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Donors' Information Conference

On 9-10 January a Donor's Information Meeting, co-hosted by the <u>European Commission</u> and the <u>World Bank</u>, was held in Brussels. Donor countries and international agencies met to review efforts of the past year, set priorities for 1997 and assess the amount of money needed to maintain the pace of reconstruction in BiH. The meeting laid the groundwork for a Donors' pledging conference which is expected to be held in March.

A statement from the World Bank said that this year, in addition to emphasising emergency post-war reconstruction, donors would increasingly invest in projects which would create long-term sustainable recovery. The meeting was attended by a joint BiH delegation including officials from both Entities: BiH Minister of Foreign Trade and Economy, Hasan Muratovic, his Deputy, Nikola Grabovac and BiH Minister of Civil Affairs and Communications, Spasoje Albijanic.

In his <u>remarks at opening the conference</u>, the High Representative, Carl Bildt, said that the essential tasks of 1996 had been undertaken. The priorities now were to move into the consolidation period with the aim of achieving a self-sustaining peace; "...in few areas is this as important as in the economic area", he said. The common institutions which were now set up would have to work on all the problems to be solved and the next few months would be most critical for this. Economic issues would be at the centre of these efforts.

Mr. Bildt outlined four specific conclusions which had emerged from the Paris and London Conference:

• That the authorities should strive to establish a market-based economy system which would

ensure the complete movement of goods, capital and labour throughout the country. "In the same way as 1996 was the year of transition from humanitarian to reconstruction aid in terms of emphasis, 1997 must be the year of transition from reconstruction aid to economic reform" he said.

- That the newly formed authorities needed to take greater responsibility for their own future and that financial aid would be conditional upon acceptance of that responsibility.
- That there would be closer consideration of geographic and sectoral distribution of resources, with priority given to reconstruction projects which link the Entities and foster the process of refugee and DP return.
- And that improved coordination of donor activity would be required to ensure more rapid disbursement of aid.

Mr. Bildt added that the Economic Task Force would be the key instrument to discuss and formulate future decisions on the principles and priorities of the international reconstruction efforts.

Mr. Bildt urged the international community to continue its support in the reconstruction effort and pledged to further improve coordination and management. He also demanded that the new authorities of BiH cooperate in taking the essential steps towards economic reform. This would be the true key to their economic development.

Brcko Hearings Rome

The arbitration hearing permitting both Federation and Serb representatives to present their evidence to the Brcko arbitration panel began on 8 January in Rome. The panel consists of Roberts Owen, the presiding arbitrator, Cazim Sadikovic from the BiH Federation and Vitomir Popovic from the Republika Srpska. The hearings, which are being conducted on a confidential basis, are expected to last for three or four days.

Joint Institutions

On 3 January the joint institutions had an active day with both chambers of the BiH Parliamentary Assembly, the House of Representatives and the House of Peoples, holding separate sessions. In addition, the Council of Ministers held their inaugural session, and the Presidency held its twelfth session:

 The 42-member House of Representatives of BiH, which held its session in the National Museum, Sarajevo, approved the nominations of Dr. Haris Silajdzic and Mr. Boro Bosic for Co-Chairmen of the Council of Ministers, as well as the list of Ministers and their Deputies. The House verified the mandate of the elected representatives and voted for the first Speaker of the House, Ivo Lozancic, whose term will last seven months. The House also verified the mandate of the delegates of the SDS and the Alliance for Peace and Progress (SMP) from RS who also signed the oath. In line for the rotating speaker of the House from the RS is Slobodan Bijelic, and for the Bosniaks, Halid Genjic.

In their addresses to the session the Presidency Members gave their support to the future work of the Parliament. Mr. Izetbegovic said the session could be understood to mean that there was "consent by all who [were] present here, and really all, to implement the Dayton Peace agreement in full." Kresimir Zubak stated his conviction that they would "support all of the joint institutions in BiH and answer to those difficult tasks ... with success in the coming year". Momcilo Krajisnik said that BiH could "survive if [they tried] to establish such relationships that all three peoples of both entities feel they are similarly equal and secure". Principal Deputy High Representative, Ambassador Michael Steiner, who also attended the session, addressed the House saying that the real work must now begin. He reminded the officials of the responsibilities they had to those who had chosen them and promised, "We are ready to help whenever that help is needed".

- The inaugural session of the 15-member House of Peoples, which was held later on the same day in Lukavica, had a similar agenda. After verification of the mandate of all the officials, the delegates signed the oath, which, among other things, promises to uphold and defend the Constitution of Bosnia and Herzegovina and to give full commitment to the <u>Peace Agreement</u>. The first elected speaker of the House was Serb representative Momir Tomic, while the posts of his deputies will be held by Bosniac Avdo Campara and Croat Petar Majic. Ambassador Steiner also attended the meeting and congratulated the representatives on what they had achieved in the session. Already today, business was discussed, he said, adding that the constituting of the joint institutions had been made easier in many ways by the work of the Presidency.
- The inaugural session of the Council of Ministers was held in Lukavica and chaired by Co-Chairman Mr. Boro Bosic. The first task of the Council was to confirm the joint platform for the BiH delegation which would be attending the Donor's Information Conference on 9-10 January in Brussels. Also discussed were the preliminary Laws of Procedure, the Law on the Council of Ministers and the Law on Ministries. The next meeting is scheduled for 10 January and will be chaired by Co-Chairman, Dr. Hairs Silajdzic.
- The twelfth session of the Presidency of BiH was held in the National Museum and attended by three Presidency Members Alija Izetbegovic, Kresimir Zubak and Momcilo Krajisnik. The Presidency welcomed the holding of the sessions of both Houses of the Parliament of BiH and gave their approval of the Co-Chairs of the Council of Ministers, as well as of the Vice-Chair, the Ministers and the Deputy Ministers of the House of Representatives. At the session they considered Ambassador Steiner's proposal regarding the arrest of war criminals and prisoner release, in addition to two packages of help to BiH from the Japanese Government. The text of the joint statement released after the meeting announced that Mr. Krajisnik had signed the Agreement on Cooperation with UNICEF in accordance with agreements made in previous sessions.
- Following its session, the Presidency met with <u>Secretary General of NATO</u>, Javier Solana, and SACEUR, General George Joulwan. The Commander of SFOR, General William Crouch and Principal Deputy High Representative, Ambassador Michael Steiner, also attended the meeting.

General Joulwan and Secretary General Solana held a press conference after their meeting with the Presidency, at which Mr. Solana described the meeting as *"very constructive"*. Regarding the ability of the scaled-down SFOR troops to keep the peace, he said that it was ultimately the responsibility of the political leaders of BiH and not NATO forces to build a lasting peace. Nonetheless, SFOR would continue to guarantee the security of the BiH nation, he said, warning that without internal cooperation for a view to the future, nothing would be achieved. General Joulwan said that though SFOR was smaller in number than IFOR, the heavy weaponry [in BiH] was now in storage and most of the forces were demobilised. He expressed his hope that all sides would continue to cooperate as they had done until now.

Federation Issues

A Law on Internal Affairs was passed by the Assemblies of the Sarajevo Canton and the two Federation cantons with a special regime, the so called mixed cantons (Herzegovina-Neretva and Middle Bosnia). The passing of these laws that comprise the regulations for the police are important steps which pertain to the setting up of the Federation. The other seven Cantons are expected to pass these laws by the end of January, as it was agreed in a meeting held between Ambassador Steiner, Federation President Kresimir Zubak and Vice President Ejup Ganic on 19 December 1996 in the premises of OHR.

Human Rights

- <u>UN</u> officials report that an elderly handicapped woman who was found dead in an abandoned building had recently been evicted from her west Mostar flat. An autopsy, carried out in the presence of UN IPTF and <u>SFOR</u> officials, revealed that the 71 year old woman had died of heart troubles. UN IPTF Commissioner, Peter Fitzgerald, is reported to have said that he believes the woman died during the eviction and the body was most likely dragged from the apartment to the building where she was discovered more than two weeks later. An HVO (Croat Defence Council) member who moved into the flat shortly after the woman's disappearance, was held by HVO military police for 72 hours and then released since the local Croat civilian police refused to press charges. UN officials described the crime as "a barbaric act" and are urging the west Mostar police to investigate the case with urgency.
- UNHCR report that local Croat police in west Mostar expelled a heavily pregnant Bosniac woman and her husband from their flat on 4 January. Although the couple had been living in the flat for six months without a legal right to tenancy, UNHCR officials who have strongly condemned the expulsions from west Mostar, claim that this does not justify what happened and that the eviction was carried out without any regard for correct procedures.
- UN IPTF report that they continue to receive complaints from harassed and threatened victims of eviction in west Mostar.
- In a meeting on 8 January with UN IPTF Commissioner, Peter Fitzgerald, RS Interior Minister Dragan Kijac again refused to provide a roster listing the names of all policemen in the RS. Mr. Kijac's explanation is that such a roster represents a State secret in the RS. UN IPTF reminded Mr. Kijac that under Article IV, Annex 11 of the Peace Agreement, he was obliged to comply with their demands.
- UN officials report that three abandoned houses belonging to Bosniacs were destroyed in six explosions on 6 January in the village of Obljicici, near Capljina. Local police are expected to conduct an investigation into the incidents.

Freedom of Movement

SFOR report that three illegal checkpoints were dismantled last week. One was a Bosnian Federation checkpoint in Potocari, and the other two were in the RS, one near Jajce and the other in Ljubinje.

Economic Issues

 In a statement issued prior to the Donor's Information Meeting, the <u>World Bank</u> released findings of a new survey of the rebuilding programme which was compiled by the World Bank and the European Union. Of the more than US\$1.8 billion committed to reconstruction during the past twelve months, most of the money was allocated to specific projects, such as rebuilding road and rail links, bridges, and power stations. Schools reopened in September 1996 and clinics were refurbished. In Sarajevo alone, heat was restored to 20,000 apartments in time for winter and the airport was reopened to commercial traffic. Industrial production and employment increased, and basic services such as water, electricity and heating were either already restored or were in the process of being connected in most communities.

World Bank's Director for BiH, Christine Wallich said, "Despite the many problems that exist, from fragile political structures to continued lack of freedom of movement, the 1997 reconstruction programme will benefit from the lessons and the institution building of the past year."

Emphasising that sustainable polices are now crucial in order to achieve high economic growth and, eventually, secure a healthy track record with creditors, the statement estimated that financing the next two years of reconstruction would cost some US\$2.5 billion. This would allow some "catch up" in donor support to the RS and ensure a more balanced regional allocation of resources. "Donors should feel confident that the funds they have provided have already made a huge difference to people's lives", said Ms. Wallich, "and that the support they provide in the future will be used effectively and will bring us closer to the time when the Bosnians themselves will be able to take over the greater responsibility for the rebuilding of their country".

 A home for the elderly in Sarajevo was recently reopened thanks to financial assistance from the European Community Humanitarian Office (ECHO) who funded the reconstruction. The DEM 760,000 million project included the repair of a heating system for the home and a nearby institute for the blind. ECHO has also provided DEM 1.708 million for the reconstruction of 100 homes in the Sarajevo suburb of Vogosca. The NGOs INTERSOS and Equilibre carried out the work on both projects.

OHR Mostar

The regional OHR office in Mostar, which formally opened at midnight on 31 December, will have an official ceremonial opening on 15 January. The High Representative, Carl Bildt, and Head of the new Office, Sir Martin Garrod will be at the ceremony.

Looking Ahead

12 January

Economic Policy Forum, Sarajevo

16-17 January

Conference on Succession Issues, Brussels

21 January

Steering Board of the Peace Implementation Council, Brussels

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. Suggestions and contributions are welcome and should be addressed to the Public Affairs Department of the Office of the High Representative in Sarajevo (387-71) 447 275 ext. 562, Fax (387-71) 447 420. Callers from outside BiH dial via Brussels switchboard: Tel. (32-2) 737 7500 & Fax (32-2) 737 7501