslavia, this material would have been compromised by the same problems as the VRS's existing reserves. As the Senior Political-Military Analyst at NATO Headquarters Sarajevo explained: 'The RS Army had not moved, they were still on the old system, and quite proud of it . . . although maybe the VRS would have recognised that they were probably outgunned by the stuff that had been given to the Federation.'⁵⁰ An interview conducted by the army journal, *Srpska vojska* (Serb Army), with RS President Biljana Plavšić, offers insight into the condition of the VRS. Discussing the reduction of personnel, she observed:

Of course, the reorganisation should have been followed with a much stronger material base than was the case . . . As far as I know, people in the HQ and in the Army in general are performing to the level of their capabilities. However, much of it depends on material assets.⁵¹

In 2003, the VRS demobilised an additional 3,500 soldiers, leaving them with a standing force of only 6,500 men, less than half the strength of the VF.⁵² By the time the reform process began, a significant discrepancy in the relative military capability of each entity had developed, with the VF being twice the size of the VRS, possessing superior equipment, and receiving better training.

The VRS did, however, retain significant symbolic value, offering RS considerable power and 'one of the trappings of national sovereignty.'⁵³ A 1996 article in *Srpska vojska* underlined its importance, stating: 'All those on whom further building of the Army depends must know that it still remains the only guarantee to the Serb people, for a peaceful life and development of RS.'⁵⁴ Plavšić emphasised the link between the VRS and RS's aspirations for statehood: 'A Yugoslav soldier did not know what he was fighting for, whereas a Serb soldier knows that he is fighting for his Serb state. By keeping such an attitude, we will have both our state and our future.'⁵⁵

The 12th of May is celebrated as VRS Day, and commemorations have focused on the role of the army in the founding of RS.⁵⁶ In the May 1997 issue, *Srpska vojska* remarked: 'In a little over four years of war thousands of fighters fell, giving their lives for what we have today - and that is Republika Srpska.'⁵⁷ The following year, the publication ran the headline: 'The Army is the pillar of unity of RS'. This invoked the words of Plavšić at a ceremony held in Banja Luka: 'May remembering the victims be a measure of our love for RS'. She continued:

In peacetime, it is the VRS' task, as well as its obligation as the creator of this Serb country, to use its authority, professionalism and proven patriotism, to be a pillar of our society inside, and a barrier to the outside, if needed.⁵⁸

⁴⁹ Rohan Maxwell and John Andreas Olsen. *Destination NATO: Defence Reform in Bosnia-Herzegovina, 2003-13*. (RUSI, 2013) p.24; SIPRI. *Transfers of major conventional weapons: sorted by supplier. Deals with deliveries or orders made for year range 1996 to 2015*. (Generated November 2016)

⁵⁰ NATO Senior Political-Military Advisor Rohan Maxwell, interview with the author. (20/10/2016)

⁵¹ B. Ćurđević. 'Obrana je najvažniji posao države.' (Interview with President of RS Biljana Plavšić) *Srpska vojska*, No. 43. (May, 1997) p.6

⁵² Herd & Tracey. 'Democratic Civil Military Relations in Bosnia and Herzegovina.' p.8

⁵³ James Gow. *Legitimacy and the Military: The Yugoslav Crisis*. (Pinter, 1992) p.31

⁵⁴ 'Stvorena u borbi.' p.9

⁵⁵ Ćurđević. 'Obrana je najvažniji posao države.' p.9

⁵⁶ Since unification it has also been celebrated as the Day of the 3rd Infantry (Republika Srpska) Regiment of the OSBiH.

⁵⁷ Ibid. P.6; M. Dizdar. 'Vojska je stub jedinstva Republike Srpske.' *Srpska vojska*, No. 50. (May, 1998) p.8

⁵⁸ 'Vojska je stub jedinstva republike srpske.' *Srpska Vojska*, No. 50. (May, 1998), p.1; 'Neka sećanje na žrtve bude merilo naše ljubavi za republiku srpsku.' *Srpska Vojska*, No. 50. (May, 1998), p.9

In comparison with the VF, the VRS developed very little as an entity army. Whilst this can be explained in part because of its formation, originating as it did from the well-equipped and professional Yugoslav army, much of this stagnation can be attributed to a severe lack of funds and resources. However, where the VF symbolised little more than an alliance of necessity between its composite elements, the VRS was heralded as the founder, unifying focus, and guarantor of the Serb entity in BiH. RS gave the VRS a state to serve as Yugoslavia collapsed. In return, the VRS fought to establish RS. For many Bosnian Serbs, the survival of one was intertwined with the other.

Military Integration: An unlikely prospect?

An examination of the development of the entity armies has revealed the complexity of the security environment in post-Dayton BiH. The divergent paths of development of the VF and the VRS not only symbolised the division within BiH, but also raised extensive practical challenges to integration. Concerns regarding the development of the entity armies were raised by the Peace Implementation Council (PIC), the international body which oversaw post-Dayton BiH, in 1998:

The Council is concerned at the increasing divergence in doctrine and training between the Entity Armed Forces, and urges the development during 1999 of plans for a training and development programme common to all the armed forces of Bosnia and Herzegovina.⁵⁹

The inability of the VF to address the legacy of conflict between its composite elements and integrate them at a meaningful level offered an indication of the difficulties that would face any efforts to unify the armed forces in BiH. The PIC described the integration efforts in the VF as 'superficial and inadequate' and further noted that efforts to implement confidence and security building measures had been delayed, resulting in 'a lack of real progress towards improving the level of co-operation and confidence between the Entity Armed Forces (and within the Federation army).'⁶⁰

The extent of external sponsorship of all armed forces in BiH following Dayton exacerbated the practical difficulties facing integration efforts, raised concerns regarding legitimacy and jurisdiction, and presented a direct threat to the viability of the Bosnian state. The PIC also voiced its concern regarding this matter: 'The Council requires immediate and full transparency in all aspects of external support to military forces . . . all such external support should promote integration and cooperation among and between all elements of the armed forces.'⁶¹ The problems in the defence sector were apparent to international observers, and the PIC itself identified 'the instability that is inherent in having two – and in practice three – armies present in one country,' however little progress was made in addressing them.⁶² This can in part be explained by the omission of many specifics regarding defence in the DPA and the initial focus on reconstruction following the war. However, reform across almost every sector of post-Dayton BiH society was difficult. A report to the US House of Representatives illustrates the frustration faced by those wishing to establish a functioning state: 'Bosnian leaders from all three ethnic groups have not made a concerted effort to curb corruption and have often acted to obstruct the reform process in general.'⁶³

Confronted with a political stalemate in a state in the midst of reconstruction and economic transition, in 1997 the PIC issued the High Representative (an international official tasked with overseeing BiH on behalf of the PIC) with

⁵⁹ Military Issues. *PIC Declaration – Annex*. (PIC Main Meeting, Madrid, 16/12/1998) Available at: <http://www.ohr.int/?p=54101> (Accessed 11/05/2017)

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² Ibid.

⁶³ GAO. 'Bosnia: Crime and Corruption Threaten Successful Implementation of the Dayton Peace Agreement.' (GAO, Washington, 2000), p.2

the so-called “Bonn Powers,” allowing them to ‘remove from office public officials who violate legal commitments and the DPA, and to impose laws as he sees fit if BiH’s legislative bodies fail to do so’.⁶⁴ Initially, the powers were used to strengthen the state, and established a Law on Citizenship, a passport, flag, currency, national anthem, coat of arms, and a common licence plate for vehicles, none of which could be agreed upon by BiH politicians.⁶⁵ The Bonn Powers were increasingly utilised to force through reforms, including the creation of a state-wide public broadcasting system, judicial reform, constitutional amendments, and the formation of a state-wide tax system.⁶⁶ Throughout the period, however, the entity armies remained relatively untouched, as their ambiguous legal and constitutional positions offered some protection. For defence reform to become a realistic goal, incentives needed to be created, cooperation fostered, or justification for intervention found.

In May 2000, Croatia joined NATO’s Partnership for Peace (PfP), a bilateral programme that promotes cooperation and the modernisation and democratisation of armed forces.⁶⁷ Croatia’s PfP membership coincided with renewed calls from the PIC for the establishment of a ‘state defence establishment,’ a reduction in the size of armed forces in BiH, and a military configuration that could be ‘balanced against projected budgets.’⁶⁸ An audit of the defence budgets of 2000, sponsored by the US, UK, Switzerland and Germany, concluded that the entity armies were consuming far more than they were allocated, and warned that by 2002 the VF would only be able to pay one in three of its soldiers, and the VRS two in three.⁶⁹ In addition, it was found that both armies often failed to pay salaries and bills, and almost nothing was spent on purchasing equipment, providing quality training within BiH, maintaining infrastructure, investing in research and development, or adequately funding the only state-level military institution, the Standing Committee on Military Matters.⁷⁰ Sergeant Peter Fitzgerald, a peacekeeper deployed to BiH with the Stabilisation Force (SFOR), noted the fiscal impact of BiH’s bloated defence sector:

The primary purpose of any armed force is to defend a country’s territorial integrity and sovereignty. The situation in BiH is unique, however, with two distinct armed forces in defence of one country. Such a defence structure has led to armed forces that have become an economic burden on the country.⁷¹

He points out that steady personnel reductions had greatly reduced the number of troops, from an end-of-war estimate of 430,000 to 34,000 in 2001. However, at this number the BiH defence budget was still consuming approximately six percent of the country’s Gross Domestic Product (GDP), quadruple that of the European average.⁷² Even following a programme of troop reduction in both entities, in 2003 BiH still had almost 20,000 soldiers and a reserve force of 250,000. Compared with total population figures, this amounted to one soldier for every 21 citizens: In the United States the ratio is 1:200.⁷³ Having three armies in one state, regardless of the political or symbolic value, was an expensive luxury that BiH could not sustain.

⁶⁴ The Mandate of the OHR. (16/2/2012) Available at: http://www.ohr.int/?page_id=1161 (Accessed: 11/05/2017)

⁶⁵ Christopher Bennett. *Bosnia’s Paralysed Peace*. (Hurst & Company, London. 2016), p.114

⁶⁶ Ibid. pp.147 – 148; Paddy Ashdown. *Swords and Ploughshares: Bringing Peace to the 21st Century*. (Weidenfeld & Nicolson, 2007), p.245

⁶⁷ NATO. *Partnership for Peace Programme*. (07/04/2016) Available at: http://www.nato.int/cps/en/natolive/topics_50349.htm (Accessed: 11/05/2017)

⁶⁸ ‘Military Issues.’ *PIC Declaration – Annex*. (PIC Main Meeting, Brussels, 24/05/2000) <http://www.ohr.int/?p=54073> (accessed 20 December 2017)

⁶⁹ Major General (ret’d) John Drewienkiewicz. ‘Budgets as arms control – the Bosnian experience.’ *The RUSI Journal*, Vol. 148, No. 2. (2003), p.32

⁷⁰ Herd & Tracey. ‘Democratic Civil Military Relations in Bosnia and Herzegovina.’ p.7

⁷¹ Fitzgerald. ‘The armed forces in Bosnia and Herzegovina.’ p.1

⁷² Ibid.

⁷³ Herd & Tracey. ‘Democratic Civil Military Relations in Bosnia and Herzegovina.’ p.7

Whilst the economic pressure for reform mounted, significant political developments were occurring in BiH and across the region. In January 2001, Zoran Đinđić became Prime Minister of Serbia, after leading a broad coalition to victory. Widely favoured by many Western leaders, and a leading figure in the democratic opposition to Slobodan Milošević, the election of Đinđić represented a sharp change in outlook for Serbia. His expression of interest in PfP membership for Serbia compounded interest in BiH, which itself underwent a transformation in January 2001, with the formation of a government under the Democratic Alliance for Change (*Demokratska alijansa za promjene*, DAP). A coalition of ten parties convinced to cooperate by the American and British ambassadors, DAP ousted the incumbent nationalists, whose 'stewardship since Dayton had left Bosnia poor, dysfunctional, divided, corrupted, unreconstructed and hopeless' in the eyes of many.⁷⁴ The arrest of Milošević in April 2001, followed by his extradition to The Hague in June of the same year, offered a definitive end to an era which began to recede with the election of Đinđić. The arrest, coupled with the formation of DAP and the rise of Đinđić, left RS isolated. With hopes of secession reducing, it was left with few options but to cooperate with the state-building process in BiH.⁷⁵

The accession of Croatia to PfP, coupled with the interest signalled by Đinđić, inevitably led to the consideration of PfP in BiH, and in July 2001 the Presidency of BiH expressed its desire to join the programme. Whilst such declarations were welcomed by the NATO Council, many conditions were given which would have to be met before BiH could join. NATO Secretary General Lord Robertson outlined the requirements at a press conference in Sarajevo:

A common security policy, democratic parliamentary oversight and control of the armed forces, the provision at a state level of command and control of the armed forces, including a state level ministry responsible for defence matters, full transparency for plans and budgets, and a development of a common doctrine and common standards to train and equip the armed forces of this country.⁷⁶

The conditionality offered by NATO to BiH demanded significant reforms in order for progress towards PfP membership to be made. However, whilst the creation of state-level oversight was required, the integration of the armed forces in BiH was not.

On 27 May 2002, Paddy Ashdown, the former leader of the British Liberal Democrats, became the High Representative for BiH and the European Union Special Representative to BiH, two roles which he “double-hatted” during his tenure overseeing the implementation of Dayton. Ashdown brought with him new ideas, a new approach, and a willingness to intervene in BiH domestic politics on an unprecedented level, to the extent that his critics gave him the moniker “the Viceroy of Bosnia.”⁷⁷ In his inaugural speech to the Bosnian parliament, Ashdown highlighted the burden that the entity armies were placing on BiH's finances, noting that 'BiH spends twice as much on defence as the United States, and four times more than the European average . . . there is no alternative to reform.'⁷⁸ Reflecting on his time as High Representative, Ashdown offered an interesting insight into his aims for BiH:

I felt that the process of creating the peace was over, the job was now to put BiH irreversibly onto the path to a sustainable peace as a member of the European institutions. Note the word European institutions, it doesn't just mean the EU, it means Brussels-based institutions which includes NATO. In making that as the aim of my mandate I was clear that in order to become a member of NATO they'd have to create a

⁷⁴ ICG. *Balkans Report No. 132: Bosnia's Alliance for (smallish) Change*. (ICG, 02/08/02), p.1

⁷⁵ Aybet. 'NATO Conditionality in Bosnia and Herzegovina.' p.26

⁷⁶ Secretary General Lord George Robertson. *Joint Press Conference*. (Sarajevo, 13/07/2001) Available at: <http://www.nato.int/sfor/trans/2001/t010713a.htm> (Accessed: 11/05/2017)

⁷⁷ 'Running Bosnia: The viceroy rules, OK? Not everyone thinks so.' *The Economist*. (24/07/2003) Available at: <http://www.economist.com/node/1947010> (Accessed: 11/05/2017)

⁷⁸ Paddy Ashdown. *Inaugural Speech to BiH Parliament*. (Sarajevo, 27/05/2002) Available at: <http://www.ohr.int/?p=51413> (Accessed: 11/05/2017)

united army, a single army. It was contained within the framework of what I thought the aim of my mandate was.⁷⁹

Ashdown's interpretation of his mandate did not correlate exactly with the official NATO position, which allowed for multiple armies if they had state-level oversight. He explained this discrepancy, stating: 'Mostly I decided I was a better judge of what was possible in Bosnia than they were sitting in Brussels.'⁸⁰ When asked where the idea for military integration originated from, Ashdown explained: 'It started with me. I saw my job as to build in BiH the framework for a light level state. One of the parts of that framework was a single army under the control of the Presidency.'⁸¹

The events of 2000-2 constituted a seismic shift in the political discourse and state of affairs in the region. The divergence of the entity armies, and associated instability, had been highlighted by the international community, along with the economic unsustainability of the post-Dayton defence sector in BiH. Regional interest in NATO, coupled with the formation of the 'least obstructive' BiH government since the war ended, initiated serious discussion about long-term military ambitions.⁸² With the goal of joining the PfP agreed, NATO's conditions outlined, and the arrival of an ambitious High Representative, the climate for reform was as conducive as it had ever been. However, in May 2002 legislation to reorganise the armies at state level was vetoed by the Serb member of BiH's tri-partite Presidency, Živko Radišić, and in 2003 five Bosnian Serb parties agreed to harmonise parliamentary activities to block the talks.⁸³ This proved that whilst reform was firmly on the table, successful implementation was far from guaranteed. Military integration, it seemed, was still an unlikely prospect.

The Orao Affair

On 9 September 2002, the U.S. Embassy voiced concerns that a business in BiH had been delivering weapons to Iraq, which was under UN embargo. Links between Yugoslavia and Iraq had been established following Saddam Hussein's rise to power, and manifested themselves through the construction of numerous airports, infrastructure projects, and bunkers by *Jugoimport-SDPR* and *Aeroinženjering*, two Yugoslav companies.⁸⁴ Furthermore, prior to the break-up of Yugoslavia, repair and maintenance services at a facility in Zagreb had been used by the Iraqi Air Force. However following the secession of Croatia from Yugoslavia, 19 Iraqi MIGs that were being serviced were transported to Serbia, where they remained.⁸⁵ The relationship continued into the 1990s, despite UN sanctions on both states remaining in place, with contractors from the Federal Republic of Yugoslavia constructing the new Ba'ath Party headquarters and several bunkers in Baghdad.⁸⁶

U.S. officials were concerned that the Orao (Eagle) Aviation Institute, a former Yugoslav military manufacturer that developed, built and maintained a range of fighter jets, was secretly trading with Iraq, and demanded an investigation. The U.S. Embassy told the press that they had 'information which raises the possibility of violations of the UN resolution regarding Iraq, which is why the issue is raised with Bosnian governments, both at state and entity level.'⁸⁷ The requested

⁷⁹ Former High Representative Paddy Ashdown, interview with the author. (22/03/2016)

⁸⁰ Ibid.

⁸¹ Ibid.

⁸² Drewienkiewicz. 'Budgets as arms control – the Bosnian experience.' p.30

⁸³ Herd & Tracey. 'Democratic Civil Military Relations in Bosnia and Herzegovina.' p.8; Outi Keränen. *The Contentious Politics of Statebuilding: Strategies and Dynamics*. (Routledge, 2017) p.70

⁸⁴ Jugoimport-SDPR Engineering. *Main References*. Available at:

<http://www.yugoimport.co.rs/engineering/reference/reference.htm> (Accessed: 17/05/2017)

⁸⁵ 'Vojska federacije sa unificiranim oznakama.' *Prva linija*, No. 59. (February, 1998) p.9

⁸⁶ O. Poole. 'Inside £50m nuclear bunker that couldn't save Saddam.' *The Telegraph*. (12/01/2006)

⁸⁷ Fena. 'Ambasada SAD traži istragu o predaji oružja Iraku.' *Oslobođenje* (10/09/2002) p.3

investigation was already in progress: privately U.S. officials had handed a document to the Bosnian government a week earlier, outlining the allegations.⁸⁸ The following day the investigative commission of the RS Ministry of Defence reported that 'there is no evidence that the "Orao" Aviation Institute from Bijeljina [in RS] delivered weapons, military equipment or spare parts, nor provided any services to any country under UN embargo, especially not Iraq.'⁸⁹ Orao, emboldened by its exoneration from the investigation, went on the following day to announce that it would file charges 'against those who gave statements and the alleged information about this (the delivery of weapons to Iraq), as well as against the media that reported this without checking the information.'⁹⁰ The same press release emphasised that 'the "Orao" Aviation Institute, in its long tradition, never produced weapons or any type of ordnance, and that jet engines are not weapons.'⁹¹

The commission presented its findings to the BiH Presidency a few days later, which accepted the conclusion that Orao did not arm Iraq and that BiH had not violated the UN embargo.⁹² However, a number of ambiguities in the report left the issue unresolved. It stated that 'the commission could not establish that one of Orao's partners did not misuse business arrangements and commitments and divert weapons to Iraq.'⁹³ A second phase of the report, regarding 'the verification of residence of persons employed at Orao, in order to determine whether any of them were living in Iraq', was not included.⁹⁴ This proved to be a glaring omission.

On 8 October, *Oslobođenje* (Liberation), a leading BiH newspaper based in Sarajevo, published allegations from 'well informed Western officials, who requested anonymity.'⁹⁵ They claimed that 'in the last two years engineers and other employees of the "Orao" Aviation Institute regularly travelled to Iraq and worked on maintaining Iraqi aircraft, and received nine times more pay,' with *Oslobođenje* elaborating: 'In fact, it is the overhaul of jet engines for MiG-21 "Fishbed" and MiG-29 "Fulcrum" fighters, which is what, arguably, the aircraft company "Orao" has worked on in Iraq in the past two years.'⁹⁶ The source explained the US's strategy thus far, saying:

Representatives of the United States deliberately did not make a fuss in the media, because they want to give the RS authorities the opportunity to clear this up. Also, they did not want the affair supplying the context of the current election. BiH needs to choose the path to Europe, rather than to Iraq. Cooperation with Iraq prevents BiH's integration with international institutions. This is an opportunity for the military and civilian officials of RS to show that they are not part of the problem, but that they are able to investigate the matter and solve the problem. The response of the US government will depend on how serious and genuine their investigation and its results are.⁹⁷

On 11 October, after Orao had closed for the day, SFOR troops began an inspection at its factories and warehouses in Bijeljina, an incident that *Glas Srpski*, one of the leading newspapers in RS, reported as the 'plucking' of Orao.⁹⁸ SFOR had a mandate to conduct such searches of anything with a 'military capability' under the DPA.⁹⁹ Major Sean Mel of SFOR informed reporters in Bijeljina that it was a regular check and that these inspections could not be connected with the affair concerning the involvement of "Orao" in the sale of weapons to Iraq.¹⁰⁰ The search continued

⁸⁸ BBC. 'Bosnian firm aiding Iraq, US suggests.' (10/09/2002) Available at: <http://news.bbc.co.uk/1/hi/world/europe/2250117.stm> (Accessed: 11/05/2017)

⁸⁹ M. Cepina. "'Orao" nije kriv.' *Glas Srpski*. (11/09/2002) p.3

⁹⁰ S. Raven. 'Tužbe zbog lažnih optužbi.' *Glas Srpski*. (12/09/2002) p.3

⁹¹ Ibid.

⁹² V. Živak. 'BiH nije prekršila zabranu naoružavanja Iraka!' *Oslobođenje*. (15/09/2002) p.6

⁹³ Ibid.

⁹⁴ Ibid.

⁹⁵ A. Prlenda. 'Dvogodišnji let iznad Sadamovog gnijezda.' *Oslobođenje*. (08/10/2002) p.7

⁹⁶ Ibid.

⁹⁷ Ibid.

⁹⁸ C.P.T. 'SFOR čerupa "Orao."' *Glas Srpski*. (12/10/2002) p.1

⁹⁹ OHR. *The General Framework Agreement*. (14/12/1995) Annex 1A

¹⁰⁰ Onasa. 'Zavod "Orao" i dalje pod blokadom.' *Oslobođenje*. (13/10/2002) p.4

throughout the weekend, as some safes could not be opened on the Friday, with SFOR soldiers remaining at the complex until the keys could be found.¹⁰¹

Prior to the publication of SFOR's results, representatives of the US embassy in BiH met with the leaders of the investigative committee in Banja Luka. Deputy Minister Lieutenant General Nikola Delić, who had chaired the committee, gave assurances that 'trade with Iraq from mid-September halted, that no official from the Ministry of Defense or an official at a higher level in the RS, has approved such trade.'¹⁰² The results of SFOR's inspection revealed that Orao had indeed been supplying spare parts and technical assistance to the Iraqi Air Force. A letter had been found calling for multiple shipments of materials for the maintenance and repair of engines for Iraqi MIG-21 and MIG-29 fighter jets. It emerged that Orao had at least five experts still in Iraq and that the Iraqis had been asked to remove the Orao Aeronautical Institute mark from all documents and equipment in Iraq, and even hide the Serbian language manuals. Furthermore, the document was dated 25 September, two weeks after the first warnings from the US Embassy.¹⁰³ Evidently, this contradicted Deputy Minister Delić's claims that any trade had stopped. Another 'reliable source' told *Oslobođenje* that:

In fact, work with Iraq is not suspended, trade with the material and the movement of people into and out of Iraq is not interrupted. Investigations so far have not been adequately extensive, and the United States expects it to continue, and to show fully and in detail how the trade was actually conducted, who was included, in particular, who has led, how many people travelled to Iraq, when and how many times. They expect to be provided with the details of the material which was sold to Iraq, as well as details on the payment of such activities. The US also expects to be told what measures will be taken against those responsible for these actions.¹⁰⁴

The repercussions of the escalating scandal potentially had grave consequences for BiH:

Because of the slow and insufficiently serious investigation by the RS Ministry of Defence, carried out following allegations that Orao maintains jet engines for the Iraqi air force, BiH could be facing international sanctions.¹⁰⁵

Glas Srpski, in contrast, came to the defence of the RS government, reporting: 'this information came after the RS government was informed of the findings of the previous commission of the Ministry of Defence,' and speculated whether the US 'wants to interrupt the links between Srpska and Serbia in the field of military cooperation.' *Glas Srpski* did, however, also note the RS government's declaration that 'it is necessary to punish those responsible at Orao, the General Staff of the VRS, and the Ministry of Defence.'¹⁰⁶

Ashdown understood the potential consequences of the unfolding scandal, noting in his memoir: 'In the worst case, this breach of international law by the RS could have opened up Bosnia to the possibility of UN action.'¹⁰⁷ He was, however, fully aware of the opening presented: 'We knew at once that this would give us the opportunity I had been looking for to try to push through defence reform in order to abolish the two opposing entity armies and create a single Bosnian army under state control.'¹⁰⁸ Ashdown moved quickly to set the agenda, calling for 'a full and public enquiry.

¹⁰¹ Onasa. 'SFOR ponovo u "Orlovim" sefovima.' *Oslobođenje*. (14/10/2002) p.3

¹⁰² Ibid.

¹⁰³ Prlenda. 'Bijelinski "Orao" donosi sankcije za BiH?' *Oslobođenje*. (22/10/2002) p.5

¹⁰⁴ Ibid.

¹⁰⁵ Ibid.

¹⁰⁶ G. Dakić. 'Prekršen embargo – slijede kazne.' *Glas Srpski*. (24/10/2002) p.2; M. Ćepina. "'Orao" preširokih krila' *Glas Srpski*. (24/10/2002), p.2; As has been stated, the VRS retained strong links with Belgrade following Dayton. This significantly strengthened the RS as an entity at the expense of the BiH state and was an issue of contention with the international community overseeing BiH.

¹⁰⁷ Paddy Ashdown. *Swords and Ploughshares: Bringing Peace to the 21st Century*. (Weidenfeld & Nicolson, 2007) p.248

¹⁰⁸ Ibid. p.248

This will need to involve the State authorities as the State ultimately has responsibility for ensuring BiH respects UN resolutions.¹⁰⁹ Further measures were outlined by the Office of the High Representative, all of which focussed on strengthening the state at the expense of the entities:

Firstly, the full implementation of the BiH Council of Ministers decision on Classification of Goods for Export and Import Regime. This means that the BiH Ministry of Foreign Trade and Economic Relations will give the final approval for weapons exports from BiH.

Secondly, the High Representative called for “a thorough review of the way that the BiH borders are controlled, and export and imports properly monitored ... there must be root and branch reform.”

Thirdly, there must be a thorough review of the Entity defence structures and a strengthening of the systems of civilian, democratic control. “It is clear that the current system appears to allow parts of the defence industry to operate outside of transparent political control”, said the High Representative.

Fourthly, the High Representative highlighted that “clear lines of responsibility must be established through a strengthened Standing Committee on Military Matters.”¹¹⁰

As the severity of the scandal became apparent, a debate arose regarding who should be held to account for the scandal. The Chairman of the House of Peoples, Nikola Spirić, said that the Serb member of the Presidency, Mirko Šarović, and the RS Prime Minister, Mladen Ivanić, were responsible for the affair. Šarović himself announced that the RS Minister of Defence would take responsibility and resign. The response from within RS varied, with some seeing political opportunity and a chance to discredit their rivals, whilst others attempted to limit the damage. An official of the largest opposition party, the Alliance of Independent Social Democrats, led calls from across the RS National Assembly that the current RS authorities, especially Šarović and Ivanić, were responsible. The Socialist Party of RS blamed the RS Minister of Defence and the VRS itself. The Party of Democratic Progress, founded by Ivanić in 1999 and part of the coalition government of RS at the time, was somewhat defensive, stating that only the individuals who reached an agreement with Iraq should be held accountable.¹¹¹ The Orazo Affair dominated political discourse within RS and across BiH. Whilst there was consensus regarding the necessity for responsibility to be taken, the outcome that would follow remained far from clear.

On 25 October, *Oslobođenje* ran the headline: 'BiH has 24 hours to avoid sanctions.'¹¹² It reported: 'In an emergency meeting, the Presidency of BiH requested that RS dismisses all officials responsible for cooperation between Bijeljina and Baghdad within 24 hours.'¹¹³ RS heeded the request, and the Director of Orazo, Milan Prica, Head of the RS Air Force, Colonel Miljan Vlačić, and the Director of the Department for the transport of military equipment and weapons, Spasoje Orašanin, were dismissed.¹¹⁴ Milan Prica adamantly continued to deny the allegations, saying 'Orazo has never sold weapons.'¹¹⁵ The Serb member of the BiH Presidency, Mirko Šarović, perhaps feeling enough had been done, announced that: 'The government and the relevant authorities of RS took concrete measures to sanction any institution which violated the embargo on exports of arms and equipment to Iraq.'¹¹⁶

¹⁰⁹ OHR. *High Representative Outlines Required Action Following “Orazo” Scandal*. (28/10/2002) Available at: <http://www.ohr.int/?p=49912> (Accessed 11/05/2017)

¹¹⁰ Ibid.

¹¹¹ OHR. *OHR BiH Media Round-up*. (28/10/2002) Available at: http://www.ohr.int/?ohr_archive=ohr-bih-media-round-up-28102002 (Accessed: 11/05/2017)

¹¹² Prlenda. 'BiH ima 24 sata da izbjegne sankcije.' *Oslobođenje*. (25/10/2002) p.1

¹¹³ Ibid.

¹¹⁴ Ibid.

¹¹⁵ Onasa. 'Demanti smijenjenog direktora “Orazo” nikada nije prodavao oružje.' *Oslobođenje*. (26/10/2002) p.5

¹¹⁶ G. Dakić. ““Orazo” slomljenih krila.’ *Glas Srpski*. (25/10/2002) p.3

The US government, however, was unsatisfied with the RS government's penalties. A press release by the US Embassy following the dismissals stated:

The United States government welcomes the first steps which have punished a violation of UN Security Council resolutions, the Dayton Agreement and BiH export control regulations, but we expect new steps from those responsible in the state and entity to stop cooperation with Iraq and carry out a full investigation. We expect that the officials who bear political, military and business responsibility are not only dismissed, but are also criminally sanctioned.¹¹⁷

The Bosnian Muslim member of the BiH Presidency, Beriz Belkić, also called for more punishment, saying that, in addition to the leadership of Orao, the current Bosnian Serb government should be sanctioned if it was determined that it knew the company had violated the embargo. He said that the consequences of this case could be horrendous for BiH if the United States and some other countries put it on a blacklist and sought sanctions.¹¹⁸ He told *Oslobođenje*:

The dismissals that have occurred in the RS itself are a signal that we have started to understand the situation. But, those dismissed were in the military structure, and now we need to establish the responsibility of the civilian structures, which command the army.¹¹⁹

Ashdown was also critical of RS's response and, after returning from a meeting with the UN Security Council regarding the affair, commented: 'it is worrying that the measures taken by the RS in September to clarify this issue were very tepid and unconvincing.' However, he did concede that 'the latest measures by RS are encouraging, but they should be continued.'¹²⁰ A more ominous warning to RS came from U.S. Secretary of State Colin Powell, who wrote to RS Prime Minister Mladen Ivanić, telling him that his government faced serious consequences because of the scandal. Powell informed Ivanić that 'this topic has now gained attention at the highest level in the Government of the United States.'¹²¹ He described the RS investigation as a 'mockery,' saying 'you were warned about these activities and did not do anything to prevent them.'¹²² Powell applied further pressure, telling Ivanić that 'the United States also has access to numerous sanctions and penalties that can be applied to your government and to all individuals who are involved.'¹²³ He made it clear that BiH and RS could be in serious danger of international repercussions, reminding Ivanić that the U.S. had enough power and influence to demand action on its own. The seriousness of the situation had been made expressly clear by politicians and officials from within BiH, international organisations operating in BiH, and by the upper echelons of the U.S. government.

Commentators were beginning to see the opportunity for reform. Aldijana Omeragić argued that 'the United States does not do anything by accident, even in the case of Orao,' and pointed out that 'the US threat of sanctions has become a great opportunity for BiH, more than seven years after the war, to reorganize and eventually curb all legal and secret weapons and armaments.' Furthermore, she recognised how the Orao Affair had raised a discussion 'about creating a single BiH Army. Or maybe even a new, state-level Ministry of Defence.'¹²⁴ Zija Dizdarević argued that the actions of the RS served to strengthen the central state. He promoted the idea that:

To punish the whole of Bosnia and Herzegovina because of Orao would be meaningless because the central government does not have a mechanism for control over the military industry, which was evident

¹¹⁷ Aldijana Omeragić. 'Bond traži nove smjene dužnosnika RS.' *Oslobođenje*. (26/10/2002) p.4

¹¹⁸ Dakić. "'Orao" slomljenih krila.' p.3

¹¹⁹ A. Omeragić. 'Bond traži nove smjene dužnosnika RS.' *Oslobođenje*. (26/10/2002) p.4

¹²⁰ Ibid.

¹²¹ Fena. 'Ako vi ne djelujete, djelovaće međunarodna zajednica.' *Oslobođenje*. (26/10/2002) p.5

¹²² Ibid.

¹²³ Ibid.

¹²⁴ A. Omeragić. 'Orlovo gnijezdo.' *Oslobođenje*. (26/10/2002) p.2

in the case of hiding mortar rounds in Mostar factories, and arms imports through Israel, or the suspicions of the smuggling of weapons to Kosovo.¹²⁵

In addition, he points out that: 'The most important question is what lesson can be brought from this case on a system level,' and postulates that 'the Orao Affair and the behaviour of the authorities on this occasion favours the strengthening of the powers of the central authorities, and giving more responsibilities to them.'¹²⁶

The first concrete reform to be implemented following the affair was the introduction of a Law on Arms Control, which was imposed by Ashdown.¹²⁷ This would strengthen the state's authority over the defence industry at the expense of the entities. Ashdown also brought some positive news from New York, along with a strong mandate for defence reform. He told reporters that 'the UN Security Council had unanimously endorsed the priority reform measures,' meaning that BiH had a chance to escape international sanctions.¹²⁸

Meanwhile, more details of Orao's dealings were emerging. On the 27th of October 2002 *Oslobođenje* reported that SFOR had found a link between Orao, *Jugoimport-SDPR*, and an importer in Iraq called "Al-Bashair Trade Companies." The findings alleged that Orao had been providing parts, maintenance and repair training for two series of engines for MIG-21s, in a contract worth \$8.5 million. *Oslobođenje* observed that, Orao 'has enabled Iraq, with highly specialised Yugoslav help, to get the damaged fleet of MIGs back to the heavens.'¹²⁹ In response to increased pressure, two further high ranking RS officials resigned their positions: RS Minister of Defence Slobodan Bilić and the VRS Chief of Staff, Novica Simić. The RS government stated that: 'this act helps to improve the international position of the Republika Srpska.'¹³⁰

On 29 October, Ashdown flew to Brussels to brief NATO Secretary General Robertson. He told the ambassadors of the NATO Permanent Council that BiH was facing its 'most severe crisis since the war,' and warned that when the full enquiry was complete it would likely show some high-level political culpability for the scandal.¹³¹ Ashdown also hinted at his planned response, noting that he 'intended to use this scandal to initiate a complete reform of the defence structures in BiH.'¹³² Robertson agreed that NATO would supervise the defence reform process, giving some strong credibility to any proposals that would follow.¹³³ Support for the defence reform process was garnering an increasing amount of public support from across the international community. General Ward told *Oslobođenje* that, after the Orao Affair, the only solution was the creation of a BiH State Ministry of Defence, while US Ambassador Clifford Bond spoke of a unified BiH army.¹³⁴ However, further moves would have to wait for the publication of the second investigative committee's findings.

As the Orao Affair developed, from US Embassy allegations to worldwide condemnation, the flaws in the state, constitutional, and military structures of BiH were exposed and the urgent need for reform became apparent. The possibility of BiH being punished as a state for the actions of an entity illustrated the excessive power wielded by the entities. Furthermore, the need for effective and accountable civilian leadership at a state-wide level was highlighted. In

¹²⁵ Z. Dizdarević. 'RS snaži BiH.' *Oslobođenje*. (29/10/2002) p.2

¹²⁶ Ibid.

¹²⁷ A. Kalamujić. 'Država preuzima kontrolu nad kompletnim naoružanjem.' *Oslobođenje*. (26/10/2002) p.4

¹²⁸ Ibid.

¹²⁹ Fena. 'SFOR pronašao vezu između "Orla" i Iraka.' *Oslobođenje*. (27/10/2002) p.7

¹³⁰ BBC. 'Bosnian officials quit over Iraq sales.' (29/10/2002) Available at:

<http://news.bbc.co.uk/1/hi/world/europe/2370505.stm> (Accessed: 11/05/2017)

¹³¹ Sense. 'Bosna pred najtežom krizom od završetka rata.' *Oslobođenje*. (31/10/2002) p.7

¹³² Ashdown. *Swords and Ploughshares*. p.250

¹³³ Ibid.

¹³⁴ Sense. 'Bosna pred najtežom krizom od završetka rata.' p.7

response, a broad base of support for reform emerged, encompassing political parties formerly stubbornly resistant to reform, media commentators, BiH politicians, international organisations, and governments across the world.

The Impact of the Orao Affair

On 7 January 2003, the High Representative, Paddy Ashdown, was offered a 'first, private sight of the latest RS government report.'¹³⁵ Whilst the previous report had been 'skimpy' and was quick to pass the blame off on the local managers of Orao, this report was a 1,600 page 'attempt to provide a snowstorm of paper which would obscure the issue of political culpability.'¹³⁶ The report did, however, accept that there had to be political responsibility for the scandal. However, this responsibility was placed on the former RS President, Biljana Plavšić, a 'sworn enemy of the current administration, who was, very conveniently, already in jail, having been convicted by The Hague Tribunal.'¹³⁷ As President of RS, Šarović was constitutionally responsible for the VRS and therefore bore some responsibility for the affair. His position was worsened as, prior to his election to the Presidency, he had been chairman of the RS Supreme Defence Council, which had overseen the deal in 2000.¹³⁸

Ashdown became certain of the need to remove Šarović and, after delaying the release of the investigative commission's report and mustering support from international actors, began putting his plans in motion. He records how: 'to my huge surprise, Bosnian Muslim President Sulejman Tihić, backed by his Croat colleague, warned that I should not remove the Serb president as this would destabilise the whole country.'¹³⁹ Ashdown also noted in his diary, on 1 April 2003, that: 'My big fear is not riots or instability as predicted by the French and the Germans yesterday, but a Serb withdrawal from the whole process.'¹⁴⁰ After asking Šarović privately to step down voluntarily, which Šarović had declined, Ashdown recalls a phone-call from Šarović:

He said: 'Look, I don't change my mind often. But I spent much of last night discussing this with my political friends and family. So, I am going to change my mind on this occasion. I am going to resign.'¹⁴¹

The following day *Glas Srpski* reported that: 'Yesterday BiH Presidency Chairman Mirko Šarović tendered his resignation from his duties, which was accepted by the High Representative Paddy Ashdown, and thus explained, put an end to the "Orao" affair.'¹⁴² Šarović reportedly said: 'Not wanting to have a negative impact on the ongoing case, and aware of the atmosphere of enormous pressure, I decided to resign.'¹⁴³ Dragan Mitrović, the new RS Prime Minister (Ivanić had moved to foreign affairs), said: 'I regard his resignation as a personal and moral act with the aim to establish new standards of behaviour by those holding public positions.'¹⁴⁴ Ashdown's public response was clear:

Mr Šarović was President of the RS when Orao signed arms contracts with Iraq in direct contravention of UN Security Council Resolutions. With war now underway in Iraq, possibly involving weaponry exported from this country, I cannot overstate the seriousness of this affair.¹⁴⁵

¹³⁵ Ashdown. *Swords and Ploughshares*. p.262

¹³⁶ Ashdown. *Swords and Ploughshares*. p.263

¹³⁷ Ibid.; Plavšić was indicted for war crimes conducted under her leadership during the war in BiH.

¹³⁸ Ibid. p.251

¹³⁹ Ibid. p.279

¹⁴⁰ Ibid. p.280

¹⁴¹ Ibid. p.282

¹⁴² N.Z. 'Ostavka mirka Šarovića.' *Glas Srpski*. (03/04/2003) p.1

¹⁴³ Ibid.

¹⁴⁴ BBC. 'Ashdown Clips Bosnian Serb Wings.' (02/04/2003) Available at:

<http://news.bbc.co.uk/1/hi/world/europe/2909875.stm> (Accessed: 11/05/2017)

¹⁴⁵ OHR. 'High Representative Comments on Resignation of Mirko Šarović from BiH Presidency.' (02/04/2003) Available at: <http://www.ohr.int/?p=48708> (Accessed: 11/05/2017)

Ashdown did offer Šarović some grace, commenting that he welcomed Šarović's decision 'to recognise his objective responsibility in these matters, and resign in the interests of the RS and BiH'. He described it as 'an honourable act, which begins to set the standards for political responsibility which BiH needs to adhere to if it is to become a European democracy.'¹⁴⁶ He later commented:

With the resignation of Mirko Šarović from the BiH Presidency, to take responsibility for the Orao Affair, and the reform package which I announced today I am satisfied that the Arms-to-Iraq affair and the VRS espionage scandal had been effectively addressed.¹⁴⁷

With Šarović held to account, and the search for culpability coming to an end, the process of reacting to the Orao Affair began in earnest. The scandal had removed a considerable number of RS's leadership, including its member of the state Presidency, Minister of Defence, the head of the VRS's General Staff, as well as numerous other officials, ministers and generals, seventeen of whom would be charged with illegal trading.¹⁴⁸ This, compounded with the support he had gathered both inside and outside of BiH for reform, offered Ashdown the chance he had been waiting for to restructure BiH's defence sector.

The Supreme Defence Council of RS was abolished, because it 'failed to prevent the violation of the embargo on the export of weapons' to Iraq.¹⁴⁹ The constitutions of RS and the Federation, the Law on Defence of the Federation, as well as the Law on Defence and the Law on the Army of RS were amended. Every mention of the word 'state' in the RS constitution was replaced with the words 'Republika Srpska', every use of the word 'sovereignty' and 'independence' was deleted and some sections were removed entirely.¹⁵⁰ In addition, Ashdown demanded plans from the entities which would bring their weapons industries under proper civilian control. Alongside this, the Ministry of Foreign Trade and Economic Relations and the Secretary General of the Standing Committee on Military Matters were to draft state-level legislation to govern weapons production.¹⁵¹ This would not only introduce regulation and oversight of the defence industry in general, but would also sever any connections between the RS and Yugoslav defence industries, such as the link between Orao and *Jugoimport*. Far reaching reforms were planned to restructure the armed forces in BiH so that they would stay within their budget allocations, and the army of the Federation would eliminate dual structures in its organisation.¹⁵² Finally, Ashdown established a commission, to be led by the Organisation for Security and Cooperation in Europe (OSCE), in order to establish the legal and constitutional obstacles to the transfer of command and control of the armed forces to the BiH state. The commission would have until 1 January 2004 to propose amendments to address these obstacles.¹⁵³

Ashdown ushered in these decisions by saying that they would 'strengthen state-level command and control of BiH's armed forces,' and:

¹⁴⁶ Ibid.

¹⁴⁷ OHR. 'High Representative Acts to Ensure that Military in BiH Are Under Effective Civilian Control.' (02/04/2003) Available at: <http://www.ohr.int/?p=48712&print=pdf> (Accessed: 11/05/2017)

¹⁴⁸ I. Traynor. 'Bosnia's arms to Iraq scandal claims top political scalp.' *The Guardian*. (03/04/2002) Available at: <http://www.theguardian.com/world/2003/apr/03/iraq.balkans> (Accessed: 11/05/2017)

¹⁴⁹ N.Z. 'Ostavka mirka Šarovića.' p.1

¹⁵⁰ OHR. 'Decision Enacting the Law on Amendments to the Law on Army of Republika Srpska.' (02/04/2003); 'Decision Enacting the Law on Amendments to the Law on Defence of Republika Srpska.' (02/04/2003)

¹⁵¹ OHR. 'High Representative Acts to Ensure that Military in BiH Are Under Effective Civilian Control.' (02/04/2003)

¹⁵² Ibid.

¹⁵³ Ibid.

Tackle one of the fundamental problems underlying both the Orao and the spying scandals: too many in the RS think the RS is a state not an Entity. Signing arms deals with foreign governments are the actions of a state. If the RS had truly accepted its role as part of BiH, they would not have happened.¹⁵⁴

The Defence Reform Commission (DRC) would be led by James R. Locher III, a former U.S. Assistant Secretary of Defense and staff member of the U.S. Senate Committee on Armed Services, who had previously worked on reorganising the U.S. military. The Commission was composed of delegates from the BiH state, both entities, OSCE, NATO, SFOR, and the EU, in addition to observers from the U.S., Russia, and Turkey. Upon its formation, Ashdown announced its main aims:

Bosnia and Herzegovina needs to establish transparency and proper civilian control of its armed forces, in the interests of BiH and its people, but this process will also help BiH achieve its stated desire of joining Euro Atlantic structures, and in particular, NATO's PfP Programme.¹⁵⁵

The DRC presented its findings three months early, offering a comprehensive analysis of the defence sector in post-Dayton BiH and suggesting numerous reforms which would, if enacted, not only make the Armed Forces of BiH eligible for PfP membership, but would also make them affordable and sustainable. Central to the report is the 'downsizing of many elements of the defence establishment: active forces, reserves, conscription, ministry headquarters and field staffs, weapon storage sites, and excess property', and the establishment of an effective, transparent, and constitutionally unambiguous state-level Ministry of Defence.¹⁵⁶ The entity armies would, for the meantime, remain separate.

The recommendations of the DRC were largely enacted with little difficulty, and created a central administrative and operational chain of command running from the Presidency, via the BiH Ministry of Defence, to the entity armies. Despite this configuration, however, the state's power over administrative areas was limited, forcing it into a position where it could not assume responsibility for the personnel, logistics, and training which formed its army. As a result, Ashdown extended the mandate of the DRC at the end of 2004, requesting that it 'examine and propose the legal and institutional measures necessary to transfer the competencies of the Entity MoDs to the State level, to enhance State level command and control, and to promote co-ordination with the ICTY'.¹⁵⁷ The new DRC would be co-chaired by Mr. Nikola Radovanović, the new BiH Minister of Defence, and Dr Raffi Gregorian of NATO Headquarters Sarajevo.

The second report of the DRC, 'AFBiH: A Single Military Force for the 21st Century,' focussed, as its predecessor had, on reducing the financial burden of the armed forces, using this as the basis for the abolition of parallel structures in the entities and a complete restructure of the reserve system.¹⁵⁸ Dr Gregorian offered a telling insight in an interview with the author regarding the progress made by the DRC:

The terms of reference of the second DRC didn't require the ending of the entity armed forces, they just said that they have to have a single personnel system, a single pay system, and so on. So administratively they'd be completely linked, but still be separate armies in terms of combat power. The process we led and the way we did it, and the leadership in place at the time, created that political moment to go beyond [the terms of reference].¹⁵⁹

¹⁵⁴ Ibid.; In April 2003, it was discovered during an SFOR inspection that the 410th military intelligence unit of the VRS had been spying on international organisations, political opposition, and the VF.

¹⁵⁵ OHR. 'High Representative Appoints Defence Reform Commission.' (08/05/2003) Available at: <http://www.ohr.int/?p=48512> (Accessed: 11/05/2017)

¹⁵⁶ Defence Reform Commission. *The Path to Partnership for Peace*. (Sarajevo, 2003) Introductory letter to Lord Ashdown, p.119

¹⁵⁷ OHR. 'High Representative Extends DRC Mandate.' (31/12/2004) Available at: <http://www.ohr.int/?p=44307> (Accessed: 11/05/2017)

¹⁵⁸ Defence Reform Commission. *AFBiH: A Single Military Force for the 21st Century*. (Sarajevo, 2005) p.3

¹⁵⁹ Co-Chairman of the 2005 Defence Reform Commission Dr. Raffi Gregorian, interview with the author. (18/07/2017)

He elaborated that it was in fact the RS leadership who requested that the reforms being implemented were comprehensive enough to meet the requirements to join NATO, as each reform process cost them a significant amount of political capital and was regarded as being ‘incredibly painful.’¹⁶⁰ As a result, the entity armies would be consolidated, with the VRS and each component of the VF becoming separate regiments within a single army. The army would be organised in three brigades (the basic formation of NATO armies), each of which would be composed of a battalion from each regiment, and mixed command and support units.

The 2005 DRC's recommendations were implemented, and as of 1 January 2006 the fully integrated OSBiH have operated as a unified army. Later that year BiH joined the PfP alongside Montenegro and Serbia.¹⁶¹

The Key to Military Integration?

Prior to the Orao Affair, the problems regarding the status and development of the entity armies were well-known to those specifically tasked with overseeing BiH. However, for many years calls for reform were met with little action. The 2000-2 period witnessed a series of significant changes in the political composition and outlook of BiH and the wider region. The thorough audit conducted by external experts provided irrefutable proof that the post-Dayton military configuration was unsustainable and in desperate need of change, whilst the prospect of PfP and eventual NATO membership provided both professional and strategic incentives to create a defence establishment in BiH that conformed to international norms.

In such a climate, reform would have undoubtedly progressed. However, the speed and extent to which it was implemented would, given the minimal progress in other sectors and the particular importance of the VRS to the Bosnian Serb entity, most likely have been minimal. Furthermore, NATO conditionality prior to the affair did not demand military integration, despite the ‘instability that is inherent in having two – and in practice three – armies present in one country.’¹⁶² The Orao Affair illuminated the many flaws and contradictions in the defence sector of BiH, showing both international observers and BiH citizens the problems which had largely been forgotten or ignored since Dayton. The threat of sanctions, coupled with the intense scrutiny offered from the highest echelons of foreign governments, galvanised both the public discourse and the case for restructuring the entire BiH defence sector. Dr Gregorian noted that a strong response to the Orao Affair was inevitable, as ‘it seemed clear we [the US and UK] were going to take some sort of military action in Iraq,’ but pointed out that Ashdown ‘attached this vehicle for making the changes necessary to bring it into compliance with the PfP conditions which had been set by NATO.’¹⁶³

Following the departure of significant numbers of the RS leadership in the wake of the affair, many of the most significant obstacles in the path of reform disappeared. Ashdown, with his ambition to unify the entity armies already well formulated, exploited the window offered by the Orao Affair to maximum effect. In 2016 he explained his view of the affair: ‘In politics you use what levers you can use which are presented to you. If one is presented to you, you use it. And the Orao Affair was certainly a lever to achieve what I wanted to achieve.’¹⁶⁴ The Orao Affair illustrated the problems in the defence sector of post-Dayton BiH, created the conditions in which they could most effectively be addressed, and

¹⁶⁰ Ibid.

¹⁶¹ NATO. ‘Bosnia and Herzegovina, Montenegro and Serbia join NATO Partnership for Peace.’ (14/12/2006)
Available at: <http://www.nato.int/docu/update/2006/12-december/e1214a.htm> (Accessed: 11/05/2017)

¹⁶² ‘Military Issues.’ *PIC Declaration – Annex*. (PIC Main Meeting, Madrid, 16/12/1998)

¹⁶³ Co-Chairman of the 2005 Defence Reform Commission Dr. Raffi Gregorian, interview with the author. (18/07/2017)

¹⁶⁴ Former High Representative Paddy Ashdown, interview with the author. (22/03/2016)

ultimately led to the consolidation of the armed forces under state authority. In this sense, the Orao Affair was the key to military integration in post-Dayton BiH.