

## **BiH Media Round-up, 30/5/2002**

- **AM-SPED Affair**
- **CAFAO Affair in the RS**
- **Reactions to Petritsch's Last Minute Decisions**
- **BiH Parliament's House of Representatives adopts the State Budget**
- **Austrian Foreign Minister visits BiH**
- **Paddy Ashdown's activities: Visit to Bijeljina, internal reorganisation of the OHR**
- **Bosniak members withdraw from Stolac Municipal Assembly**
- **Ashdown hands award cup to Sarajevo football club**
- **Four BiH citizens killed in a bus crash in Denmark**

### **AM-SPED Affair**

The Federation Financial Police filed criminal charges against the Federation Finance Minister, **Nikola Grabovac**, and eight other responsible officials in the Federation Finance Ministry, Customs Administration, *Univerzal Banka* and the Orasje company *Am-Sped*. Media in the Federation report that charges pertain to the irregularities and illegalities in the process of decision-making on the part of the Federation Finance Ministry about 1,75 million KM tax return to Am-Sped. According to the charges, as a result of the dubious tax-return, the Federation budget suffered a damage of additional 4,2 million KM. (Front page story in **Oslobodjenje**, **Dnevni Avaz**, and **Dnevni List**)

At a press conference on Wednesday, Grabovac and his two legal assistants, Tihimir Curak and Krunoslav Jelic, dismissed all the charges and accused organized groups in the Financial Police, Customs Administration and the Finance Ministry of conspiring against him and conducting a biased investigation of this case. Grabovac conceded that there were irregularities in the entire process, however stressed that he had been deceived by his subordinates. Curak said that the original investigation into this case was conducted by exclusively Bosniak inspectors and with the aim to compromise Grabovac. *Dnevni Avaz* and *Oslobodjenje* (front pages), as well as the BH TV and the FTV carry similar reports.

### **CAFAO Affair in the RS**

In a lengthy interview with **Nezavisne Novine**, the RS Prime Minister, **Mladen Ivanic**, stated that the RS Government will carry out an investigation with regards to the developments in the RS Customs Administration. Ivanic said that CAFAO delivered its report to the RS Government upon his request. Ivanic indicated that *Nezavisne Novine*, which publicized the English version of the CAFAO report, got the report in a rather strange way, that is *"from the international institutions."* According to Ivanic, all those involved in illegal actions will be held accountable, regardless of their party membership and that he does not intend to protect anyone.

Today's **Express** also published an article about a CAFAO report on an organized crime in the Republika Srpska Customs Administration. In the article, Express journalist presents details from the report (already published during the past days in many BiH media) including the names of 27 suspended RS Customs Administration officers and brief description of their illegal transactions.

In a shorter interview with **Dnevni Avaz**, the Principal Deputy High Representative, **Donald Hays**, said that the recently revealed affair in the RS Customs Administration is only a tip of an iceberg. *"Some estimates are that through lower tariffs, the RS has lost at least 200 million KM...It is clear that all this was very well organized and that it lasted for over nine months."* Hays said that he is not sure as to who is the *"godfather"* of the entire

operation, but added that senior officials in the Customs Administrations in the RS were certainly behind it and that the investigation is underway.

## Reactions to Petritsch's Last Minute Decisions

RS Premier says ex-High Representative sent wrong message

RS Prime Minister **Mladen Ivanic** has stressed that the former High Representative, Wolfgang Petritsch, sent "a very wrong political message" about a country which had recently become a member of the Council of Europe by imposing laws on this country. *"The elementary rule for every member of the Council of Europe is for it to make its own laws, but that it is also prepared to change them if the Council of Europe believes that something is wrong with them,"* Ivanic told a news conference held in Banja Luka on Wednesday. He repeated that Petritsch did not have a reason to impose some of his decisions at least as far as the RS was concerned. *"We gave a positive assessment of the Law on State Civil Service bodies and the Law on Conflict of Interests and some other laws,"* Ivanic recalled, stressing that Decisions on judiciary, the RTRS and the PBS [Public Broadcasting Service] should not have been imposed.

He stressed that decisions on changing constitutional powers of the entities were unacceptable, because as he said, these were never discussed, nor were these changes forwarded for consideration to the RS institutions. *"I think that this is the bottom line, which has been used to test the resolve and responsibility of domestic institutions,"* Ivanic said, adding that *"if these laws are passed, a possibility of changing very important things will be opened up"*.

According to him, the RS government believes that the issue of constitutionality of these decisions should be raised with the RS and BiH Constitutional Courts and the relevant international institutions. All media in BiH pick up similar report from Ivanic's press conference. (Excerpts taken from the original **SRNA** news agency report. This was also the top story in today's **Nezavisne Novine**)

## BiH Parliament's House of Representatives adopts the State Budget

At a session held on Wednesday in Sarajevo, delegates in the BiH Parliament's House of Representatives adopted the proposed **BiH State Budget** (State Institutions) for 2002, however rejected the provision stipulating that the BiH lawsuit against Yugoslavia on charges of genocide be financed by the budget funds. The delegates also failed to later agree on the financing of this lawsuit, as representatives from the RS voted down the proposed amendments saying that the process should be financed by the funds from the budget reserves.

The BiH Parliament's House of Peoples is now scheduled to discuss the State Budget for 2002, and which has to be adopted by June 7.

This item was one of the top stories in the last night prime time news, and prominently covered by today's newspapers across BiH.

In a statement for **Dnevni Avaz**, the Principal Deputy High Representative, **Donald Hays**, expressed hope that the State Budget will also pass the House of Peoples and warned BiH politicians that the country may lose millions of KM in funds if the budget is not passed by the set deadline. *"Vote 'yes' is a vote for the economic stability and the future of this country."*

## Austrian Foreign Minister visits BiH

The Austrian Minister of Foreign Affairs, **Benita Ferrero-Waldner**, arrived in a one day visit to Sarajevo, where she met with the chairman of the BiH Presidency, **Beriz Belkic**, and her BiH counterpart, **Zlatko Lagumdžija**. In separate meetings, the Austrian diplomat discussed the bilateral relations between her country and BiH as well as *"ever strengthening economic ties between the two countries."*

Ferrero-Waldner's visit to BiH was one of the top stories in BiH, in particular the Federation, media. (**Oslobodjenje** and **Dnevni Avaz** on p.2)

## **Paddy Ashdown's activities: Visit to Bijeljina, internal reorganisation of the OHR**

The New High Representative, Paddy Ashdown, visited Bijeljina on Wednesday where he met with the officials in the local administration, as well as the Islamic Community in this town. Commenting on the recent incident in which the building of the IC was slightly damaged after an explosion, Ashdown said that that he came to Bijeljina to condemn such acts of violence, which happen on all sides. *"I want to make one thing clear: all those who use violence and pressure in order to prevent refugees from returning to their homes, be their Bosniak, Serb or Croat, must know that we will do everything in our powers to protect not only individuals, but also a multiethnic and a tolerant nation which is, in fact, the only chance for BiH,"* Dnevni Avaz and Nezavisne Novine quote Ashdown as saying. BHTV, FTV and the RTRS also cover the visit to the Islamic Community, however focus more on Ashdown's talks with Serb refugees in the settlement of Five Lakes (Pet Jezera), where some 140 apartments are being built in order to meet their need for alternative accommodation.

**Nezavisne Novine** quote Ashdown as saying that one of the main priorities of the International Community in BiH is the arrest of the indicted war criminals, including the former BiH Serb leaders, Radovan Karadzic and Ratko Mladic. *"I am confident that the responsible institutions, such as SFOR and others, will do everything to arrest the indicted war criminals – the two big ones, of course,"* he said during his visit to Bijeljina.

The reports in print (with the exception of **Dnevni Avaz** – p. 2) and electronic media were not very prominently placed. In the electronic media, the visit reports were broadcast in approx. tenth minute of the prime time news.

In a short statement for the **Croatian Radio**, the Croatian President, **Stipe Mesic**, said that he has met the new High Representative on several occasions. *"He (Paddy Ashdown) is taking on a very difficult task, but I have to say that his task will probably be somewhat easier than Wolfgang Petritsch's. I believe that he will finish the job,"* said Mesic. He also urged the BiH Croats and their representative, especially the HDZ, to be more cooperative.

In an **Oslobodjenje** column ("Ashdown"), **Zija Dizdarevic** writes that the platform of the new High Representative is very ambitious and forward-looking. He especially commends Ashdown's focus on the fight against crime and corruption, reform of judiciary, economic reform and the establishment of the rule of law in BiH. However, notes Dizdarevic, Ashdown's noble intentions may *"run into a brick wall"* – that is the reality of BiH – especially now when the RS officials are challenging Petritsch's last Decisions and the entire Constitutional reform. *"Ashdown is facing the fact that even seven years after the Dayton, the Entity constitutions are not harmonized with the BiH Constitution."* Dizdarevic notes that the new High Representative's statement that the *"Dayton is the foundation, not the ceiling"* may allude to the possibility that an internal reorganization is awaiting BiH in the future. Finally, he writes that despite the good and promising platform, Ashdown cannot ignore two other important issues: return of refugees and the arrest of the indicted war criminals.

In a lengthy column in **Walter** ("We want Protector"), Sarajevo professor **Muhamed Filipovic** evaluates the mandate of the former High Representatives in BiH and comments on the mandate and priorities of Paddy Ashdown. *"As a state, we have been declared immature, an active legitimacy for making decisions about the most important issues of our own life has been taken away from us, we have been put under an curatorship of an institution called the international community, and the High Representatives represent executive bodies of that community, i.e. our curators,"* ... *"Now a new BiH's protector is coming to us...He announced the fight against crime neglecting the nationalism as the main creator of our unfortunate destinies. Ashdown would have to realize that the rule of nationalism has produced the worst ever existing sort of political crime which could take place particularly in a multiethnic country..."* concludes the reputable Sarajevo professor.

*"Only three days following his official inauguration, the High Representative, Paddy Ashdown, was almost simultaneously presented in all parts of this state. In a short period of time, the incredibly vital man from Britain had brief political consultations in Sarajevo, Banja Luka and Bijeljina, and his visit to Citluk witnesses the economy will be integral part of his political opus,"* reads an article on the recent Ashdown's visit to Herzegovina published in the **Express** magazine today. In Citluk, Ashdown, accompanied with his wife Jane, visited the Bobita Company, the largest alcoholic beverages factory in BiH. Among other things, Ashdown inquired about large differences

between production costs and the final price of the products made in this company. (The one-page article – photo exclusive – is illustrated by four small and one larger photo of Ashdown and his wife. It is published on 11<sup>th</sup> page.) **Dnevni List** carries similar article.

**Remy Ourdan** in Paris **Le Monde** on Wednesday also welcomed the speech of the new High Representative, noting that six years after the end of the war, BiH will finally get its true head of the state. Ourdan writes that Ashdown's "*unusual address*" before the BiH Parliament was more of a speech by a governor than by a diplomat.

In a statement for the press (carried by **Dnevni Avaz**), the **US State Department** welcomed the list of priorities of the new High Representative, Paddy Ashdown, and which include the fight against crime and corruption, the establishment of the rule of law, and strengthening of the state institutions. "*These are the last remaining critical obstacles on BiH's way towards a lasting political stability,*" said the State Department, adding that the United States are confident that Ashdown has the necessary experience and capabilities to fulfill all the necessary tasks. The SD also thanked the former High Representative, Wolfgang Petritsch, for his contribution and the help in successful realization of political and economic goals spelled out in the Dayton Peace Agreement.

British Ambassador to BiH, **Ian Cliff**, in a statement for **Walter**: "*Paddy Ashdown's key priority will be the creation of an ambient for the Rule of Law. I believe he said so. Mr. Petritsch left a couple of the key things uncompleted. One is the modernization of courts. BiH needs courts, which will in a normal way, within legal frameworks and with the trust of citizens, resolve matters. All this must be regulated in a legal manner,*" Cliff said in interview with Walter.

In a **poll** conducted by **Dnevni Avaz**, almost 80% of the polled BiH citizens said that crime and corruption (39%) and unemployment and poverty (41%) are greatest problems in BiH. The poll also shows that only 13% of the BiH citizens still believe that national inequality is an issue in the country.

Note: The telephone poll was conducted among 300 individuals in Sarajevo, Banja Luka and Mostar using a method of random sampling.

### **Hays, Schrimbengs, Fassier - new deputies to the High Representative**

**Dnevni Avaz** writes that **Donald Hays**, **Bernard Fassier**, and **Gerhard Enver Schrombengs** will be the closest colleagues/deputies of the new High Representative, Paddy Ashdown. While Hays has been in BiH since July 2001, the other two officials should assume their duties in the mid Summer.

### **High Representative appoints expert to head Legal Reform Unit**

The High Representative to BiH, Paddy Ashdown, appointed **Zoran Pajic** as head of the Legal Reform Unit within the Department for Rule of Law in the OHR, **ONASA** learned on Wednesday. This information was also confirmed in the OHR. According to ONASA source, Pajic's activities will encompass the revision of the BiH legal system and harmonization of the laws with the international and European standards, respecting the European continental traditions on which the legal education and experiences of lawyers in BiH are based. "If an ideal harmony between these two requests is found, I believe we can count on much efficient provisions, which will enable that people faster get solutions of their legal requests," Pajic told ONASA. He sees his appointment at the high position in the OHR as an illustration of an approach of the new High Representative, pursuant to which the most responsible functions in the international community will be subsequently transferred to domestic people, professionals and experts who are in BiH who have left BiH and work at the universities and institutes of other countries. Pajic is expected to take over the duty on June 10 this year. **Dnevni Avaz** also carries this item on page 2, together with all other items referring to yesterday's visit of the new High Representative to Bijeljina.

## **Bosniak members withdraw from Stolac Municipal Assembly**

**Dnevni List** reports today again about the Bosniak Councilors who decided to freeze their participation in the Stolac Municipal Assembly. The daily notes that this move comes as a surprise because only a month earlier, Wolfgang Petritsch visited Stolac and did not hide his great satisfaction over the things he saw there. According to the article, **Zeljko Obradovic**, the Stolac Mayor, said that it is obvious that some people still want to portray Stolac in a negative light. Obradovic added that he is really glad that Petritsch saw through the talks with the Heads of Municipal Departments that the situation in Stolac is completely normal and that the authority institutions

work within a legal framework. Obradovic stressed that this is just another proof that some Bosniak parties were using a two-third quorum, first of all, for blocking the work of the Municipal Council, and added that they are probably dissatisfied with the normalization of the situation in Stolac. Obradovic said that by this move they primarily damage the people who voted for them. According to him, this move is a part of the pre-election campaign and an attempt to divert attention from an unstable political and security situation in Mostar.

## **Ashdown hands award cup to Sarajevo football club**

At the end of the last night derby game between the rival Sarajevo football teams, Zeljeznicar and Sarajevo, for the BiH Cup, the new High Representative, Paddy Ashdown, handed the awards cup to the better team – the football club Sarajevo.

## **Four BiH citizens killed in a bus crash in Denmark**

Four people were killed and 15 injured and when a double-decker bus crashed into harbour equipment on an island in southern Denmark. Danish police say that all 49 passengers on the Danish bus en route from Sarajevo to Malme were citizens of the former Yugoslav republics who were on their way back from the BiH capital.

This was the top story in all electronic and most print media in the Federation.