OHR BiH Media Round-up, 30/9/2003

CROAT RADIO HERCEG- BOSNA (18,00 hrs)	BH TV 1 (19,00 hrs)	FED TV (19,30 hrs)	RT RS (19,30)
Dragan Covic in UN	Covic in the UN	Reports on telecom	Cavic with opposition
Doris Pack on HR	Report on telecoms	Defense reforms for PfP	Pensioners to protest
Cavic with opposition reps	Cases of Deronjic, Nikolic	Deadline for Mostar	Fight against the terrorism
	Verdicts for Severin crime		

Oslobodjenje	Hadzipasic to remove management teams in BH Telecom, HPT Mostar	
Dnevni Avaz	Corruption in BH Telecom and HPT: the moves by prosecution office are now expected	
Dnevni List	'Annual loss of BiH Telekom and HT Mostar around 80 million KMs'; Doirs Pack: Assimilation of Croats is taking place in BiH"	
Vecernji List	'Old Bridge to be UN project'; "Barracks as luxurious hotels'	
Slobodna Dalmacija	Features Croatia related headlines	
Glas Srpske	Programme of sustainable return of Croats to Posavina: Wasting money; Livno Canton: Constitution beyond Constitution	
Nezavisne Novine	Exclusive report of international auditor into Telekom Srpske: Telekom Srpske loses BAM 38 million on a yearly basis for illegal activities; International auditors reports into BH Telekom and HT Mostar presented: Premier of the Federation of Bosnia and Herzegovina announces removals of those responsible at Telekoms; Deen caused a scandal at election of Miss BiH for Miss World: T-shirt with the picture of Senad Avdic torn apart beyond original scenario	
Blic	Cavic rejected the opposition's request for early elections; Agreement on RS Trade Unions' acting signed: together on streets	

Economic/social affairs, audits

Special auditor's report on BH Telecom, HT Mostar operations

Croat Radio Herceg Bosna, BHTV, FTV, RTRS, Oslobodjenje front page, pgs. 4-5 'Hadzipasic to remove management teams in BH Telecom, HPT Mostar', **Dnevni Avaz** front page, pg. 4 'The prosecution' office's moves are now expected', ONASA - The reports of a special auditor on the operation of BH Telecom and HT Mostar reveal big weakness and inefficiency of the management, incorrect practice at tenders and conflict of interest and inadequate control of the executives bodies, causing millions in loses per year, Federation of BiH Prime Minister Ahmet Hadzipasic said at a press conference in Sarajevo on Monday. The audits of the public companies revealed big problems in the operation of these companies which are profitable, but not as much as they could be. The prices of services offer by these companies are the highest in the region. At the same time, the services are the poorest," Principal Deputy High Representative Donald Hays said. He said the profitability of these companies is based on their monopoly orientation, underlining that "even if the BiH market was more opened, the BiH public telecom firms would surely bankrupt." He also said that earlier audits of other BiH public firms found that there was plenty of "unethical in them, including criminal behaviour of responsible people." "A similar situation is also in the BiH telecom sector and all criminal assertions found were forwarded to the Federation prosecution, which will send them in further court process if the evidence is correct." The audit of BH Telecom found the firm loses 40 million KM per year due to poor management. In regard to tenders, the audit found that companies with most favourable bids were not selected, but those with "good connections" with the public firm. According to the report, BH Telecom has also contacted foreign suppliers, instead of domestic, and because of that it paid additional commission besides higher prices of services. "Briefly, the company fail to negotiate for any for at all, while impossible bids were accepted," Hays said, adding that urgent restructuring of the company is required. HT Mostar's loses were 18 million KM per year due to poor management. Hays stated as an example that the HDZ or HVO (Croat Defence Council) did not pay bills until March this year and that a "special link with the Croat University in Mostar" was sought as well. He said the problems of BH Telecom and HT Mostar mainly come from the lack of a concrete strategic development plan, the lack of discipline and knowledge to execute the plans, as well as the failure of the management to understand that they work for BiH citizens. "From these reasons, overall audits of the BiH public sector must begin immediately and be fast, solid and energetic," Hays said. Hadzipasic announced he will recommend the government at its next session to suspend or dismiss the steering boards, management and all competent for the present state in BH Telecom and HT Mostar. The report of a special auditor for HT Mostar was completed on 8 August and for BH Telecom on 15 August.

Dnevni List (front and page 5, "Annual loss of BiH Telekom and HT Mostar around 80 million KMs", by Renata Radic), Slobodna

Dalmacija, page 6, "BH Telekom and HT Mostar lose millions of marks", by Dinko Pasic, Vecernji List, page 4, "BH Telekom loses 40 million KMs, and HPT 18", by Eldina Medunjanin, Jutarnji List, page 12, "Telecommunications companies in FBiH lose 30 million Euros", by H, sp), Nezavisne Novine, cover and pg. 3, 'Premier of the Federation of Bosnia and Herzegovina announces removals of those responsible at Telekoms'; Glas Srpske, pg. 3, 'BAM 60 million lost', Blic pg. 7 'Dismissals to follow' also covered the issue.

BH Telecom head condemns auditor's report as "false, pretentious"

Oslobodjenje front page, pg. 4, Dnevni Avaz pg. 4 'Spahic considered report as inaccurate', **ONASA** - "Not the management or the Steering Board of BH Telekom had access to the Office of the High Representative's (OHR) audit report on BH Telekom's business, but, on the basis of information from Monday's press conference, when the report was presented, I can say that it is completely false and pretentious," said Amir Spahic, acting general director of BH Telekom. Spahic said he is convinced that "the report is part of an orchestrated campaign against BH Telekom, which is sadly partaken in by certain senior BiH and FBiH officials, as well as OHR officials". "It is not a secret that their plan is to legalize the illegal Eronet, through which the Deutsche Telekom is being introduced to the BiH market. If their plan succeeds, BiH will lose at least two billion KM," said Spahic. **Dnevni List** (page 5, "Inaccurate, non-expert and tendentious report", unsigned), **Slobodna Dalmacija**, page 6, "Amir Spahic: Report in favour of Eronet", by D. Pasic) also carried the statement.

HT Mostar denies "irregularities" causing loses

ONASA - The majority of allegations and facts about irregularities detected in the work of the Croat Telecommunications (HT) d.o.o. Mostar, made public on Monday by Federation of BiH Premier **Ahmet** Hadzipasic and Principal Deputy High Representative Donald Hays, relate to the period when HT Management Director **Stipe Prlic** was not in office, Prlic said in a press release. "Through the entire work and engagement of the company management, which I have been heading since 27 August 2001, we have taken all measures to expose and eliminate the majority of the stated facts which Hays and Hadzipasic mentioned today, following the Special Auditor Report for the BiH Federation and RS," Prlic said, stressing that all debts were reduced and the practice of non-transparent donations eliminated. "Following the Supervisory Board meeting tomorrow (Tuesday), the public will be able to see for itself the efforts and activities of the current management aimed at overcoming the previous situation as described in the Special Auditor Report," the press release concluded.

Int. auditor's report on Telekom Srpske

Nezavisne Novine, cover and special supplement of 16 pages, 'Owing to mismanagement and violation of the Law, Telekom Srpske loses BAM 38 million on a yearly basis' – NN carries the entire 16-page report of international auditor into business dealings of Telekom Srpske. The report is divided into following chapters: Review, Findings and Recommendations (containing following sub-headings: Payments, Violation of Law on Procurement, Expansion of GSM network, MOBI's contracts for towers, Marketing Programmes, FUN MOBI's lottery, Purchase of telecommunication cables and devices etc.), Invoicing and payments, Management, Planning, organising and control, Miscellaneous. Supplement also contain a couple of pictures with officials of Telekom.

BiH Commission for Concessions

Oslobodjenje pgs. 4-5, mentioned on the front page 'Financier for Vc corridor will be selected in Banja Luka' – The BiH Council of Ministers is expected to make a decision in next ten days on opening a public procedure for appointing a seven-member BiH Commission for Concessions, **Haris Basic**, the BiH Deputy Minister of Transport and Communications, told the newspaper. According to Basic, the FBiH, RS and Brcko District will have two members in the Commission respectively, as an international member will be nominated by OHR.

Sale of oil terminal owned by Hercegovacka Bank

Vecernji List (page 3, "Oil market in BiH to owner of Dretelj", by Zoran Kresic) carries that bids for the sale of the oil terminal Dretelj, near Capljina, will be opened today. VL says that due to the new legal regime according to which oil could be imported through railways only, this oil terminal will eliminate other wholesale dealers because it is connected to Ploce port by railway. VL says that according to their information, a few BiH and foreign companies are interested in this oil terminal which has capacity to supply the whole BiH with oil in the case of war and which was the main JNA (former Yugoslav Army) oil warehouse for BiH before the war. The article says that the last owner of the oil terminal Dretelj was company Hercegovina Gradnja from Capljina. However, due to the debts of this company towards Hercegovacka Bank, provisional administrator of Hercegovacka Bank **Toby Robinson** made a contract by which the oil terminal Dreteli became ownership of Hercegovacka Bank.

HNC Government discussed Budget revenues

Dnevni List (page 12, "Budget is smaller by 10 million KM than originally planned", S. Bjelica) carries that during the yesterday's session of the Herzegovina-Neretva Cantonal Government the only item on the agenda was the problem in collection of public revenues in the HNC budget. At the press conference, which was held after the session, cantonal minister of finances **Semin Boric** stressed that the collection of public revenues is by 13% smaller than it was originally planned and this caused the deficit amounting to about 10 million KM in the cantonal budget for 2003. Boric added that this causes all difficulties that the HNC Government is facing with. DL says that cantonal prime minister Miroslay Coric stated that it does not make sense to hold sessions of the HNC Government until the removals in the Mostar tax Administration take place and added that he will decide on further steps after the meeting with Head of the OHR South Jacques Andrieu. Vecernji List (page 5, "Filling of budgets unsatisfactory", by Misijana Brkic-Milinkovic) also covered this session.

Plant

Mikerevic on Ugljevik Nezavisne Novine, pg. 2, 'Dragan Mikerevbic opposes to third persons' - Republika Srpska Prime Minister, Dragan Mikerevic, supports the intention of energy and mining representatives to deny access to third persons to excavation sites of Mines and Thermal Power Plant "Ugljevik". According to press release issued by Republika Srpska Government Bureau for public relations, 'Government will pass decisions, that are to ensure unobstructed functioning of Thermal Power Plant "Ugljevik".

Dokic opposes to removal of Kozomora

Nezavisne Novine, pg. 4, 'Dokic criticised removal of Kozomora' -**Branko Dokic,** member of PDP President, at Sunday's session of PDP Presidency, expressed concern over removal of Risto Kozomora and appointment of **Dragan Kostic** as Acting Director of Banjaluka Clinical Centre. His criticism is grounded in the fact that **Kostic** comes from opposition.

HR on Mostar Waste Dump

FTV, Dnevni Avaz pg. 4 - HR Ashdown set deadline for decision on single waste dump in Mostar.World Bank has provided 7 million dollars for the project, but the City council could not agree on this issue. Ashdown warned City Council members: "If decision is not made by midnight Tuesday 14 million Km will go somewhere else in BiH...you will be responsible for polluted city and dirty Neretya river...it would be huge mistake to leave such a nice City to be dirty place...citizens would suffer, not politicians". There have been already 5 deadlines for the decision on single dump site, but not a single one has been met.

session

Bulldozer Committee Dnevni Avaz pg. 9 'Yet 16 proposals for laws change' - At its plenary session in Sarajevo on Monday, the Bulldozer Committee adopted 16 new proposals for change of the current legislation in order for the business environment in BiH to be further improved.

Organised action of RS Trade Unions

Blic pg. 6 'Together on streets' – Agreement on joint action of the RS Trade Unions signed in Banja Luka will contribute to a stronger appearance when it comes to the workers' rights. According to the agreement, every single request of workers from any field will have to be signed by all other trade unions. The agreement foresees the joint action of trade unions in several fields: revitalisation of production, fight for workers' rights through Labour Law, regular salaries and their increase and fight for functioning of the RS institutions. The trade unions will also jointly fight for social justice and defining of sources of social programme's financing.

VL on confiscation of illegally gained properties

Vecernji List (page 2, "Confiscation of illegally acquired", by Zdenko Jurilj) – according to VL, the BiH judiciary should in the next few months be getting a special Office for expropriation of property, the property which has been proven in court to be illegally acquired. Apparently, the idea has been approved by political directors of the Peace Implementation Council during a meeting in Sarajevo. VL says the idea was conceived in the OHR after the initiative by the US Government and EU countries on destruction of terrorist support network which financially helps persons indicted with war crimes. Regarding technical details, VL says there are not many apart that the Office will be working under the BiH Court. According to VL, the process of establishment of the Office will be carried out with the help and assistance from the OHR.

FBiH pensioners to organize protest rallies today

Dnevni List (front and page 3, "Everything's ready for today's protest of pensioners", by Fena) – reports that everything is ready for today's protest of pensioners in the Federation of Bosnia and Herzegovina (FBiH). Representative of Association of pensioners in FBiH, **Jozo Ljiljanic**, says the pensioners will express dissatisfaction with the attitude towards the pensioners and repeat requests regarding improvement of their material and social status. He stresses that the main rally will be held in front of the FBiH Government building in Sarajevo, whilst at the same time, pensioners elsewhere will protest in cantonal centres. **Slobodna Dalmacija**, page 18, "Protests of pensioners today", by M. Landeka, **Sarajevo media** also covered the issue)

VL on state of agriculture in BiH

Vecernji List (page 6, "Mobile phone versus hoe", by Radoslav Dodig) – the author claims that the state of agriculture in BiH is catastrophic, blaming the politicians for the situation, the politicians who have been since 1990, according to Dodig, promising people that the agriculture would bloom. Claiming that majority of carriers of authority in Herzegovina are farmers by origin, that hardly waited to swap hoes with mobile phones, Dodig sees the remedy in enactment of a law that would oblige officials to cultivate at least two hectares of land in order to stay in politics.

Political developments

Covic addresses UN General Assembly

Croat Radio Herceg Bosna, BHTV, FTV, RTRS, Oslobodjenje pg. 5 'BiH on the path of success, stability', **Dnevni Avaz** pg. 2 'Let the Mostar Old Bridge be symbol of coexistence in the world in the next year', **FENA** - On Monday BiH Presidency Chairman **Dragan Covic** addressed the participants of the 58th session of the UN General Assembly. Among other things Covic said: "I am pleased because BiH is no longer in the centre of international attention as a crisis area, instead the time has come for BiH to actively participate in the stabilising processes in the region. We in BiH, dedicated to reform, wish to create preconditions for overcoming the consequences of previous conflicts, dedicated to respecting the rights of individuals and peoples and their cultural, religious and other diversities. I wish to stress that the BiH authorities prioritise contributing to political and economic stabilisation of the country and improving its role on international plan, through implementing of underlined reforms. I am convinced that we in BiH. in co-operation with the High Representative and other representatives of the UN and international organisations, will manage to find the best way for implementing of underlined reforms and that we will find the most appropriate solutions for swift economic development of BiH and thus, create realistic chances for BiH's integration with the European Union." "In the process of BiH's access to European integration we have just completed the talks with the EC on designing the Feasibility study. Now we are entering the next phase in full trust, convinced that the process we launched will result in final fulfilling of conditions and membership in the EU," Covic added. **Vecernji List** (front page, "Old Bridge to be UN project" and pages 2 and 3, "Mostar's bridge to be UN project", by J. Pavkovic), Dnevni List (front and page 3, "BiH wants urgent integration to EU", by M.R.) also covered parts of Covic's speech.

Member of European Parliament Doris Pack on BiH, Ashdown at the conference on EU enlargement in SA

Croat Radio Herceg Bosna, Dnevni List (front and page 6. "Assimilation of Croats in BiH", unsigned) - a member of the European Parliament, **Doris Pack**, criticized the High Representative for BiH and moves of the IC stressing that the last elections in BiH were fair, however she wondered why the IC does not allow the elected officials to do their job. "Let the people work, even make mistakes", said Pack. Talking about the education reforms, Pack accused the IC that it does not allow one people to have classes in mother tongue thus carrying out the assimilation. She reportedly stressed that the Croat would emigrate unless they are not allowed textbooks and classes in mother tongue. Pack came out with the critics over the last weekend in Sarajevo during the conference entitled "Building Europe – expansion today and tomorrow". **Slobodna Dalmacija** (page 6, "Ashdown keeps BiH under fear and self-willingness", by <u>Zlatko Tulic</u>) – carries Pack as saying that "nobody dares to say anything to the High Representative, because of fear of removal". The author of the article says the High Representative perhaps will not be glad that a member of the European Parliament criticizes his work, saying that her statement is nothing new, but a confirmation of what's been talked about in northern Europe, about "Ashdown's despotism and inefficiency in work". In that context, the author says HR Ashdown only listens to orders coming from the UK, whilst the co-operation with other intelligence services from Europe is still under question mark.

Livno Canton

Glas Srpske, cover page story, 'Constitution beyond Constitution' – The Constitution of Livno Canton has not still been harmonised with the Constitution of the Federation of Bosnia and Herzegovina. This means that decision of BiH Constitutional Court (regarding constitutionality and equality of peoples of BiH) has not been implemented in this Canton.

American professor blames Europe for conflict between Islam and the West

Nezavisne Novine, pg. 4, 'Conflict between the West and Islam is the European responsibility' - **George Exposito**, Director of the Centre for Muslim-Christian understanding at "Georgetown University" of Washington, stated that Europe is responsible that it felt uncomfortable to admit that there are Muslims within its region, and also for having failed to prevent the war in Bosnia, which led to creation of terrorism.

leaders

Cavic with oppositionCroat Radio Herceg Bosna, BHTV, RTRS, Glas Srpske, pg. 2, 'Constitution beyond rules'; Nezavisne Novine, pg. 5, 'Dragan Cavic: No conditions for extraordinary elections', **Dnevni Avaz** pg. 9, **Blic** pg. 7 'Government to be reconstructed' - At a meeting with the leaders of opposition parties, RS President **Dragan Cavic** rejected the idea of holding early elections. "I will not dismiss the Parliament and call elections, because there are no conditions for that, since that representatives of the Serb parliamentary majority recently stated they support the Republika Srpska Government," he explained. He said that in accordance with the Constitution, only reconstruction of the RS Government is possible if there is an initiative for that. He added that a meeting would be held between the authority and opposition parties to try and "reach a consensus on certain big issues." He said that he supports the BiH Defense Reforms Commission's report. "Since that the opposition's leaders told me they are dissatisfied with offered proposals in regard to the defence, I promised I would address the Parliament on that issue and would publicly say what I think about the proposals. And it is up to them to say yes or no," Cavic said. SNSD leader Milorad **Dodik** said that the opposition does not believe in reconstructed system adding that their offer is good one. He refused to say what would happen if the authority rejects the proposal, only saying it would be interesting. SPRS leader **Petar Djokic** said they offered their solutions for the future of a stable RS. Marko Pavic, DNS leader, said that the early elections are the only solution for the Republika Srpska.

Statement by PDP's Kunic

Nezavisne Novine, pg. 4, 'All those involved in crime should be removed' – In a brief comment on current situation within his party of PDP, **Petar Kunic,** memebr of PDP Presidency, said that: "There are unscrupulously ambitious people within PDP, who do everything do achieve their goals. This is followed with numerous intrigues. And this has cost the Party a lot already."

He admits there are different groups with various interests within PDP membership.

He is firm in saving that any person involved in crime, even if PDP official, must be removed from position.

Defence

FBiH Defence Minister on the military reforms

Croat Radio Herceg Bosna, BHTV, FTV, Oslobodjenje pg. 7 'Reach PfP through reforms', **Dnevni Avaz** pg. 9 'This is an enormous progress regardless of all the commentaries', SRNA - The defence minister of the Federation of BiH, Miroslav Nikolic, has stated that attempts to establish a single army in BiH based on the model of the former Yugoslav People's Army are unacceptable. Speaking at a news conference in Sarajevo on Monday, Nikolic said that full integration of armed formations in BiH would resemble the former Yugoslav Army concept and added that this was "absolutely unacceptable". "Such armies always end up as armies of the majority people," Nikolic said. He said that that it was necessary to preserve ethnic components in the future armed forces of BiH and that the country should have an army organized on the model of armies in multiethnic countries, such as Belgium, Switzerland or Great Britain. "That model also includes the preservation of the Croat component in the Army of the Federation of BiH. which developed from the Croat Defence Council." Nikolic explained. Commenting on a recent agreement to reorganize the country's defence system, which provides for state control and a single chain of command in the armies of the Federation of BiH and the RS, Nikolic said that this was a very important achievement which brought BiH closer to NATO's Partnership for Peace programme. "Only a year ago, something like this seemed impossible," Nikolic said. He said that real control over the entity armies would be exercised by the Presidency of BiH, the state defence ministry, and the joint operative headquarters of the armed forces. Nikolic added that the entity authorities would be tasked with securing administrative support for the implementation of decisions adopted at state level. Glas Srpske, pg. 3, 'Single army is unacceptable'; Nezavisne Novine, pg. 5, 'Army in BIH will not resemble JNA', **Dnevni List** page 7, "Both components of Federation of BiH Army remain", by E. Mackic, **Vecernji List**, page 3, "Nikolic satisfied with plan of defence reforms", by eme, Slobodna Dalmacija, page 13, "6 thousand troops to be discharged" by Z. Rerig, F also reported on the issue.

saved defence reforms

VL says Dragan Covic Vecernji List (page 5, by Dejan Jazvic, "Covic prevented failure of defence reforms") - the daily learns from a "western diplomat", that the current and former Chair of BiH Presidency, **Dragan Covic** and Alija Izetbegovic, are two persons that take most credits that the defence reform in BiH did not fail. According to the source, two conversations between Izetbegovic and the High Representative, **Paddy Ashdown**, played an important part, whilst Covic convinced the Croat representatives to sign the report after they initially refused to do so because the report did not state what was going to happen to the Croat component.

NN editorial on defence reform

Nezavisne Novine editorial pg. 7, by Almedin Sisic, 'State benefits' - The author commences the article with the following sentence, which describes the editorial the best: "On Thursday, 25 September, at 20::00 hrs sharp, the historic moment for BiH took place, as international community officials like to say it."

He commends the signing of the defence reform agreement, saying that the citizens of BiH would benefit the most from it. However, he is also critical of **Suleiman Tihic** and small games of his party. According to him, 'it is unusual that Tihic finally accepted the agreement at the time when the Political Directors of PIC were in Sarajevo?"

FBiH MoD selling facilities to overcome financial difficulties

Vecernji List (front "Barracks as luxury hotels" and page 5 "Luxury hotels instead of surplus barracks", by Dejan Jazvic) - the Federation of Bosnia and Herzegovina Army, in its attempts to overcome the financial crisis, is planning to sell four facilities to the Sarajevo Canton and municipal authorities in Sarajevo. Apparently, due to downsizing of troops in the FBiH Army, many military facilities are left empty so the FBiH MoD decided to put them on sale. VL says the facility that is most likely to be turned into a luxury hotel is a former "Jajce" barracks, and in that context, VL says a Belgium chain of hotels showed interest.

	Process of return
Ashdown visited Anica Prnjavorac, a returnee to Teslic	Dnevni Avaz pg. 3 'BiH should build itself by its own' – The High Representative, Paddy Ashdown, together with his wife Jane visited late on Monday Anica Prnjavorac and her seven-member family living in a 35 square meters apartment in the Teslic suburb of Mala Usora. She was among the first returnees to Teslic in 2000 and she reconstructed her apartment by her own funds.
Croat returns to Posavina	Glas Srpske, cover page story, 'Money wasting' - The programme on sustainable return of Croats to Posavina has faced with a complete fiasco. The Governments of Japan, Croatia and Republika Srpska invested the total of BAM 1.2 million in reconstruction of houses and providing other conditions for returns of Croats to the settlement of Bunar near Derventa. The final outcome of this work could be coldly referred as to money wasting. However, the reconstructed houses (the total of around 70 houses) are still empty. The following picture can be seen in Posavina: there are numerous reconstructed houses in this area, that are empty and to which original owners do not want to return, while on the other hand there are many homeless people, who have no place to live and no resources to reconstruct their houses in the Federation of Bosnia and Herzegovina.