

Transcript of the International Agency's Joint Press Conference at CPIC

Subject: **JOINT PRESS CONFERENCE - 21 January 2003**

1. The following attended the regular Press Conference held at the CPIC at 11:30 hours on Tuesday 21 January 2003:

Agency	Spokesperson	Topic
a. OHR	Oleg Milisic	<ul style="list-style-type: none">• PDHR in Banja Luka.• Reaction to Sarovic Interview.• HR in Mostar
b. OSCE	Urdur Gunnarsdottir	<ul style="list-style-type: none">• The first meeting of the Co-ordination Board for the Implementation of the Interim Agreement for returnee children is taking place today.
c. EUPM	Jon Oskar Solnes	<ul style="list-style-type: none">• Operation FIGHT.• Reports of the assault on a 22-year-old male in Vitez.• There have been recent allegations against the head of police in Vlasenica.• EUPM Commissioner to visit Srebrenica.• Acting EUPM Commissioner to visit Foca, Gorazde and Pale.
d. ICTY	Rafik Hodzic	<ul style="list-style-type: none">• In the case against Biljana Plavsic the Prosecutor and the Defence ask for additional time to respond.
e. SFOR	Major Shawn Mell	<ul style="list-style-type: none">• Shooting incident that occurred early Sunday morning.• Active reserves.• Ceremony at the Sarajevo Airport marking the deactivation of the French Air Detachment.• 40th anniversary of The Elysee Treaty.

2. Thirty-two members of the media including seven television attended the conference.

3. The transcript of the questions and answers is attached.

*A. Ollivier
Col. (FR A),
Chief Operations and Plans*

Oleg Milisic - OHR

Good morning, the first item for you today is regarding the Principle Deputy High Representatives visit to Banja Luka today.

The Principle Deputy High Representative Don Hays is chairing a conference on the State of the Bosnia and Herzegovina Economy in Banja Luka this afternoon. Joe Ingram of the World Bank and Renzo Daviddi of the European Commission will make presentations, and the IMF will also be represented. Business people and economists from around the country have been invited. They will be asked to identify the biggest obstacles they

face in trying to expand businesses and create more jobs.

Economic experts predict that unless fundamental reforms are set in place quickly, the Bosnia and Herzegovina economy will enter crisis conditions within the next year to 18 months. Despite considerable progress since 1995, in creating a viable modern economy, Bosnia and Herzegovina continues to be challenged by endemic poverty, low productivity and a distinct lack of commercial competitiveness.

For instance, investment levels have been decreasing since 1999; the level of debt servicing has entered a sharp upward phase, which will peak in 2004. The value of exports is dwarfed by the value of imports. Around 20 percent of the population live in poverty, and a further 30 percent live just above the poverty line. As much as a quarter of Bosnia and Herzegovina's workers are probably unemployed.

The fact of the matter is that Bosnia and Herzegovina's current economic condition is untenable. Since the end of the war a great deal has been done to lay the foundations of a viable market economy, but this must now be developed as a matter of urgency. The Principle Deputy High Representative will call on the Bosnia and Herzegovina authorities at the State and Entity level to embrace the reform process seriously. Two vital reforms are the establishment of a single customs administration and a Bosnia and Herzegovina wide VAT system.

Ambassador Hays will also hold talks with leading Republika Srpska Politicians on Customs and VAT reform. He will say that the principal of a single customs administration for Bosnia and Herzegovina and a countrywide VAT system are non-negotiable requirements, but how this will be done is still to be decided and he will be seeking Republika Srpska input into this process.

Secondly, I would like to take this opportunity to answer some of the questions on single Customs and VAT posed by President Sarovic, in a recent interview.

President Sarovic argues the premise that separate Customs and VAT systems might work just as well as unified ones. Experience has shown just the opposite. Hundreds of millions of KM are being lost every year because of sales-tax fraud and customs fraud. Fraud, which is perpetrated by criminals who have grown adept at exploiting the divided fiscal system in Bosnia and Herzegovina. The Entity Governments lose this revenue, which means that ordinary citizens lose it. Criminals are the beneficiaries of a divided tax and customs system, a scandal in a country where half the population lives below or only marginally above the poverty line.

The hundreds of thousands in each Entity who rely on crumbling health care, education and pension systems will be the main beneficiaries of these reforms. Criminals and the politicians who associate with them will be the main losers.

Furthermore, the necessity of these key reforms is clear, and was highlighted both by the European Union High Representative Javier Solana and the Greek Foreign Minister George Papandreou, who was representing the European Union Presidency last week at the Official Inaugural Ceremony of the EUPM. During their visit they explicitly said that European Union assistance this year would be tied to political agreement introducing Customs and VAT at the Bosnia and Herzegovina level.

One brief final note, the High Representative Paddy Ashdown will be in Mostar tomorrow, where he will be visiting locations that are key to Economic reform. There will be a number of media opportunities and a comprehensive media advisory will be issued later in the day so keep your eyes open for that. That is all I have for you today, thank you.

Urdur Gunnarsdottir - OSCE

Good morning, today is mainly education.

The first meeting of the Co-ordination Board for the Implementation of the Interim Agreement for Returnee Children is taking place today; the agreement was signed by Cantonal and Entity Ministers in Mostar, last November.

This is an important and concrete step towards meeting the pledges made by education authorities as well as international stakeholders to implement this agreement. In short the Interim Agreement spells out special, temporary measures to accommodate specific needs and rights of returnee children. The meeting is hosted by the Federation Education Ministry and co-hosted with the Republika Srpska Ministry of Education. Amongst the issues

that will be discussed today, are benchmarks for the February 2003, deadline to implement the agreement, setting up a textbook commission, so that objectionable material can be removed by next school year and they will also discuss school names and offensive symbols in schools.

Dr. Falk Pingel, who took up his duties on January 1, as the new director of the OSCE's Education Department, will attend the meeting. Dr. Pingel's research has mainly focused on history teaching. Since 1993, he has served as Deputy Director of the Georg Eckert Institute in Germany. You can find his biography and other information about this on our website.

The work of this Co-ordination Board is just one of many aspects of the education reforms, that the OSCE is co-ordinating, I hope you all remember the five that pledges that were endorsed by the PIC last November, in Brussels. One of the issues that must be addressed urgently is financing of the education system, as last week's warning strike, other strikes and protests have demonstrated clearly. It served to highlight why educational reform, particularly reforms of education financing and management, are urgently needed. Although short-term solutions are needed to address the issue of delayed payment of salaries, it is clear that a quick fix will not address the underlying problems. Cantonal authorities must review and revise financing and management of education and then make the necessary changes to ensure responsible and sustainable financing and management practices.

The OSCE and the World Bank are co-chairing a Working Group on Education Financing and Management, which includes representatives from the Entity and Cantonal Ministries of Education and Finance. This Working Group has established a strategic framework to reform education finance and management throughout Bosnia and Herzegovina and will now begin the implementation process of that strategy.

Lastly, I want to remind you that the ODIHR final report on the 2002 Elections is out. You can find it on their webpage, which is osce.org/odihr. This is also a reminder once again for you to subscribe to press releases and other relevant information from the OSCE in Vienna. Thank you very much.

Jon Oskar Solnes - EUPM

Good morning.

Just to recap on the FIGHT Operation, which took place on Friday, 17 January at 23:00, at twenty-three premises, all over Bosnia and Herzegovina, night bars and suspected brothels were raided. A large number of people, females and males, were controlled questioned.

Canton 3 Tuzla, at the Mona Lisa nightclub, one Ukrainian female and three juveniles were detained, the owner and barman were also detained for statements. The Investigation on alleged prostitution is ongoing. The club has been closed down.

Canton 6 Travnik, at the Extasia nightclub, a number of females and males were controlled. Three females will be prosecuted for illegal entrance and stay in Bosnia and Herzegovina.

PSC Bijeljina, the local Bosnia and Herzegovina Crime Investigating Unit found a Moldavian female who is a victim of human trafficking. The victim was given shelter at a motel in Bijeljina and the Non-Governmental Organisation Lara and the IOM were informed.

This is the second operation of its kind since the EUPM commenced its mandate on the 1 January. From our point of view, the main conclusions are that we have seen nation-wide co-operation with hundreds of Bosnia and Herzegovina's police officers and support staff, 60 EUPM officers monitoring operations, very professional operational plans being further aligned. We believe these are important tactical operations, which are complementary to the EUPM intelligence driven long-term strategy. That I have discussed with you, which is a long-term program that entails making available to the Bosnia and Herzegovina police material and technical assistance, surveillance and other things that are needed for intelligence driven law enforcement.

On another point, we saw in the media yesterday, reports of the assault on a 22-year-old male in Vitez Municipality, Canton 6. Media reports alleged the assault could be based on ethnic violence in the sensitive area of Ahmici Village, where a massacre took place ten years ago. Without jumping to conclusions the EUPM co-locator in that area has monitored the investigation into the assault, which took place in the nearby, Santici Village. There

are indications at this stage of this crime not being ethnically based, as has also been discussed in the media today. Further development will be monitored by the EUPM.

There have been recent allegations against the head of police in Vlasenica, by the Mothers of Srebrenica and Zepa Association. I commented on this issue in Dnevni Avaz and explained the procedure, which I have also done here. We want the local population and the media to go to the local police and ask them what is happening. We will monitor how they handle these requests from both the media and the local population. The EUPM is now monitoring this case. We have also discussed that if you are not happy with how the local police are handling these enquiries, then we will step in.

Srebrenica is a very important area for the EUPM, as Commissioner Frederiksen said on the 1 January, "the safety of returnees is one of the key issues of the EUPM". Thus the trip to Srebrenica, which had been planned a couple of weeks ago and was cancelled due to bad weather, will take place next week. Tomorrow, the acting EUPM Commissioner, will visit Foca, Gorazde and Pale. There will be media opportunities and I have a media advisory for you. Thank you.

Rafik Hodzic - ICTY

Good morning, I have one item for you today.

In the case against Biljana Plavsic, were both the Defence and the Prosecutor, asked for additional time to respond to the order issued by the Presiding Judge Richard May. In which, he asked the two sides to file submissions on what effect, if any, the requirement for Biljana Plavsic, to testify in other trials should have as to an appropriate sentence.

As you probably know, this issue has arisen after Judge Schomburg, the Presiding Judge in the case against Milomir Stakic, on 8 January, issued an order for Biljana Plavsic, to appear as a witness of the Trial Chamber in this case. Following this decision, on 10 January, Judge May, issued an order asking for further submissions on the appropriate sentence by the 20 January. The Defence asked for an additional month to consult with Biljana Plavsic, on all implications of the order compelling her to appear as a witness in other proceedings before the Tribunal, before filing their submission. The Prosecution responded by saying that they had nothing against this request and if it is allowed, they will file their submission on the same date. That is all, thank you.

Major Shawn Mell - SFOR

Good morning, I have several points today.

First, I would like to address the shooting incident that occurred early Sunday morning. Three United States personnel were detained by local police following a complaint by residents of shots fired. Upon arrival at the scene, the three personnel were found in a vehicle, which had become stuck along the road. The three personnel are alleged to have damaged a parked, unoccupied vehicle at the scene by discharging a weapon into the vehicle. The three personnel were placed under the authority of SFOR and remain at Camp Butmir pending an investigation.

The Commander of SFOR, Lieutenant General William Ward, deeply regrets that this incident occurred and has promised a thorough and impartial investigation into the matter to determine all of the facts.

My second point concerns Active Reserves. On Saturday, Lieutenant General Ward briefly discussed the proposed active reserve concept during his speech at the New Year's celebration. As a result, there has been some interest as to the details of the concept.

In brief, the concept involves the creation of a professional trained active reserve force that will serve a limited number of days each year and are paid for those days. The remainder of the troops will be full time professional soldiers.

The concept allows the armed forces to stay within the agreed manpower limits, and budget ceilings and to call up active reserves for all tasks assigned to the armed forces. Many NATO nations use this concept as a means to maintain a professional army at a lower cost. We intend to have a fact sheet posted on the SFOR website within the next week explaining all of the details.

My third point. Lieutenant General William Ward and the Commander of Multinational Brigade South East, Major General Bernard Oberto attended a ceremony this morning at the Sarajevo International Airport marking the deactivation of the French Air Detachment and the transfer of airport traffic control and operations to civilian authority.

The French Air Detachment provided safe and secure air traffic control since July of 1992. Since the end of the war, the Air Detachment provided on the job training for firemen, rescue services, medical services, and air traffic controllers as well as supporting the refurbishing of the facilities. This deactivation and transfer to civilian control represents a significant step forward in the normalisation process for Bosnia and Herzegovina.

My final point. Tomorrow, approximately 150 soldiers representing the French and German SFOR contingents will gather at Camp Butmir to celebrate the 40th anniversary of The Elysee Treaty.

The Elysee Treaty was signed on January 22, 1963 to put the ill feelings of World War II behind and lay the groundwork for lasting peace and unprecedented co-operation between the two nations. It is a shining example of how two countries torn apart by war can come together in a lasting peace.

The French and German Ambassadors, Mr. Bernard Bajolet and Mr. Hans Jochen Peters will be on hand for the ceremony. I ask that any interested media please see me after the press conference for additional details. That is all I have, thank you.

Oleg Milisic - OHR

Are there any questions?

Questions and Answers

Q: Daria Sito-Sucic - Reuters

Will SFOR hand over Sabahudin Fijuljanin to the Federation authorities upon the request from the State Presidency?

A: Major Shawn Mell - SFOR

I can acknowledge that SFOR has received the letters from the Tri-Presidency and the Federation Prime Minister, we are preparing the response to those letters at this time. As of right now the investigation is on going, so I do not have an answer as to when he may or may not be turned over.

Q: Fedad Forto - FENA

A question for the Tribunal, are you informed about the decrease of the arrestable PIFWC who has been indicted by the Cantonal Prosecutors office?

A: Rafik Hodzic - ICTY

We have not been informed. This is a local case, we know of the case the Tribunal has issued a Standard Marking A. for Ratko Gasevic, on the 13 June 2001 and again on in a separate case on the 21 August 2002. But, this is a case before the local courts not the ICTY.

Q: Fedad Forto - FENA

A question for SFOR, about the shooting incident in Bjelasnica, if the three people involved are guilty of what will the consequences be?

A: Major Shawn Mell - SFOR -

It would be a little early to speculate on what might happen to them. I will tell you, that they are more then lightly going to be sent back to the United States, where they will be dealt with in accordance with the United States

Uniform Code of Military Justice. As to the results of the investigation at this point, I do not have the answers for you.

Q: Fedad Forto - FENA

But, there was a similar incident recently in South Korea, where they were freed. American soldiers killed a girl and an American Court proved them innocent?

A: Major Shawn Mell - SFOR

It would be awfully hard for me to make that comparison these are two different situations. What we are worried about here is the situation with our three personnel and what will happen with them. As to what happened in Korea, I am not authorised to talk about that.

Q: Fedad Forto - FENA

Also in (cannot understand place name) American soldiers raped a little girl and also acquitted?

A: Major Shawn Mell - SFOR

You are making comparisons and we are dealing with a separate situation at this point.

Q: Fedad Forto - FENA

It is very symptomatic to have three cases in a very short period of time involving American soldiers from around the world?

A: Major Shawn Mell - SFOR

And your point is?

Q: Fedad Forto - FENA

Yes.

A: Major Shawn Mell - SFOR

What is your question.

Q: Fedad Forto - FENA

Is it very common for the American Army to let their soldiers do whatever they want around the world in Korea, Japan and Bosnia?

A: Major Shawn Mell - SFOR

Are you asking me a question or are you making a statement?

Q: Fedad Forto - FENA

Is it a common policy to let them do whatever they want?

A: Major Shawn Mell - SFOR

We do not condone any negative activity on the part of United States Forces, whether it be in Bosnia, Korea or anywhere else. The justice system must work and let the justice system work in this case. The investigation has not been concluded and like I said, once they returned then they will fall under the United States Uniform Code of Military Justice. I cannot predict the outcome of the investigation or if in fact there will be any legal consequences at all.

Q: Zdravko Ljbas - DPA

A question for SFOR, are there any ongoing SFOR activities to arrest Radovan Karadzic. Having in mind that former SFOR Commander General Sylvester, used to say that such activities are always ongoing?

A: Major Shawn Mell - SFOR

That is true. Everyday that these soldiers go out on patrol they are conscious of the fact that persons indicted for war crimes must be apprehended. So, as they are on patrol that is part of their responsibility, if they do come across an indicted person they will take the appropriate action. But, as to a specific operation, I would not comment on a specific operation to begin with.

Q: Zdravko Ljbas - DPA

Can you say at this moment are you any closer to the (cannot understand word) what would be the current situation?

A: Major Shawn Mell - SFOR

Any closer to what, I'm sorry?

Q: Zdravko Ljbas - DPA

To the fugitive, to Karadzic.

A: Major Shawn Mell - SFOR

I do not know. I really do not have answer for you on that.

Q: Viola Gienger - Freelance for Cox Newspapers

Oleg, I have a question about the possibility for severe economic crisis here in Bosnia. Last year there were some predictions that a severe economic crisis would hit the country this coming spring to summer. Now it is a year to 18 months down the road, what has changed to cause the change in that time frame?

A: Oleg Milisic - OHR

I am not sure who was making those predictions. As I said in my statement today, there are very clear indicators that the economic future for Bosnia and Herzegovina is very serious and that there is a very clear need for specific actions to be taken in order to soften or avoid the effects. I do not think, anybody expects that everything will be avoided if the various Parliaments undertake these actions. But, there are various steps that can be taken that would make economic reform and creation of jobs much easier then they are now.

Q: Viola Gienger - Freelance for Cox Newspapers

Jon, regarding the raids that have now occurred on two different occasions since EUPM took over what has been the total number of arrest and have there been any convictions yet in those cases and is there any total number of locations bars for example that have been shutdown. In other words what has been the accumulative effect of those two evenings of raids?

A: Jon Oskar Solnes - EUPM

I have summarised the conclusion of this raid. On the first one, which took place two days after we commenced the mandate there were no arrests, I do not think there were any closure of bars then. After this raid we have three women being prosecuted because of illegal entry they do not have documents to stay in Bosnia and Herzegovina, one bar was closed down and one human trafficking victim has been brought to a shelter, this was my summery for last Friday. Of coarse this is only the second operation of this kind, so we would like to emphasise on the EUPM side, that for us the main conclusion is that only on the second operative day we have good co-operation between several hundred police officers and the EUPM. That is very important to us and is a good sign for the future.

Oleg Milisic - OHR

Anything else, thank you all very much.