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## BiH State-related Issues

**Croatia, BiH sign accords on border, refugees** BiH Radio 1 and the RTRS reported that BiH and the Republic of Croatia signed on Tuesday in Zagreb several accords, including an agreement on the return of refugees and three protocols regarding the border between the two countries. The latter issue still has some disputed points, most notably a crossing in the northwestern BiH town of Kostajnica.

At yesterday's session of the Inter-state council, the two sides also discussed joint infrastructure projects and the overall situation in the region. Chairman of the BiH Presidency Jozo Krizanovic told reporters that this meeting is a new stimulant to the cooperation and good-neighborly relations between BiH and Croatia. The Council concluded that the BiH side has ratified the agreement on the transit through Neum and that the Croatian side is expected to do so, while possible problems will be resolved later, during the implementation of this agreement.

## **BiH, Russia discuss strengthening of economic and political ties**

Chairman of the BiH Council of Ministers and Foreign Minister Zlatko Lagumdžija met on Tuesday in Moscow, during his official visit to the Russian Federation, with the country's

Foreign Minister Igor Ivanov. BiH Foreign Ministry (MVP) said in a press release, carried by nearly all media in the Federation and the RS, that this is the second meeting of the two officials in the past month. The first had taken place during the session of the UN General Assembly, when Lagumdžija and Ivanov had agreed on the necessity to intensify the cooperation between BiH and the Russian Federation, in particular in the spheres of economy and politics. Following the meeting, HINA news agency reported, Ivanov told the press that Russia believes that the Dayton Peace Agreement, which ended the three and a half year long conflict in BiH, could be changed " if circumstances require so." "We are not dogmatic and we do not think that the Dayton Agreement is something final which could not be changed if the situation requires so," Ivanov said, adding that the possible change of the Accord would have to be aimed at the strengthening of the territorial integrity, stability and prosperity in BiH.

## **Federation**

### **Federation Parliament's House of Representatives debates on the budget rebalance**

The Federation Parliament's House of Representatives debated at its extraordinary session on Tuesday the 2001 budget revision proposal, which foresees budget increase of 195.7 million KM. The Federation Finance Minister, Nikola Grabovac, said in his opening remarks that the planned budget was made on November 30, and that the government proposes revision due to increased revenues. "The budget would be increased by 19.6% and amount to 1.192 billion KM," he said. The House also filed more than 20 amendments to the budget revision proposal during the debate, which will resume on Wednesday.

### **Federation Prime Minister: Human Rights Chamber**

## **ruling on military apartments is unreasonable**

The Federation Prime Minister, Alija Behmen, said on Monday that the Federation government will analyze in detail the latest decision of the BiH Human Rights Chamber on military apartments. In a statement for Dnevni Avaz, Behmen said that the ruling which grants right to officers of the former Yugoslav National Army to repossess their apartments in the Federation is unreasonable. "I personally believe that the ruling of the HRC is unreasonable, although, as a Prime Ministers, I do not have a right to evaluate it," Behmen said.

## **Ante Jelavic to Helsinki Committee of Human Right: Petritsch's powers are not in conformity with General Declaration of Human Rights**

Dnevni List carries a letter that Ante Jelavic addressed to Srdjan Dizdarevic, the President of the Helsinki Committee for Human Rights in BiH, on the occasion of the International Day of Human Rights.

The letter reads that the Dayton Peace Agreement, as well as the subsequent documents (Bonn and Madrid Declarations), reinforce the mandate of international organizations, and especially the mandate of the High Representative in BiH. "However, those documents should not be contrary to the General Declaration of Human Rights, the International Pact on Civic and Political Rights or the European Convention on Human Rights. I want to draw your attention to the occurrences of basic human rights violations also for the reason that the preamble of the BiH Constitution reads that international documents of human rights supersede all other laws, i.e. they have priority over any other legal regulations," Jelavic writes among other things.

## **Ivan Bender, the Director of MIO Mostar – Prospects of Federation Pension Fund are not**

## **brilliant**

Dnevni List carries an interview with Ivan Bender, the Director of MIO (Pension and Disability Insurance Bureau) Mostar. Asked about the re-balance of the Federation Budget, Bender says he is not pleased with the proposed revision because it does not treat the MIO Mostar and PIO Sarajevo funds equally, and because, in his opinion, the PIO fund gets a preferential treatment at a detriment of the MIO fund.

Asked to state his opinion about the future functioning of the new integrated pension fund, Bender said: "Knowing the situation at the Social Fund PIO Sarajevo, I think there will be big problems and I do not think the prospects of the fund are too brilliant."

Speaking of the Hotel Ero case, Bender stated: "The Ero case is at court, and the court will make certain decisions. I claim with responsibility that there have been no formal or legal flaws in this regard, and we could solve the Hotel Ero problem right now. Practically, we have enough money blocked in Hercegovacka Banka to be able to pay the debt back so that it all clears up. However, it is up to the Provisional Administrator of Hercegovacka Banka, Toby Robinson, and the High Representative to make the next move because they blocked over 14 million KM deposited on the bank accounts of MIO Mostar."

## **Hercegovacka Banka – deposit pay outs**

Compilation of articles relating to the pay outs of deposits in the Hercegovacka Banka, and which appeared in the Croatian and Croat press was prepared by the Mostar OHR

## **Dnevni List: Provisional Administrator of**

## **Hercegovacka Banka puts Bank's assets on sale**

Written by Antonela Pehar, full translation

Following a decision of Hercegovacka Banka, an advertisement has been published in the daily press inviting tenders for the sale of 453.58 square meters of office space at 18a Vukovarska Street. It is the current seat of the Croherc AG Mostar, which is under the absolute ownership of Hercegovacka Banka.

The office space in question is certainly attractive with 13 offices and a conference room, situated in a building constructed in late 1999.

People at Croherc told Dnevni List that they were aware the office space was on sale and they could not see anything disputable about that, or about the fact that tenders are submitted to the Provisional Administration of Hercegovacka Banka.

They had no comment on the sentence which reads that Hercegovacka Banka reserves the right to reject any or all tenders submitted (!), to change the sale terms or to withdraw the sale. They only said that specific moves could be discussed only once the sale has been realized.

On the same date, the Provisional Administration published an announcement for tenders for the sale of the shares that the Bank holds in the Crobih-Invest, a corporation that runs privatization investment funds. Hercegovacka Banka owns 80% of it, and the assets of the Crobih privatization investment fund are socially owned. The total value of the certificates collected amounts to 146,816,556 Dollars.

This is the company that many (those who can, of course) will, undoubtedly, show their interest in, but the advertisement says it is not enough to have the money, a good reputation and the wish to become the owner. The Provisional Administration has the last say and can decline your offer for any reason,

known to them alone.

## **Dnevni List: Discrimination of Hercegovacka Banka shareholders**

Written by Drago Juric, full translation

The launch of the payout of deposits amounting up to 5,000 KM has been the greatest news for most of the depositors of the “former” Hercegovacka Banka (as well as for a private security company that Toby Robinson hired in Sarajevo, probably for a lack of trust in the local police). This used to be the best and the most prospective bank in this region before Petritsch brutally closed it down, explaining it was because big shareholders allegedly plundered small depositors and due to various irregularities detected in the Bank’s operations.

Depositors could not be happy for much too long because soon they realized that the plunder had only just begun.

A question that suggests itself is how and when the payout started!?

We were given the answer by the people gathered in front of the Bank building, but we could not believe it at first since it sounded extremely unserious, and the answer was: “Depositors who are related to the Bank shareholders cannot withdraw their money,” and “interest rates cannot be withdrawn.”

Dnevni List asked the Director of the Bank’s branch office in Mostar, Gordana Coric, if that is true, and if it is, why that must be so.

“We cannot pay out the interest rates because the Bank does not have the financial capacity to do it (**author’s remark:** where did they get the money for the security company), and in any case, banks under provisional administration are not obliged to conduct payouts at all,” this was her “clear”

answer. Her answer to the question as to why the shareholders' relatives cannot withdraw the money they deposited, was even clearer: "It is all written in the Banking Law," she said and read us the "statement" that any person intending to withdraw money must sign to deny any kinship to the shareholders.

## **Slobodna Dalmacija: Outlaw's practice: Rob money and distribute it as you like**

Written by Petar Milos, partial translation

The wise decision of Ms Toby Robinson, the Provisional Administrator of Hercegovacka Banka, to pay out small depositors who have had the deposits of up to 5000 Marks in this robbed bank, is being glorified on the Federation TV, says Petar Milos in his commentary for Slobodna Dalmacija.

Although Herzegovinians were expected to celebrate this decision, it did not happen. This is the reason why.

Ms Robinson decided to pay out the small depositors in Kupres, Rama and Vares first. These are indeed striking places, but the number of the population there is small while the number of the depositors is even smaller, especially the number of those who deposited their money in Hercegovacka Banka.

However, even if we believe the promise that money will be paid out to all the small depositors, a few questions remain open. The first one is as to why the international administrators are dividing depositors into small and big ones. This decision of the International Community resembles the Communist times when people had been divided into small and big ones, into the honest proletariat and the villainous kulaks, until all of them became the poor.

Obviously, the international administrators need the Communist pattern so that they can turn Croats against one another, the small ones against the big ones, the poor against the rich. It is about another media-political manipulation, with an accent



on currying favor with the poor people.

You do not have to be a big depositor to realize another big mistake of the international community with regard to Hercegovacka Banka. What is heroic in the act of robbing both the poor and the rich of their money to distribute it to the poor ones as you like? And this is exactly what has happened.

The Croat people had enough of it during the outlaws' times. It was more difficult for Tomic Mijat to get the treasury than it was for Petritsch's guys who had it all done in one action. If Mr. Petritsch had cared about the poor people then he would have sent his officials to Hercegovacka Banka to check as to who was stealing money and who was doing the money laundry, and then he would have pressed specific persons. This way, he destroyed the strongest financial institution of Croats in BiH.

After all these events the Croats in BiH have another question for the High Representative. If they wanted to help the honest people, not to say proletariat, and especially the damaged depositors, then they had a lot of work at the very beginning. Remember the cases of Ljubljanska and Sarajevska Banks in which on the eve of the war millions of Marks of the people here were stolen. The Croats were damaged the most. People from Duvno and Livno alone lost 300 million Marks.

### **OHR on payments in Hercegovacka Bank: Depositors, seize the opportunity!**

The OHR called on the small depositors to take the opportunity that the Hercegovacka Bank Provisional Administration offered them and withdraw their deposits from the branch offices of this bank. Oleg Milisic, an OHR Spokesperson, stated at the press conference in Sarajevo that the High Representative supports decisions of the Provisional Administration that serve the interests of the small depositors of this bank. Milisic also stated that a hot telephone line has been

established where the depositors can get all the necessary information on the withdrawal of their deposits from Hercegovacka Banka. According to Milisic it has been estimated that there are about 35 000 accounts in Hercegovacka Banka with deposits mostly amounting up to 5000 Marks.

## **Vecernji List: Provisional Administrator of Hercegovacka Banka, Toby Robinson, makes a list of depositors who cannot withdraw their money**

Vecernji List has come into possession of a document that the Provisional Administrator of Hercegovacka Banka, Toby Robinson, addressed to all the branch directors of the Bank. The document contains two lists with the names of the persons who have been left out of the process of the payout of deposits in the Bank, which has recently started paying out deposits amounting up to 5,000 KM.

The first list includes members of the Steering and Supervisory Boards, Management, the shareholders with a minimum of 5% share in the base capital of the Bank and the persons responsible for conducting statutory audits of the Bank's accounting documents. On the list are also numerous Croat politicians and businessmen, such as the (unrecognized) President of the HDZ BiH, Ante Jelavic, Croatian Parliament Member Ljubo Cestic Rojs and Metkovic tycoon Stipe Gabric Jambo.

Toby Robinson also excluded from the payout process all members of their families, consanguine relatives and cousins at up to three removes, which includes parents, grandparents, children, brothers and sisters of the depositors on the lists. All those who wish to withdraw their deposits have to sign a Statement of Denial of Rights in order to attest that they are not members of immediate family of those depositors.

On the second list are 60 persons who, the document reads, contributed with their actions to the deterioration of the

financial situation in Hercegovacka Banka. This list includes Ivica Mudrinic, the Chair of the HPT-HT Management in Zagreb, his colleague Slavo Kukic, the Chair of the HPT Mostar Steering Board, and many other businesspersons and politicians, as well as a few Franciscan priests.

## **Vecernji List: Families of Mudrinic and Rojs are not allowed to withdraw their deposits**

Vecernji List also carries a more extensive article about the document that the Provisional Administrator of Hercegovacka Banka addressed to all branch office directors containing the lists of the persons who cannot be paid out their deposits. In this article, Vecernji List carries a longer list with their names.

The daily comments that the Provisional Administrator, by this decision of hers, put a negative label not just on the persons listed, but also on their families. They were in a very unpleasant situation when the bank clerks told them that they could not withdraw their money for being related to the persons on the lists.

The article also reads that the first payout days in Orasje have gone without many people waiting in line for the payout. Representatives of the international organizations and local police officers were more numerous than the depositors interested in withdrawing their money, so that the procedure of taking numbers turned out to be unnecessary. Vecernji List says that the Spokesperson for the Provisional Administration, Johan Verheyden, also expressed his surprise at the inertia of Posavina depositors.

**Republika Srpska**

## **OHR welcomes RS government decision to pay compensation to Palic's wife; criticized**

At yesterday's press conference, OHR spokesman Oleg Milisic said that the OHR welcomes the apparent move by the RS government to honour some of its obligations in the case of the disappearance of a former BIH Army commander in Zepa Avdo Palic. However, Milisic said, the RS has paid only a portion of the compensation which it was ordered to pay to Mrs Palic. "This is unacceptable. The decision of the Human Rights Chamber is clear, and full payment of compensation must now be made by the RS government," said Milisic. Oslobodjenje carries Milsic's statement, and calls shameful the decision of the RS government to pay only 15.000 of 65.000 KM, as was ordered by the Human Rights Chamber.

## **SDS vote on suspending war crimes suspects from the party**

RTRS and Federation Television reported that the SDS leadership said on Tuesday it would propose changes to its statutes in order to remove all war crimes suspects from its ranks. According to an amendment to the party's constitution which is to be put to the vote on December 24, any person indicted by the International Criminal Tribunal for the former Yugoslavia (ICTY) would have their party-membership suspended, Dragan Kalinic, SDS leader, told journalists. He also voiced support for the RS Prime Minister Mladen Ivanic's recent statement that if he were either Karadzic or Mladic, he would voluntarily surrender to the ICTY. However, Kalinic said he did not believe that either Karadzic or Mladic "will react to that statement," recalling that they have both made it clear in the past that they had no intention to turn themselves over to the court.

## **RS Minister For Refugees and DPs Mico Micic Under**

## **Investigation**

Glas srpski, on the cover page, continues its story on investigation ongoing before Bijeljina Court against former members of the Bijeljina Municipal Board. The investigation, the daily writes, was initiated because of the alleged illegal allocation of municipally-owned apartments during the summer and was extended. GS adds that apart from former President of Bijeljina municipality's Executive Board Vlado Simic, and other members of the Executive Board, the investigation includes the current RS Minister for Refugees and DPs Mico Micic, who was member of the Board at the time.

## **Preparations For Reconstruction of Ferhadija Mosque in Banja Luka Started**

Nezavinse Novine report that preparations for reconstruction of Ferhadija mosque in Banja Luka have started on Tuesday by placing of fence around the site where the mosque used to stand. Banja Luka Mufti Edhem Camdzic told the daily that these were only the preparations, however, he could not precisely state when the proper reconstruction would begin.

## **International Community**

### **Slobodan Milosevic refuses to plead to charges of genocide in BiH**

Slobodan Milosevic refused on Tuesday to plead to charges of orchestrating genocide by Serb forces in the 1992-95 war in BiH, deriding the indictment as a "supreme absurdity" from the dock of the U.N. war crimes court. The court's presiding judge Richard May entered a "not guilty" plea on behalf of Milosevic, confronted with 29 counts of genocide, complicity in genocide, crimes against humanity and other war crimes against Bosnian Muslims and Croats. "I would like to say to you that what we have just heard, this tragic text, is a

supreme absurdity. I should be given credit for peace in Bosnia not war," Milosevic, who signed the 1995 Dayton peace accord ending the conflict, told the court.

The court decided on Tuesday that the trial of Slobodan Milosevic on war crimes charges in Kosovo would open in February, scuppering prosecution plans for three indictments to be combined in a single trial. Charges for BiH and Croatia would be combined, but the date for that trial has not yet been set. Milosevic appearance before the ICTY on Tuesday was the top story in all electronic media in the Federation.

## **PLIP Agencies "An Increase in Property Implementation"**

The Agencies involved in the Property Law Implementation Plan (PLIP) [announced](#) on Tuesday that, as of the end of October, the overall implementation rate of the property laws has risen to 37% in BiH. According to the PLIP Agencies – OHR, OSCE, UNHCR, UN and CRPC – 46% of cases have been solved in the Federation, 27% in the Republika Srpska, and 33% of cases in the Brcko District, OHR Spokesman Oleg Milisic told reporters. This means that out of 129,388 households that filed a claim in the Federation, 59,543 have repossessed their property and out of 120,087 claims in the RS, 31,896 have been solved. In total, 93,698 out of 256.328 have repossessed their property, report Federation Television. Dnevni List carries full statistics table.

## **Editorials**

### **Vecernji List: HDZ BiH establishes Shadow Government (provided by OHR Mostar)**

Written by Jozo Pavkovic

The HDZ BiH announces the establishment of the Shadow

Government. This political move, which has been considered for a longer period of time within the highest political bodies of the party, will be formalized very soon.

An HDZ official who wanted to stay anonymous, stated: 'We have been considering this idea. We are aware that the BiH public will not approve it, especially the ruling Alliance parties. However, we shall start with the realization of this idea, with the intention of having other parties join the Shadow Government as well.'

He did not want to say which parties might join it, and added that they are working on the final preparations of this idea. It has been speculated that the SDA, SDS, Dodik's SNSD, SNS and some well-known officials from the line of the Alliance parties might join the Shadow Government at the state level, as well as the SDA, the Republicans, BOSS, HSP, HKDU and DNZ at the Federation level. It is still unknown whether the Shadow Government will be formed in the RS.

According to the information Vecernji List has, the real reason behind the establishment of the Shadow Government is the fact that the current opposition is not satisfied with the way that the Alliance rules the country. The paper's source claims: 'The current authority is being maintained artificially, first of all, thanks to blackmails and international assistance. The purpose of the appointment of shadow Ministers is that they watch the work of the Government and the work of their competent Ministries as well as to react timely and in a critical and professional way against the things that they do not do well, or do not do at all. On the other hand, we shall follow some financial flows that we believe to be suspicious or illegal.'