Chronology/Monthly Tracker, January 2002

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<u>January</u>

Summary

Already at the beginning of the year, it was clear that several events would take place in 2002 that would be very important for Bosnia and Herzegovina's future. The country was scheduled to join the Council of Europe early in the year, organize the first locally-run elections later in the year, and, most importantly, implement the Constitutional Court's ruling on the constituent status of all BiH peoples and citizens on the whole territory of BiH (herein "the Constitutional Court ruling on the constituency of peoples").

Not surprisingly, the dominant topic in the month of January was therefore the debate over the constitutional changes, i.e. the amendment of the Entity constitutions in line with the Constitutional Court's ruling on the constituency of peoples. The High Representative, Wolfgang Petritsch, urged local authorities to implement the historic ruling by mid-March (see HR's interview with Dnevni Avaz – January 12, 2002), so there would be enough time to complete the Election Law and elect all bodies in October under this Law. (The Election Law states that the Entity Presidents and delegates to the Federation House of Peoples will be elected under the 1998 Rules and Regulations of the Provisional Election Commission if the Constitutional Court's decision is not implemented and the Election Law not completed in time.) This triggered a vigorous discussion among the political parties in BiH, and also among citizens.

On January 25, the leaders of eight major political parties from the Federation and the RS gathered at Mrakovica near Prijedor to discuss constitutional reform in the Entities. Although this meeting, which was the first in a series of meetings to be held on this issue, did not immediately produce a solution, the International Community welcomed it. It was the first time since the signing of the Dayton Peace Agreement that political leaders had come together without mediation by the International Community in order to discuss an issue that is of crucial importance for the future of BiH.

However, the meeting revealed the seemingly irreconcilable attitudes of parties from the Federation on the one hand and the Republika Srpska on the other. While Federation parties unanimously insist on introducing farreaching changes to the Entity constitutions, in particular the RS Constitution, almost all RS politicians argue that the RS Constitution does not need to undergo any "spectacular changes". Federation parties generally say that the only way to ensure the equality of all peoples and citizens across BiH is to have symmetrical solutions in both Entities, and they advocate Houses of Peoples as guardians of the vital national interests of the peoples in both Entities. All Federation parties also uphold the idea that the 1991 population census should be used as a basis for the distribution of the executive, and part of the judicial, power in the RS. RS parties strongly object to both, claiming that Constitutional Commissions, as they already exist, adequately protect the interests of the peoples. The vast majority of RS parties also dismiss the possibility of using the 1991 population census as a base for the ethnic composition of the governments and higher courts, claiming that this would not be in touch with the reality on the ground. The High Representative consistently urged the political leaders to find a solution, arguing that it was time BiH's political class showed political maturity and a willingness to compromise.

On January 22, the Council of Europe's (CoE) Parliamentary Assembly voted in favor of BiH's accession to the this oldest European human rights body. The final decision will be made by the CoE Committee of Ministers, and is expected in April or May. BiH's accession to the CoE is seen as a concrete step taking BiH closer to its ultimate goal

of joining the European mainstream. In the coming months and years, the BiH authorities will have to meet close to 100 post-accession requirements, which come as a part of the accession package.

Yet another important test for local authorities in 2002 will be the organization of the general elections, which are scheduled for October. These elections will be the first since Dayton to be organized fully by domestic authorities. To that end, the BiH Election Commission announced in January that the estimated cost of the elections could be as high as 11 million KM. The head of the OSCE Mission to BiH, Robert Beecroft, promised that the International Community would assist the BiH authorities in securing these funds, but he stressed that as much money as possible must be secured within BiH.

An event which also attracted considerable media attention in January was the decision of the BiH Council of Ministers to hand over to the United States six Algerians charged with planning terrorist attacks against US targets in BiH. The Federation Supreme Court ordered their release from detention due to the lack of evidence, and the BiH Human Rights Chamber requested the BiH and Federation authorities to take all necessary steps to prevent four of them being taken out of BiH by force (the two others were not included in this order for procedural reasons). Nonetheless, early on the morning of January 18, the so-called Algerian group was handed over to the United States and later transported to the US detention centre in Guantanamo Bay in Cuba. This provoked vigorous reactions ranging from complete agreement with the BiH and Federation governments' moves to total rejection amid accusations that the government had acted against Islam.

At the end of the month, Paddy Ashdown, the former leader of the British Liberal Democrats and most likely successor to Wolfgang Petritsch as the High Representative in BiH, visited Sarajevo and met with Petritsch and some of his senior staff, as well as heads of the other international organizations to discuss the present situation in BiH.

Chronology

January 3

- The Euro, introduced in twelve EU member states on January 1, replaces the Deutsche Mark as the currency against which the Convertible Mark (KM), Bosnia and Herzegovina's currency, is pegged.
- Commenting, on RTRS, on the ongoing debate about the substance of constitutional changes to the Entity constitutions, RS Prime Minister Mladen Ivanic stresses that the division of power in the RS should be based on the results of the latest elections, rather then on the 1991 population census. Ivanic adds that the final compromise on this issue should be reached by the main political parties in the RS and BiH. For his part, the RS president, Mirko Sarovic, notes that constitutional changes will not bring about anything spectacular or dramatic in the RS system.
- Speaking about the main priorities of BiH in 2002, the Chairman of the BiH Parliament's House of Peoples, Zeljko Mirjanic, says that the two crucial tasks for the country in the coming year will be to hold the general elections scheduled for October, and to fulfil the remaining conditions of the EU Road Map. Mirjanic stresses that the best indicator of the improvement in the work of BiH state institutions is the fact that the High Representative did not impose a single law at the State level in 2001.

January 4

• In an interview with Banja Luka's Glas Srpski, the RS President, Mirko Sarovic, says that the creation of the Republika Srpska was a 'historical inevitability' and dismisses, once again, the proposal to base the distribution of power in this Eentity on the 1991 population census. "If the 1991 population census is used as a basis of proportional representation, the system in the RS

would become absurd," Sarovic concludes.

January 5

- In an interview with Slobodna Dalmacija, HDZ (Croat Democratic Union) representative and a deputy chairman of the BiH Parliament's House of Peoples, Mariofil Ljubic, argues that the option of introducing a commission for the protection of vital national interests in the RS, while keeping the House of Peoples in the Federation, would be highly detrimental to the return process in the smaller BiH entity.
- Commenting on an earlier statement by the director of the ICG (International Crisis Group), Mark Wheeler, that the internal structure of the Eentities will change as the central government becomes stronger, Serb Democratic Party (SDS) says in a statement for the press that this and other parties in the ruling coalition will never accept the centralization as a way of creating a more functional BiH state.

January 7

- Sarajevo dailies report that the small but influential Bosnian Patriotic Party (BPS) has made its further participation in the Alliance for Change conditional on its president, Sefer Halilovic, reassuming the post of Federation Minister of Refugees and DPs. Halilovic has been indicted for war crimes and granted temporary release from Scheveningen Prison in The Hague until the start of his trial. Although the BiH Constitution (Article IX, paragraph 1) bans only persons serving a sentence imposed by the International Tribunal for the Former Yugoslavia as well as persons who are under indictment by the Tribunal and have failed to comply with an order to appear before the Tribunal from holding public office, international and local officials in BiH, including the High Representative, agree that it would be unwise to allow Halilovic to perform his previous function. OHR spokesman Oleg Milisic stresses that the Federation authorities should think carefully before they make a final decision on this matter. "A person indicted for war crimes can hardly enjoy the trust of people he is supposed to represent," says Milisic.
- The Federation Government asks the BiH Human Rights Chamber to review its December decision granting the right to repossess socially owned apartments to former JNA (Yugoslav National Army) officers, including those who remained in the active military service of any armed forces outside the territory of Bosnia and Herzegovina after 14 December 1995. Although the Government acknowledges that decisions of the Chamber are final and binding, the Federation's representative before the Chamber, Seada Palavric, says there have been a number of irregularities in the final ruling and expresses the hope that this institution will revisit the decision.

- Speaking at a ceremony marking tomorrow's "RS Statehood Day," RS President Mirko Sarovic stresses that there will be no changes to the internal structure of BiH without the consent of the RS. Referring to increasingly loud calls for a change of the Entity's status and the eventual abolition of the RS, Sarovic says such statements are "nothing but a fresh call for disaster and opening of old wounds."
- OHR spokesman Oleg Milisic announces that the RS government has finally paid out the remaining 50,000 KM in compensation to the wife of the missing BiH Armija Colonel, Avdo Palic, thereby complying with the January 2001 Human Rights Chamber ruling in this case. Milisic terms this move by the RS government as a positive, albeit delayed, sign that the RS is

beginning to fulfil its legal obligations. However, Milisic stresses that the Human Rights Chamber has also ordered the RS authorities to investigate the 1995 disappearance of Col. Abdic, which they have not done so far in a satisfactory manner.

- Complying with the earlier decision by the Federation government, two separate public railway companies in the Federation, "Railway Herzeg-Bosna Mostar" and "BiH Railways Sarajevo" merge into a single company the "Federation Railways".
- The BiH edition of Zagreb's Vecernji List announces that its journalists have selected the High Representative for the Media Press Award as the person with the most extensive media coverage in 2001.

January 9

- At their regular weekly meeting, the Principals of the five main international organizations in BiH - Wolfgang Petritsch, the High Representative, General John Sylvester, the SFOR Commander, Jacques Paul Klein, the Special Representative of the U.N. Secretary General and the Co-ordinator of U.N. Operations in BiH, Robert Beecroft, Head of the OSCE Mission to Bosnia and Herzegovina, and Werner Blatter, Chief of the UNHCR Mission to BiH - agreed that it would be advisable for Sefer Halilovic not to re-assume his former position as Minister for Social Affairs, Refugees and Displaced Persons in the Federation Government, before his trial in the Hague takes place and his role in the 1992-1995 war in BiH is clarified. (Press Release: International Principals advise against Halilovic's re-assuming ministerial post – January 10, 2002)
- The Republic of Croatia's Ministry of Traffic and Communications decides to ban the road transport of oil and oil products across its territory and redirect it to rail and maritime traffic. Although Croatian authorities cite environmental concerns for the measure, media and officials the neighboring BiH and Slovenia argue that Croatia is trying to prevent Slovenia from delivering oil to BiH, thus protecting the interest of its state-owned INA company.
- Official celebration of the "RS Statehood Day", the 10th anniversary of the RS, at Banski Dvor in Banja Luka is boycotted by most international and Federation officials. In an interview published on January 12 in Dnevni Avaz, the High Representative calls the date "questionable", explaining that the RS came into existence on December 14, 1995, when the Dayton Peace Agreement was officially signed in Paris. "What they celebrate has never been recognised by anyone," he says. "The celebration of that date is not useful. It is not conductive to reconciliation, nor is it constructive."

- In an interview with Dnevni Avaz, the Head of the OSCE Mission to BiH, Robert Beecroft, stresses that the general elections scheduled for this year – to be held on October 5, under the Election Law – are a legal and constitutional requirement as the Presidency has to be elected every four years. He estimates their costs at 11 million KM and says that foreign donors will help provide this sum.
- At a session in Mostar, the Federation government adopts a draft law on Intelligence and Security Service, under which the two existing services in the Federation – Bosniak Agency for Research and Development (AID) and the Croat National Security Service (SNS) – will merge into one Federation intelligence agency. According to the draft law, which was forwarded to the Federation Parliament, the two existing services are to cease operating 90 days after the law takes effect.
- The High Representative, Wolfgang Petritsch, and the Principals of the four main international organisations operating in Bosnia and Herzegovina General John Sylvester, the SFOR

Commander, Jacques Paul Klein, the Special Representative of the U.N. Secretary General and Co-ordinator of U.N. Operations in BiH, Robert Beecroft, Head of the OSCE Mission to Bosnia and Herzegovina, and Werner Blatter, Chief of the UNHCR Mission to BiH – express their strong disappointment over the failure of the BiH House of Representatives to pass the Law on De-Mining, at its 28 December session. This law is essential for the security and safety of all citizens of Bosnia and Herzegovina. The High Representative and the Principals of the agencies of the International Community call upon the members of the House of Representatives to pass this law — as a matter of the highest priority — at their next session. (Press Release: International Community calls for urgent passage of De-Mining Law – January 10, 2002)

• The PLIP Agencies (OHR, OSCE, UNHCR, UNMIBH, CRPC) issue the November statistics for property law implementation. 39% of all property claims have resulted in actual repossessions, and 63% of all claims have been resolved in writing. (Press Release: PLIP November statistics – January 10, 2002)

January 11

- At a long-awaited meeting of the Alliance for Change Co-ordination Board, representatives of the 12 ruling political parties promise the BPS (Bosnian Patriotic Party) posts on the management boards of several large companies in Sarajevo Canton, thereby precluding the possibility of this party leaving the coalition. The only BPS demand that is not met is the BPS' request that its president, indicted war criminal Sefer Halilovic, be re-instated as the Federation Minister for Refugees and DPs. Most Alliance parties agree that, although there are no legal obstacles to Halilovic's return to the post, this move could be potentially offensive to Croats living in the Federation.
- The president of the HNZ (Croat National Community), Miljenko Brkic, proposes the creation of the Croat democratic block of parties before the October General Elections. This proposal is taken seriously by nearly all parties with Croat prefix They agree to meet in February near Sarajevo to discuss this proposal in more concrete terms.
- BiH State Commission for Refugees and Displaced Persons, comprised of relevant authorities from both entities and the OHR, adopts its program and financial plan for the six-month period, according to which, some 50% of those displaced should return to their pre-war places of residence within that time frame.
- The High Representative, Wolfgang Petritsch, meets in Sarajevo with Mirko Pejanovic, President
 of the Serb Civic Council (SCC). The discussion focuses on the implementation of the BiH
 Constitutional Court's decision on the constituency of BiH's peoples, return, and the recent
 threats against members of the SCC and their families. The High Representative expresses his
 full support and solidarity, on behalf of the whole International Community, to Professor
 Pejanovic and the SCC, following the threats received by members of the Serb community in the
 Federation in recent days and calles for a full investigation by the authorities stating that "this
 kind of extremism has no place in a democratic, multi-ethnic society ruled by law". (Press
 Release: High Representative meets SCC President January 12, 2002)

- On the first day of his first official visit to Great Britain, the chairman of the BiH Council of Ministers, Zlatko Lagumdzija, meets with the former leader of the British Liberal Democratic Party and the most likely new High Representative in BiH, Paddy Ashdown. Oslobodjenje notes that the two discussed the present situation in BiH and the future of the Dayton Peace Agreement.
- In a statement for Dnevni Avaz, OHR spokesman Oleg Milisic stresses that Federation

authorities must implement the Human Rights Chamber Decision on Military Apartments (under January 7) and dismisses any possibility that the OHR could influence the work of this institution. Earlier in the week, the Federation government suggested that the OHR ask the Chamber to consider the possibility of review, calling its ruling discriminatory.

• In an interview with Dnevni Avaz, the High Representative, Wolfgang Petritsch, says that he is not opposed to the introduction of a House of Peoples in the RS, and notes that this issue needs to be agreed upon by the people and political parties in BIH. (<u>HR Interview – Dnevni Avaz</u>)

January 13

• Commenting on the recent interview by the High Representative (see January 12), the RS Prime Minister, Mladen Ivanic, argues that the International Community does not have a mandate to decide on constitutional changes in the Entities. Ivanic stresses that the ultimate solution must be agreed upon by political parties, however he dismisses the possibility of reaching symmetrical solutions in both the RS and the Federation.

January 14

• In an interview with SRNA news agency, the RS Prime Minister, Mladen Ivanic, complains that in the debate on constitutional changes in entities, the International Community has assumed a role of a judge, instead of a mediator trying to secure a compromise. Moreover, Ivanic argues that the thus far engagement of international officials in BiH simply strengthens the position of one side, namely the Federation, and stresses that he will insist that constitutional changes in the RS are made exclusively by members of the RS National Assembly. "Only those changes will be considered legal and be implemented," stresses Ivanic.

- Nezavisne Novine quote OHR spokesperson Alexandra Stiglmayer as saying that the OHR expects local authorities fully and completely to implement the Constitutional Court ruling on the constituent status of all peoples in BiH. Stiglmayer notes, however, that if the parties fail to reach an agreement on this historic ruling, it is not excluded that the High Representative will impose a Decision, although this would be a less favorable option.
- OHR spokesperson Alexandra Stiglmayer confirms for Dnevni Avaz that the High Representative, Wolfgang Petritsch, will leave his post and BiH in May or early June, so as to enable his successor to familiarise himself with the situation in BiH ahead of the elections scheduled for October. Stiglmayer notes that the most likely new High Representative will be the former leader of British Liberal Democrats, Paddy Ashdown, but adds that he first has to be officially appointed by the Peace Implementation Council and endorsed by the UN Security Council.
- The High Representative, Wolfgang Petritsch, removes Ivan Mandic from his position as Head of the Mostar Municipality Southwest and bars him from holding any official, elective or appointive public office or party office. The OHR notes that the main reason for Mandic's removal was his continued obstruction of implementation of the property laws. (<u>Press Release: High</u> <u>Representative removes the Mayor of Municipality Mostar South West – January 15, 2002</u>)
- PLIP agencies launch an information campaign explaining the December 4 amendments to the property laws to the public. (<u>Press Releases: Information campaign to raise awareness of key amendments to the property laws 15 January 2002</u>)

January 16

- At the NATO headquarters in Brussels, the High Representative, Wolfgang Petritsch, addresses the North Atlantic Council and the Euro-Atlantic Partnership Council, briefing them on the situation in BiH. He also meets NATO Secretary General George Robertson. In talks with Robertson and his address to the NAC, Petritsch states with regard to suggested cuts of the troop strength in BiH that "in the end, *capability* is what is important, not numbers. SFOR's capacity to maintain a secure environment while the remaining peace implementation tasks are completed will determine the degree of success of Bosnia and Herzegovina's post-war recovery." Robertson and Petritsch once again stress the importance of bringing indicted war criminals at large Radovan Karadzic and Ratko Mladic to justice. The HR also meets with the newly appointed Stability Pact Co-ordinator Erhard Busek and EU Commissioner for External Relations Chris Patten. " (Press Release: High Representative addresses NAC / HR's Speech to the North Atlantic Council / HR's Speech to the Euro-Atlantic Partnership Council January 16, 2002 and Press Release: High Representative holds holds high-level meetings in Brussels January 16, 2002)
- In an interview with Dnevni Avaz, the Provisional Administrator of Hercegovacka Banka, Toby Robinson, says that the investigation into records of the bank is still ongoing and that first criminal charges will be filed in the coming weeks. Robinson notes that many dubious transactions are connected with the HDZ leadership, and stresses that, although there is no direct link between Ante Jelavic and the bank, it is evident that the dismissed HDZ president is one of the key persons obstructing the investigation and repayment of loans.
- Croatian Foreign Minister, Tonino Picula, informs the Croatian Parliament Sabor that Croatia will not watch indifferently the constitutional reforms in BiH as it is its constitutional and Dayton obligation to "care for the interests" of BiH Croats. Picula stresses that the ongoing debate about constitutional changes in BiH is a good opportunity to advance democratic processes and establish a symmetry of institutions in the country's two Entities.

January 17

- The Federation Supreme Court decides to release from detention six Arabs five Algerians and one Yemeni/Algerian who have been detained since October on suspicion of planning attacks against US targets across BiH and of being linked with Osama bin Laden's al-Qaeda network. The court cites insufficient evidence in this case.
- BiH Human Rights Chamber issues a decision ordering BiH and Federation authorities to take all necessary measures and prevent forcible extradition of four of the six Algerians. According to later reports, the decision was not forwarded to BiH and Federation institutions until early January 18.
- The High Representative welcomes the entry into force of the Law on Associations and Foundations, which gives NGOs the possibility to register at the State level, thus being able to operate BiH-wide and represent the country in contacts with international partners. (Press Releases: High Representative welcomes Law on Associations and Foundations – January 17, 2002)

January 18

• Despite protests by Islamic organisations and an outcry from some local human rights groups, BiH authorities hand over six suspected al-Qaeda members to the United States. The BiH Council of Ministers states it has to "meet its international obligations pertaining to the global fight against terrorism." This move triggers a vigorous debate within BiH, as some local and international circles (including Amnesty International, the BiH Helsinki Committee for Human Rights, the UNHCHR in BiH and the BiH Human Rights Ombudsman) condemn the hand-over, claiming that it violated the European Convention on the Protection of Human Rights and the BiH Criminal Code. Most international and BiH officials and organisations conclude in the end that the hand-over was inevitable, but stress that it could have been conducted in a more transparent fashion and in full compliance with the law.

- After several failed attempts to resolve the inter-state dispute caused by Croatia's ban on the road transportation of oil, BiH Minister of Foreign Trade and Economic Relations Azra Hadziahmetovic announces that BiH has decided to issue a countermeasure by which it will block road imports of oil from Croatia. According to Hadziahmetovic, if Croatia fails to withdraw the original ban within seven days, BiH will put a ban on all oil imports from Croatia. While this countermeasure takes Croatian authorities by surprise, local media welcome the move, stressing that BiH finally showed "muscle and proved that it is a genuine and respectable state, instead of a mere geographical territory."
- At an extraordinary session, members of the BiH Presidency agree on the proposed State budget, but disagree as to whether the proposal should include a provision on financing the representative in the law suit against the Federal Republic of Yugoslavia before the International Court of Justice.

January 19

- Posters featuring the most widely known indicted war criminals, Radovan Karadzic and Ratko Mladic, appear across BiH in a new US promotion of the \$5 million reward for information leading to their capture. The US embassy says in a statement that the posters are part of the campaign to bring the two to The Hague Tribunal.
- The First Municipal Court in Belgrade announces that its authorities have two days earlier apprehended the former BIH Interior Minister, Alija Delimustafic, on charges of criminal forgery. BiH authorities had earlier issued an INTERPOL warrant for the arrest of Delimustafic on charges of embezzlement.

January 20

- In an interview with Oslobodjenje, Ivo Komsic, the vice-president of the SDP (Social-Democratic Party) stresses that his party will insist on introducing symmetric solutions which would protect vital national interests of constituent peoples and others in the Eentity constitutions. In other words, Komsic says, the SDP will advocate the establishment of the House of Peoples in the RS – similar to that in the Federation.
- SFOR peacekeeping troops helicopter crashes into the Adriatic sea killing one French soldier and injuring two others.

January 21

• Serb member of the BiH Presidency, Zivko Radisic, decides to veto the proposed 2002 state budget because of the provision by which the BiH state is to finance the BiH representative in the law suit against Yugoslavia before the International Court of Justice in The Hague. Radisic explains that his veto proposal will be forwarded to the RS National Assembly for further review.

January 22

- A large majority 105 in favor, one against and six abstentious of the Council of Europe's Parliamentary Assembly votes in favor of BIH's accession to the Council of Europe. The final decision on the full-fledge membership in this oldest European human rights institution is to be made by the CoE Committee of Ministers in early May. The Assembly's decision is labeled as the most important political event since moderate political forces assumed power in BiH.
- In Strasbourg, the High Representative, Wolfgang Petritsch, welcomes the vote of the Parliamentary Assembly of the Council of Europe (CoE), recommending to the CoE's Committee of Ministers that Bosnia and Herzegovina's application for CoE membership be approved.
 "Bosnia and Herzegovina's accession to the Council will establish a new international partnership in sharing the values – fundamental human rights, the rule of law, the centrality of individual freedoms – for which the Council of Europe stands. It will also take Bosnia and Herzegovina's integration in the family of European states a significant step forward," the High Representative says. (Press Release: High Representative welcomes vote of Council of Europe Parliamentary Assembly – January 22, 2002 and Speech by the HR to the COE PA – January 22, 2002)
- At an OHR-organized conference on the future of education in BiH, the Principal Deputy High Representative, Donald Hays, calls for education reform as a matter of urgency, in order to promote economic recovery and competitiveness. In his speech, Hays urges local authorities to devote their time and energy to this important task and devise a joint strategy for the development of this field. (Press Release: PDHR Donald Hays calls for urgent education reform January 22, 2002 and PDHR Donald Hays Speech January 22, 2002)
- Together with China, Malaysia, Venezuela and Peru, BiH Council of Ministers' Foreign Investment Promotion Agency (FIPA) is admitted to the World's Association of Governmental Investment Promotion Agency (WAGIPE) as a 121st member.

January 23

• A senior NATO delegation arrives in BiH on a two-day visit to Sarajevo and Banja Luka for talks with Entity leaders about the prospects for BiH accession to NATO's Partnership for Peace programme. During his meetings with officials from the Federation and the Republika Srpska, NATO's Director for the Balkans, Robert Serry, reiterates that some of the main pre-accession conditions for PfP include the creation of a military command structure at the State level, a common defence policy and democratic, civilian control of the armed forces.

- In an interview with several news agencies and newspapers from both Federation and the RS, the US Ambassador, Clifford Bond, dismisses allegations that BiH authorities were pressured by the US Administration to hand-over the six Algerians suspected of planning terrorist attacks against several US targets in BiH and he explains that the US simply "offered to take over the group as it still presented a danger." Bond also confirms speculations that the six were transferred to the US naval base at Guantanamo Bay in Cuba.
- In an interview with Reuters news agency, the High Representative, Wolfgang Petritsch, says he
 detected a new determination among major powers to bring Serb war-time leader, Radovan
 Karadzic to justice in The Hague. Petritsch stresses that the arrest of Karadzic is a key part of
 the process of drawing a line under the war and moving toward normality. "The longer I am
 here, the more I am convinced unless Karadzic ends up in The Hague, people will not be able

to turn the page and look towards the future," Petritsch says. (<u>Interviews: Bosnia envoy sees</u> <u>new will – 24 February, 2002</u>)

- In response to an application lodged with the High Representative by three members of the RS Constitutional Commission, who invoked vital national interest to veto the proposed 2002 RS budget, Wolfgang Petritsch issues a Decision requiring Ministers in both Entities to notify the BiH Minister for Human Rights and Refugees on the use of funds allocated to refugee return. In addition, the Decision requires the Republika Srpska authorities to examine whether the funds allocated in the draft budget for refugee return are sufficient for the RS to carry out its obligations under the Dayton Peace Agreement. (Press Release: High Representative issues decision – January 25, 2002)
- After protests by its neighbors Slovenia and BiH, threatening to retaliate by banning Croatian transits, Croatian government decides to lift the disputed ban on the road transport of oil and oil derivatives through its territory. Zagreb now decides to change the regulation by allowing those oil transports along specific routes in and out of the country and also imposing stricter customs control of road tankers.

January 25

- The leaders of eight major political parties from the Federation and Republika Srpska meet at Mrakovica near Prijedor to discuss all aspects of constitutional reform in the two Entities. This is the first in a series of meetings planned to be held on this topic. At the international press conference in Sarajevo on January 29, Alexandra Stiglmayer, Head of the OHR Press Office, states that the High Representative fully supports these meetings. "Last week's meeting in Mrakovica may have been the first time since Dayton at which the top leaders from both Entities and all three constituent peoples have come together without mediation by the international community in order to solve a question that is crucial for the further development of Bosnia and Herzegovina," she says, urging BiH's political leaders to find a solution to the Constitutional Court's ruling on the constituency of peoples. "Its implementation is not an option, but a necessity to guarantee the rule of law in the year in which BiH is likely to accede to the Council of Europe. There is no time for further delay, and no possibility for failure. The ruling must be implemented by mid-March in order to allow for the timely completion of the Election Law and the holding of elections under this Law in October."
- Principle Deputy High Representative, Donald Hays, and the Senior Deputy High Representative, Matthias Sonn, visit Mostar where they meet with the city's mayor, Neven Tomic, and his deputy, Hamdija Jahic. At a press conference, Ambassador Hays stresses that the OHR would like to help Mostar leaders to successfully implement a plan they have presented containing provision on return of refugees, judicial reform, modernization and integration of education system, as well as economic improvement of the city's infrastructure.

- After returning from the Mrakovica meeting, the leaders of BiH's main political parties engage in a vigorous debate about the proposals put forth during the meeting. While most parties from the Federation advocate symmetric solutions in both Entities, namely the introduction of a House of Peoples in the RS, as well as the ethnic composition of the RS Government in line with the 1991 census, RS leaders unanimously argue that the Government should be created solely on the basis of election results and stress that the national interests of all peoples in the RS could adequately be protected through Constitutional Commissions.
- In today's issue, the Economist notes that the Office of the High Representative in BiH could be a model for the future international engagement in post-conflict countries, such as Afghanistan.

"Yet an Office of the High Representative for Afghanistan, modeled on the international agency that has been overseeing Bosnia since the Dayton conference in 1995, with considerable thought not unqualified success, would have much to recommend it," the magazine notes in an editorial.

January 27

- Responding to speculation that if political parties fail to reach a compromise on constitutional change by the end of March, the High Representative might impose adequate solutions, the RS Prime Minister, Mladen Ivanic, stresses that constitutional changes can be legitimate only if decided upon by a two-thirds majority in the RS National Assembly.
- Commenting on the earlier discussion in Mrakovica, the RS National Assembly Speaker, Dragan Kalinic, stresses that it is not necessary to reach symmetrical solutions in the entity constitutions, because the "essence of the national interest problem could be tackled by current constitutional provisions and amendments."

January 28

- In an interview with Zagreb's Vecernji List, the RS Prime Minister, Mladen Ivanic, reiterates that the International Community does not have a mandate to impose constitutional solutions in BIH. "This would be no more than a protectorate....If seven years after the Dayton peace Agreement, the High Representative tries to impose such a decision – to introduce a House of Peoples in the RS – a very negative message would be sent which would even question the very existence of BIH," he says.
- In an interview with Radio Deutsche Welle, the ICTY Prosecutor's spokesperson, Florence Hartmann, says that the two most widely-known indicted war criminals from BiH – former Serb army commander Ratko Mladic and former Serb political leader Radovan Karadzic — are in Belgrade (Mladic) and a known location in the RS (Karadzic), respectively. Hartmann stresses that there are no obstacles to their arrest and points out that international warrants for their arrest were issued more then six years ago, implying that it is high time for action by the local authorities or by SFOR in this regard.

- OHR spokesperson Alexandra Stiglmayer confirms for the press that the former leader of the British Liberal Democrats, Paddy Ashdown, has arrived in Sarajevo for a short visit to BiH following an invitation by the High Representative. In the course of his visit, Ashdown has met with Wolfgang Petritsch and some of his senior staff, the Special Representative of the UN Secretary General to BiH, Jacques Paul Klein, the Head of the OSCE mission to BiH, Robert Beecroft, and SFOR commander General John Sylvester to discuss the present political situation in BiH. Ashdown is the most likely successor to Wolfgang Petritsch as the High Representative.
- At a session in Sarajevo, the Presidency of SDA (Party of Democratic Action) decides to remove all members and officials who have abused public office to advance their personal interests. Many speculate that this move will mark the beginning of a genuine transformation of SDA into a more democratic and open political party which will not be associated with corrupt individuals.
- Over thirty officials representing various Federation institutions and the OHR's Anti-Fraud Department gather in Sarajevo for the Second Anti-Corruption Conference. The goal of the conference is to assess the status of, and further, the investigations into 74 cases of corruption committed in the Federation and a number of its Cantons in 2000, which were identified by OHR

and OSCE-led audits in 2001. (<u>Press Release: OHR hosts the Second Federation Anti-Corruption</u> <u>Conference – January 29, 2002</u>)

January 30

- At the end of the two-day meeting, members of the BIH Election Commission urge responsible local authorities to secure necessary financial resources for holding the elections scheduled for October 2002 by February 8. If the funds are not garnered by that date, Commission warns, holding of the elections may be brought into question.
- At a conference presenting a country study by the United Nations Development Agency (UNDP), organization's resident representative, Henrik Kolstrup, warns that, six years after the end of the war, BiH spends more of its resources on military then any other country in the region and urges local authorities to, instead, focus on economic development and the creation of a Western-style market economy.
- During his visit to BiH Capital, Slovenian Foreign Minister, Dimitrij Rupel, meets with the High Representative, Wolfgang Petritsch, members of the BiH Presidency, Zivko Radisic, Jozo Krizanovic and Beriz Belkic, and the chairman of the BiH Council of Ministers, Zlatko Lagumdzija, to discuss the current situation in BiH and the implementation of the Constitutional Court's ruling on the constituent status of all peoples in BiH. (Press Release: High Representative holds talks with Slovenian Foreign Minister Rupel – January 30, 2002)

January 31

- BiH and Croatia continue to exchange shots in the oil transport battle, as BiH decides to lift its two-week ban on road import of oil from Croatia, but restricts the trucks entrance points to three border crossings. The move infuriates the Croatian government.
- With a two-thirds majority, the RS National Assembly confirms the reception of the statement by the Serb member in the BiH Presidency on placing the veto on the 2002 proposed state Budget and notes this initiative is in accordance with previous RS National Assembly decisions.

Economic Statistics

BiH Economic Update

BiH Economic Data January-November 2001

Source: FBiH and RS Statistical Offices

Indicator	Federation of BiH	Republika Srpska	BIH (OHR estimate)
GDP nominal 2000	6,698 billion KM	2,463 billion KM	9,161 billion KM
GDP nominal 1999	6,141 billion KM	2,180 billion KM	8,321 billion KM
Nominal increase 1999-2000	+ 9,0%	+ 13,0%	+10,0%
Real increase 1999-2000 (minus inflation)	+7,8%	-0,6%	+5,5%

Index of Industrial Production 11/01(FBiH) 11/01 (RS) compared to 2000 average 09/01 (FBIH) 11/01 (RS) compared to 09/00 (FBiH) 11/00 (RS)	+12,5% +14,3%	-11,3% -18,8%	+4.5% +3,3%
Retail Price Index 11/01(12/01 RS) compared to 2000 average 01-09/01 compared to 01-09/00 (12 RS)	+1,7% + 2,3%	+9,1% +6,5%	N/A N/A
Average Net Salary 10/01 (RS 11/01) Compared to 2000 average	458,52 KM +6,5%	312 KM +13,9%	405,6 KM +9,21%
Number of Employed 10/01 Number of Registered Unemployed 10/01 (RS 09/01)	406.269 persons 270.334 persons	227.740 persons 153.231persons	634.009 423.565
Number of pensioners in 10/01 (RS 09/01) Average pension in 10/01	279.359 persons 170 KM	179.835persons 105 KM	459.194 persons 145 KM
Imports 01-09/01 (FbiH 01-10/01) Exports 01-09/01 (FbiH 01-10/01) Trade deficit – January to October 2001 Import/Export coverage	4,157 billion KM 1,492 billion KM 2,665 billion KM 35,9%	1,228 billion KM 0,451 billion KM 0,777 billion KM 36,7%	5,385 billion KM 1,943 billion KM 3,442 billion KM 36,1%

Return Statistics

See link to the UNHCR Mission to BiH web page at <u>www.unhcr.ba</u> or see the latest statistics for December on the <u>pdf file</u>.

Please also consult the OHR's chronology for:

2002 2001 2000 1999 1998 1997 1996 and 1995

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec