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Adoption of Quick Start Package

The Quick Start Package (QSP) of Laws (Law on Central Bank, Law on Foreign Debt, Law on Foreign Trade, Law on Customs Policy, Law on Customs Tariffs, Law on Immunity, Law on Budget/Budget Execution) were adopted on 20 June by the BiH Parliament, representing the first substantial act to be accomplished by the common institutions. Importantly, adoption of these Laws, which contain the minimum legislation necessary to establish a stable macro-economic environment and develop a market economy, fulfils a number of the necessary prerequisites for an IMF Agreement and clears the way for the holding of the Donors Conference. *"The Parliament of BiH has set up a framework of very important laws which are applicable for the whole of BiH, (Ö) this is the first legislative act in BiH after the elections, and I am very happy that this has happened"*, said Principal Deputy High Representative Steiner following the sessions

BiH Parliamentary Assembly

The BiH House of Representatives and House of Peoples (BiH Parliamentary Assembly) held separate sessions at the Sarajevo National Museum on 20 June. Principal Deputy High Representative, Ambassador Michael Steiner, attended both sessions.

House of Representatives (HoR)
The first agenda item for the 3rd session of the HoR was the adoption, as a package and under urgent procedure, of the QSP Laws. Vice Chair of the CoM, Neven Tomic, gave a short introduction to the QSP Laws, in which he outlined the origin of the QSP in the conclusions of the London Conference, the difficulties in reaching a consensus, the help of the OHR – in particular Ambassador Steiner and Mr. Bildt, and the importance of the adoption of these Laws. The HoR then adopted the package. The HoR also passed a decision calling on the CoM to form a Tariffs

Commission, and approved an Agreement with the European Bank for Reconstruction and Development (EBRD).

Other issues dealt with at the session included a request by Social Democratic Party (SDP) President, Zlatko Lagumdzija that the CoM provide further information on: the realisation of the Sintra Declaration; work of the CoM on passports/citizenship, ambassadors and flags and symbols; and the CoM platform for the Donors Conference. Mr. Lagumdzija further requested from the OHR information on activities carried out to date, as well as plans of the future work of that Office. Two draft laws were also presented by Mr. Lagumdzija to the HoR: one on the status of Delegates, with an emphasis on empowering Delegates to perform their duties across the whole territory of BiH (i.e. in both Entities); and the other one on the issue of war criminals and the responsibility of authorities to arrest those indicted and cooperate with the Hague Tribunal.

House of Peoples (HoP)
CoM Vice Chair Tomic repeated his introduction to the QSP to the Delegates of the 3rd session of the HoP. The package of seven Laws was subsequently adopted in full, as were the decisions of the Parliamentary Assembly on the Tariffs Commission and the Agreement between BiH and the EBRD.

Council of Ministers

At their session on 19 June the BiH Council of Ministers (CoM) discussed preparations for the Donors Conference. Co-chair Haris Silajdzic commented after the session that the CoM had done its best to prepare for the Conference. However, he forecast that the conference would be postponed and criticised *"obstruction of the Pale (Bosnian Serb) leadership regarding the Quick Start Package, and customs tariff laws in particular."*
Other issues reviewed by CoM members included financial arrangements with the International Monetary Fund (IMF). The CoM also appointed a delegation to take part in the work of the London Club.

The Council of Ministers (CoM) met again on 20 June behind closed doors. The CoM took a decision requesting the Presidency to appoint an Expert Commission tasked with making proposals concerning Article 4.3 of the Law on the Execution of the Budget within one month. Other issues discussed were the Donors Conference, the arrival of NATO Secretary General Javier Solana and the opening of airports in Banja Luka, Mostar and Tuzla.

Presidency

The BiH Presidency held its 20th session on 23 June in the National Museum, Sarajevo. Discussions focused on the organisation and distribution of the Ministry of Foreign Affairs and the Diplomatic Consular Network. Minister of Foreign Affairs, Jadranko Prlic, and his Deputies, Husein Zivalj and Dragan Bozanic, also participated in the session. The session ended with no conclusive result, and it was decided that discussion on this item would continue at the next Presidency session, scheduled for 27 June.

Economic Issues

On 20 June the World Bank and European Commission released a joint statement stating that on 19 June, Ms. Catherine Day, Director at the European Commission, and Ms. Christine Wallich, Country Director for Bosnia and Herzegovina at the World Bank had written to Donor Conference participants, informing them of the postponement of the Third Donor Conference for Bosnia and Herzegovina: *"This is to inform you that the donor conference has been cancelled because, in the eyes of the donor community, there has not yet been sufficient progress towards an IMF agreement to meet the conditions of the ministerial Steering Board in Sintra"*, the letter said.

The statement said that following intense negotiations over recent weeks, much progress had been achieved in setting the conditions for a successful donor meeting: the issue of BiH's arrears to the World Bank had been successfully resolved and key components of the Quick Start Package had been approved by the Council of Ministers and by the State Parliament.
"We remain hopeful that the grace period extended to the authorities of BiH will allow them to make the key progress required on the IMF programme", said Rory O'Sullivan, Director of the World Bank Resident Mission in

Bosnia & Herzegovina. The programme is essential to boost donors' confidence in the economic future of the country and a prerequisite to successful negotiations with the Paris and London Clubs of official and commercial creditors on debt reduction and rescheduling. *"As of this date, the donors conference has not been rescheduled but, should the recent rapid progress continue, it is expected that it could take place in Brussels before mid-July,"* Ambassador Donato Chiarini, Head of the Representation Office of the European Commission, added.

Mr. Scott Brown, IMF Mission Chief for Bosnia & Herzegovina, provided additional clarifications on the status of the proposed IMF Program, currently under discussion with the authorities of BiH, at a press conference on 23 June. He said that the IMF has been seeking late last year to reach understandings with the BiH authorities on an economic programme that could be supported by an IMF stand-by arrangement. Recent developments had given IMF confidence that it would be possible to finish the task in the coming weeks. He said the proposed economic programme had four basic elements:

1. a currency board arrangement under which the Central Bank would maintain a fixed exchange for the new domestic currency and would not create money in an inflationary way by extending credit;
2. budgets that would be financed only from real domestic revenues and external assistance, with no government borrowing from domestic banks, enterprises or citizens;
3. large scale external assistance on concessional terms, in support of reconstruction and humanitarian needs; and
4. structural and legal reforms designed for rapid transition to a market economy.

Preconditions for finalising the programme were the passage of laws establishing basic economic institutions of the State; adoption of Entity budgets that provided as well as possible for the needs of the people while also honouring obligations to the State and avoiding any domestic borrowing; and certain initial steps in implementing the State Budget and Central Bank Law, including agreement on the design of the new currency. Agreement would also need to be reached on priorities and timetables for structural reforms during the coming year. The first requirement, the passage of the State economic laws – had now been met, and discussions would continue on the remaining issues in the next two weeks.

On 19 June the Government of Japan decided to extend a financial contribution of US$ 1.5 million for the purchase of ballot papers, production of voter education materials and similar items, to the OSCE, with a view to assisting with the preparations for the forthcoming municipal elections.

Brcko

The High Representative, Carlos Westendorp, visited Brcko on 21 June. Addressing the media at a press conference he said that he intended to carry on the work of his predecessor, Mr. Carl Bildt – *"but we are in a new phase, with new emphasis, new solutions – and we are working on them"*, he said, adding that he had put Brcko at the top of his itinerary in BiH. *"Brcko will signal to the rest of the world the extent to which progress is being made in the implementation of the Dayton [Peace] Accords"*. Mr. Westendorp added that the strong mandate which had emerged from the Peace Implementation Council's Steering Board meeting in Sintra had given new impetus to Dayton, which demanded new commitment. *"It insists that the authorities of BiH stop blaming each other, or the international community, for the problems they encounter, and work together constructively and in a spirit of reconciliation for their common good (Ö) I add my voice to theirs – the responsibility for reconciliation lies with the authorities and the people of BiH."*

Emphasising that the issues of primary importance were the right to return, freedom of movement and economic revitalisation, Mr. Westendorp urged the authorities to move rapidly on these matters in the months ahead. He reminded that the eyes of the world were on Brcko at this time, and attention would be focused on how the authorities, local and Entity, performed. *"You are well aware that when the presiding Arbitrator reviews the case of Brcko between now and March 1998, non-compliance under Dayton will weigh heavily in his final decision"*, cautioned Mr. Westendorp. *"Help us to help you. Help the Supervisor, [Ambassador Farrand] and me to help you. The success of Dayton depends on the success of our efforts in Brcko. The Supervisor and I are determined to be successful here. Brcko is Dayton."*

Banja Luka

On 24 June the Human Rights Working Group (HRWG) based in Banja Luka – comprising OHR, OSCE, UNHCR, UNMIBH (including representatives from UN IPTF and UN Civil Affairs), SFOR and the representative of the UN High Commissioner for Human Rights – issued a statement expressing their "deep concern" over the failure of Republika Srpska police authorities to enforce the law by reinstating 38 families to their legally owned homes. Each of the families had sought and won decisions from the Banja Luka courts which provided court orders for their legal reinstatements. In April, the Ombudsperson for BiH, in a special report to the RS Interior Minister and Minster of Justice, concluded that RS authorities had clear responsibility to enforce the court orders and to begin action in this regard by 7 June. The statement pointed out that the fact that these people had not yet been reinstated raised *"grave doubts concerning prospects for a wider return to the city"*. The decision by the Banja Luka police authorities to *"disregard not only the provisions of the Peace Agreement and the finding of the Ombudsperson's report, but also the laws and the court of RS itself"* was viewed by the HRWG as *"deplorable"*. The HRWG insisted that the inactivity of the RS police *"must not go unchallenged"* and called upon the relevant authorities to respect the court's decisions.

This issue was also raised on 24 June by Principal Deputy High Representative, Ambassador Michael Steiner, at his farewell meeting with RS President Biljana Plavsic in Banja Luka.

OSCE

On 25 June the Election Appeals Sub-Commission (EASC) issued a judgement in the matter of alleged registration irregularities in the Zepce and Capljina municipalities. In Zepce, municipal authorities under the control of the Croatian Democratic Union (HDZ) attempted to manipulate the voter registration process. False residency documents had been issued to persons living outside the municipality. The EASC struck the first two names from the HDZ list of Candidates for the municipality of Zepce, and also removed from the Zepce Local Election Commission (LEC) two individuals who were implicated in the attempts to impede the registration process. In Capljina, municipal authorities under the control of HDZ brought improper pressure to bear on the DPs to register in Capljina, in particular by refusing to renew DP Cards. The EASC struck the second and fourth names from the HDZ party list for Capljina and instructed the municipal authorities to renew, within 14 days, the DP cards of all persons affected by the manipulation. The authorities were also instructed to issue a statement of apology (to be broadcast on local radio and published in local print media) for their conduct, and to advise all those concerned of the way in which they could renew their cards. In the event of failure to comply with the decision, the EASC would consider further penalties.

NATO

Secretary-General of NATO, Javier Solana visited BiH on 23 June. He held meetings with the Joint Presidency, as well as the Co-Chairs and Vice-Chair of the Council of Ministers. He also had his first meeting in Sarajevo with the new High Representative, Mr. Carlos Westendorp. Mr. Solana said that he had recently had the opportunity of talking with Mr. Westendorp in Brussels and to review with him the evolution in the theatre in Bosnia. *"But today I wanted to come here and meet with the new High Representative and tell him very clearly from Sarajevo that he will have all the support that SFOR and NATO, in particular, can give him"*, said Mr. Solana.

Mr. Solana also met with political leaders from opposition parties for the first time, saying that he wanted to "underline, NATO's support for democratic principles and political pluralism in Bosnia". Speaking at a press conference before his departure, Mr. Solana outlined what he considered to be some of the most urgent challenges to be faced in the months ahead: the enforcement of IPTF's checkpoint policy; the opening of additional airports in BiH; and the successful establishment of the Standing Committee on Military Matters.

ICTY

The trial of Bosnian Croat General Tihomir Blaskic began on 24 June at the International Criminal Tribunal for the Former Yugoslavia (ICTY) in the Hague. The indictment includes charges on 20 counts that *"Blaskic, together with members of the HVO planned, instigated, ordered or otherwise aided and abetted in the planning, preparation or execution"*, of persecution, unlawful attacks on civilians and civilian objects, willful killing and causing of serious injury, destruction and plundering of property, inhumane treatment, the taking of hostages and the use of human shields, as well as grave breaches of the Geneva Conventions and violations of the laws or customs of war and crimes against humanity. All of the charges relate to his role as Commander of the HVO (Croatian Defence Council) forces from May 1992 – June 1994. The indictment further charges that Blaskic's "subordinates were about to do the same, or had done so and [that Blaskic had] failed to take the necessary and reasonable measures to prevent such acts or to punish the perpetrators thereof". The HVO has been blamed for a series of particularly brutal massacres in the valleys of central Bosnia, noteably in the village of Ahmici, and around the towns of Vitez and Zenica. Blaskic, who denies all charges, is the first high ranking official to stand trial and answer for crimes committed during the war in former Yugoslavia. Blaskic surrendered to ICTY in April 1996, but not before being awarded an honour by Croatian President Franjo Tudjman for his role in the "Operation Storm" offensive of August 1995, a move which was strongly criticised by the international community.

BiH Federation

On 20 June the fifth continuation of the 4th session of the Federation House of Peoples (HoP) was held. The major item discussed was once again the controversial Law on Split and New Municipalities. The previous HoP session had been adjourned on 17 June in order to enable a working group of Bosniak and Croat representatives to harmonise Article 10 on changing inter-entity and inter-cantonal boundary lines and the establishment of new municipalities. However an agreement was not reached, and the Law proposal was not passed due to ongoing disagreement on the borders of the Usora municipality: Bosniac representatives favour the Law amendments proposed by Federation Prime Minister Bicakcic, whilst the Croat delegates endorse Federation Government proposal.

Right to Return

On 19 June, UNHCR's Special Envoy, Carrol Faubert, announced a new strategy for return of minorities called "Open Cities," a program that provides rapid reconstruction aid to those cities that encourage, accept and fully integrate minority returnees. UNHCR is co-operating with other international organisations which have human rights monitors in the field to ensure that "Open Cities" live up to their commitments to uphold the human rights of minority returnees. Thus far, UNHCR has received propositions from 25 municipalities prepared to participate.

Mostar

UN IPTF is looking into reports that the former west Mostar Police Chief Marko Radic, who had been removed from his post for his involvement the 10 February shooting incident, is now working as an advisor to the Cantonal Interior Ministry. Several days ago Radic reportedly made inflammatory statements in the local media that appeared to be aimed at provoking ethnic tensions. International organisations, including the OHR, OSCE and UN IPTF, condemned the statements and the Mostar Media Experts Sub-commission is looking into the matter.

The OHR has requested an update from the Federation authorities on its call for a new criminal investigation and correct legal proceedings based on new indictments to be undertaken in the cases of three west Mostar policemen who were photographed firing into a crowd of marchers on 10 February. In March, the three policemen were given suspended sentences in legal proceedings which the OHR characterised as having "nothing in common with justice". The OHR also raised its concerns with the Federation authorities about reports that the three policemen may still be working on the force and that some may have even been promoted. The OHR also asked for an update

on actions that had been taken in the cases of two other west Mostar policemen who were photographed with their weapons drawn during the shooting incident and who were to be suspended from duty, investigated and prosecuted.

Cooperation and Reconciliation

On 9 June, the leaders of the Islamic, Catholic, Orthodox and Jewish communities: Dr. Mustafa Ceric, Reis-ul-Ulema (Supreme Head) of the Islamic Community of BiH, Metropolit dabrobosanski Nikolaj of the Serbian Orthodox Church (in the name of and with authorisation of His Holiness Serbian Patriarch Pavle), Vinko Cardinal Puljic, Archbishop of Sarajevo and President of the Bishop's Conference of BiH, and Mr. Jakob Finci, President of the Jewish Community of BiH), issued a joint statement of "shared moral commitment" in which they stated that their faiths held many common values, including recognition of the fundamental human rights of all people.

In their statement the four leaders condemned all acts of hatred based on ethnicity or religious differences, including obstruction of the free right of return, the destruction of houses and religious property, acts of revenge, and the abuse of the media with the aim of spreading hatred. They also called for freedom for all religious leaders to fulfil their missions, for children to have the opportunity to be instructed in their own faith, and for guarantees that no citizen would be compelled to attend instruction in a faith other than their own. The signing ceremony was attended by significant public figures from BiH, together with senior members of the diplomatic corps and the international community, including the Principal Deputy High Representative, Ambassador Michael Steiner, representatives of OSCE, and of major international, religiously-affiliated aid agencies.

Open Broadcast Network

The OBN Steering Committee met in Brussels on 26 June to follow through on a number of decisions taken at the meeting of the Governing Council on 12 June. These included the agreement in principle on the identity of the new Chief Executive Officer for the network; the placing of the large 10 kilowatt transmitter on Mount Vlasic, which is being discussed with RTV BiH; and longer-term plans to further extend the network under Stage 3 of the Business Plan.

Looking Ahead

27 June:

21st BiH Presidency Session

30 June:

Council of Cooperation Between Croatia, BiH and the BiH Federation meet in Split, Croatia

See our Chronology for a full list of activities

The OHR Bulletin is produced by the Public Affairs Department of the Office of the High Representative in Sarajevo and aims to give an overview of what is happening on the ground in the civilian implementation of the Dayton Agreement.

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