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## **BiH State-related Issues**

### **BiH signs a Convention on prevention of financing of terrorism**

Onasa news agency reports (and most Federation media carry) that the Chairman of the BiH Council of Ministers, Zlatko Lagumdžija, signed on Monday in New York the International Convention on Prevention of Financing of Terrorism. Media report that the signing of this convention was of great significance at this time, but also because BiH, as one of the successor states of the former SFR Yugoslavia, did not inherit responsibilities delineated in the Convention. The Ministry of Foreign Affairs stressed, in a press release, that with this gesture, BiH demonstrated once again its commitment to the

fight against terrorism and expressed its readiness to take an active role in international efforts directed against terrorism.

## **Italians object to admission of BiH into the Council of Europe?**

Oslobodjenje reports, quoting anonymous sources from the Alliance, that Italian government has been objecting to the admission of BiH into the Council of Europe. This information was confirmed by Beriz Belkic, the Bosniak member of the Presidency, who also found out about Italian reservation, but could not provide any more details. In a statement for the daily, however, the Italian ambassador to BiH, Sabo d'Elio, dismissed this as a speculation and stressed that the Italian government fully support the BiH accession to the oldest European integration.

## **Officials hold “surprise” talks on changing constitution**

Belgrade Beta news agency reported that a group of prominent politicians and independent intellectuals from the Federation and the Republika Srpska held a “surprise talks” in Tuzla on Monday to discuss the need to change the BiH Constitution. Agency's sources who wished to remain anonymous said that the talks are devoted to the coordination of the idea about changing the concept of the BiH Constitution “from national to civic”, an issue which is being raised increasingly. According to the same sources, however, there are still no official initiative to change the constitution.

The talks were attended by officials from the government and the BiH and Federation Parliament, BiH Council of Ministers, representatives of several parties from the RS, NGOs and independent intellectuals. The Beta sources say that the meeting was also attended by Karlo Filipovic, president of the BiH Federation; Ivo Komsic, deputy chairman of the Social

Democratic Party [SDP]; Sejfidin Tokic, senior SDP official, intellectuals Dubravko Lovrenovic and Zdravko Grebo, as well as representatives of two parties from the Serb Republic that support the initiative for constitutional changes but whose names our sources refused to reveal.

## **BiH Minister of Civil Affairs and Communications Says Implementation of CIPS Laws Has to Be Accelerated**

Both Banja Luka dailies quote BiH Minister of Civil Affairs and Communications Svetozar Mihajlovic as saying that his Ministry is tasked with the implementation of the CIPS project under urgent procedure, which essentially means that the Ministry has to implement all five CIPS laws. "Both Chambers of the BiH Parliament are currently discussing some of the amendments to the Law on ID and the Law on CIPS", Mihajlovic told a news conference. He said he expected these two Laws would be harmonised in a couple of days in order to have all 5 laws gazetted. Mihajlovic also said that the second priority of the CoM and the Ministry of Civil Affairs and Communications is normalisation of relations with the FRY and Croatia and the CoM has already forwarded the Agreement on dual citizenship to the BiH Presidency for a verification.

## **Five BiH businessmen from both entities propose construction of a highway in BiH**

Five successful businessmen, Slavo Ivankovic (Lijanovici, Siroki Brijeg), Faruk Sirbegovic (Sirebegovic, Gracanica), Gavriilo Bobar (Bobar, Bijeljina), Tomislav Grizelj (Grizelj, Sarajevo) and Hasan Sarajlic (Kopex, Srebern timer) announced on Monday that they will propose to the BiH Council of Ministers to make a political decision on the construction of a highway in BiH. Oslobodjenje reports on its front page that the managers stressed that the Council should make this project one of the top five priorities in the strategic development of

the country.

## **BiH Presidency Accepted Statement of BiH Accession to the Council of Europe**

Both Banja Luka dailies report that the BiH Presidency accepted written statement on BiH accession to the Council of Europe including the amendments proposed by the Political Committee of the CoE Parliamentary Assembly. The Presidency recommended that the signing ceremony, if passed by the CoM and the BiH Parliamentary Assembly, should be organized until December 20th. The Presidency Chair, Jozo Krizanovic told press that the Presidency discussed the status of the law-suit that BiH filed against the FRY before the International Court of Justice in The Hague. According to him, the law-suit should not burden relations between these two countries.

## **Federation**

### **General Manager of the HPT (Mostar Postal Service) to meet with the Provisional Administrator of Hercegovacka Banka and OHR**

Oslobodjenje reports that the general manager of the HPT (Mostar Postal Service), Stipe Prlic, will during the week meet with the Provisional Administrator of Hercegovacka Banka, Toby Robinson, and representatives of the OHR, in order to discuss the HPT re-appropriation of Eronet.

### **Dnevni Avaz: Federation Finance Minister to sue the OHR for robbery of 17 million KM from Hercegovacka Banka**

Dnevni Avaz carried today excerpts from the interview the Federation Finance Minister, Nikola Grabovac, gave to Zagreb's

Vecernji List and in which he said that the Ministry will sue the OHR for “robbing 17 million KM belonging to the Federation government” and which were frozen in Hercegovacka Banka after the raid. (for full interview, see Mondays’ BiH Media Round-up) Commenting on Grabovac’s statement, OHR spokesperson Alexandra Stiglmayer said that Provisional Administration was imposed in Hercegovacka Banka because of disappearance of the so-called “public funds.” “The Provisional Administrator is determined in her intention to compensate small savings depositors,” said Stiglmayer.

## **Former Hercegovacka Banka CEO says OHR presented incorrect amounts of loans taken by shareholders**

Dnevni List carries an interview with Ivica Karlovic, the former CEO of the Hercegovacka Banka, who said that the loans granted to stockholders amounted to 12,7 million KM, rather than 19 million KM, as the Provisional Administration said. He added that on April 6 there was 40 million KM in the bank and its branches. (Provided by OHR Mostar)

The latest statements of the High Representative, Wolfgang Petritsch, and the PA spokesman, Johan Verheyden, according to which the stockholders robbed the “Hercegovacka Banka” caused an avalanche of reactions from the public. Dnevni List notes that that is the main reason behind the interview with the former CEO of the bank, Ivica Karlovic (IK hereinafter), who provided correct data about the accounts on April 6, 2001.

“There was 40 million KMs on the Hercegovacka Banka’s accounts on April 6. The money was in the vault, in the branches, Hercegovacka Banka’s account in the BiH Central Bank and accounts of the correspondent banks. A grand total of 88 million KM was approved in loans (30 million to citizenry and 58 million to economic subjects). All the loans given to the citizenry and companies had been deposited in the amounts of 7,5 and 14,5 million KM respectively. It must be stressed that

there was enough money on the clients' accounts to cover the loans, so it cannot be said that the bank was giving loans without transparency as it is being claimed nowadays", says Ivica Karlovic.

Does the HR's decision, under which small depositors will be paid 5000 KM each, prejudice the possible liquidation of the bank, for which you say that it had not been insolvent?

The citizenry's savings (time and sight deposits) in the bank amounted to some 13 million KM, and as we mentioned, there was 40 million KM on the bank's accounts on April 6, so there is no need to make the payments up to 5000 KM. On the other hand everybody could have taken funds before April 6, and the bank did nothing to prevent it. That is why we can say that the bank was not robbed or insolvent. Although a big media campaign was being led for months, according to which small depositors would not be able to take their money, just a small part of them decided to withdraw their funds prior to April 6. After the date we are not responsible for the situation in the bank but the Provisional Administration.

The list of suspects contains the bank's depositors who are claimed to have robbed the bank by buying the bank's shares with the bank's loans, which they subsequently did not return?

The grand total of loans given to the stockholders does not amount to 19 million KM as reported in the Provisional Administration's report but rather 12.417.000 KM that were deposited with 2 million KM. Furthermore, nobody got a preferential loan, because the interest rates varied between 12 and 22 %. The report also mentions loans to institutions that were not the Hercegovacka Banka's stockholders such as HPT HB and Andrea&Giovanni Citluk. HPT got a commodity credit from a Slovenian company that went through the Hercegovacka Banka. It is not coincidental that the stockholders are accused of robbing the bank. According to some scenario, the bank is to be sold very cheaply. I must remind that

Hercegovacka Banka owns companies such as CR0 Herc (100%), Herbos (80%), Hercegovina Osiguranje (60%) and Eronet (41%).

Your comments on recent redundancies in the bank, when senior staff such as Director of Financial Reporting and IT department, Zlata Zovko, Foreign Currency Department Director, Nada Damjanovic and the Director of the Legal Department, Zora Santic got sacked?

It is a follow-up to that. The redundancies are aimed at removing people who know a lot and who stand in the way of the possible dodgy deals of the Provisional Administration, because those persons abide by the laws and always have legality on their minds.

One could hear from Croatia about some money that came from there through the bank that went missing?

We from the bank know nothing about money transfers from Croatia for some of our clients outside the Privredna Banka and Hercegovacka Banka's records. If there is anything beside that, we call on the Croatian PM, Ivica Racan, to submit a document of some sort.

What about the money that was allegedly withdrawn from the bank after April 6?

I must say that after April 6 we have nothing to do with the bank we used to work at. The information system was shut down apart from some branch offices. If the money was withdrawn from some of the branches there must be some written records of it because all the operations were done manually but we hadn't had the access therefore we are not responsible. What I have to say is that we have information that things are being taken out of the bank without records and control of it which whereabouts are unknown. They also have our memos and seals (stamps), must I remind about possibilities of misuses. After the April 6 the motto is "Take as Much as You Want". Where on Earth can a provisional administration use depositors' money

for their purposes. It must be also said that the interest rates on the loans amounting to 88 million KMs yield 1 million KMs of sheer profit per month. In the past seven months it amounts to 7 million KMs of profit.

Ivica Karlovic concluded the interview by denying links to the "Monitor" company and links that could follow on that. "It is not true, I must reiterate that there were no privileged persons in the Hercegovacka Banka".

## **Vecernji List: High Representative's attitude more favorable for Croats at this time**

Vecernji List reports that the attitude of the High Representative, Wolfgang Petritsch, towards BiH Croats is changing and to their advantage. The paper's source, who took part in the recent talks between the High Representative and representatives of the Croat political leadership, says that Petritsch expressed readiness to grant amnesty to some HDZ members who were previously sanctioned by him. The HDZ said that it is not aware of any talks between the High Representative and the HDZ members.

## **Republika Srpska**

### **RS Deputy Justice Ministers says RS should not extradite its citizens to The Hague Tribunal**

RS Deputy Justice Minister Mladjan Mandic said last night that the RS should not extradite its citizens to The Hague Tribunal. In a statement for Banja Luka-based Alternativna TV, Mandic recalled that Serbia and the RS had signed an agreement on special and parallel ties and added that the Serbian authorities should extradite war crime suspects to the RS, and then this entity, as he said, would decide on the ways of cooperating with The Hague tribunal. "I do not think that

Presidents [Mirko] Sarovic and [Vojislav] Kostunica envisaged the special and parallel ties between Serbia and the RS in this way," Mandic said, commenting on the recent arrest of the brothers Nenad and Predrag Banovic suspected of committing war crimes as members of the Serbian special police units.

## **Montenegrin Prime Minister denies that RS war crimes suspects are hiding in Montenegro**

Montenegrin Prime Minister Filip Vujanovic denied on Monday that Bosnian Serb war crimes suspects, wanted by the ICTY, are hiding in the tiny Yugoslav republic. "There are absolutely no transfers of any war crimes indictees from Republika territory into Montenegro," Vujanovic said after meeting with his RS counterpart Mladen Ivanic in Banja Luka. Vujanovic called such statements "speculations", adding that he had expressed to representatives of the ICTY his readiness to cooperate. Ivanic and Vujanovic also discussed the strengthening of economic ties between RS and Montenegro.

## **Brcko District**

### **Brcko Supervisor hold meeting with Assembly councilors**

Radio Brcko reported that a problem of the vacated councilor seats in the Assembly, i.e. completion of the Assembly could be resolved soon following the meeting which was held at the OHR on Saturday. The meeting was attended by the Brcko Supervisor Henry Clarke and most of the Assembly councilors. According to Radio report, not a single participant of Saturday's meeting has been willing to reveal the actual conclusions that were reached adding that details will be published by the Supervisor Clarke at his regular press conference on Wednesday.

Commenting on the meeting, the president of the SDS Brcko,

Milan Puric said that the SDS did not participate in the work of the meeting, but it remains at its standpoint that elections are the best way to resolve all outstanding issues. He also stressed that the SDS is not willing to participate in filling the Assembly seats through the public competition i.e. appointments as it has been practice so far. A meeting of the SDS with Supervisor Clarke is scheduled for tomorrow.

## **RS Ministry of Refugees donates construction material to refugees in Brcko**

Onasa reports that the Republika Srpska Minister for Refugees and Displaced Persons Mico Micic handed on Monday in Brezovo Polje near Brcko the construction material for the construction of 18 houses for refugees from Central Bosnia, who have decided to live in Brcko. The land for the construction of houses on this location has been given by the Serb Orthodox Church, and the foundations and the access road have been constructed by the private company "Elins – Panic" from Brcko. Micic said that the action of donating of the construction material for the most vulnerable population has been conducted throughout the RS, adding that the Brcko District is not excluded from this project.

Stressing that the RS Government will continue to help refugees, displaced persons and returnees, he said he hoped that all 1,925 housing units foreseen by the project would be constructed by the end of 2002, by which all collective centers in the RS would be closed.

Micic announced the construction of housing units, which will be used as alternative accommodation for evicted persons, whose property in the BiH Federation is destroyed.

He said that the RS Government plans the building of apartments for approximately 3,000 families of fallen soldiers of the RS Army.

## **International Community**

### **ICG's Mark Wheeler: OHR will have to be tougher with the SDS**

In a brief interview with Nezavisne Novine, the director of the BiH branch of the ICG (International Crisis Group), Mark Wheeler said that the last week visit of the High Representative to Banja Luka simply proved that the ICG was absolutely right when it published its last report about the RS. "This year the OHR was not cautious enough concerning the RS. Petritsch's visit to Banja Luka has only showed that the OHR will have to be tougher when dealing with the RS authorities, although, judging by some previous experiences, we cannot know for sure if the OHR will be tougher. One of the problems is that it is very difficult to eliminate the SDS from political life because that would represent a blow to democracy. The setting up of the expert government comprising of people who allegedly have nothing to do with the SDS made situation more difficult and such story is a lie", said Wheeler. He added that the ICG did not recommend the elimination of entities because such recommendation would be against the spirit of the Dayton Peace Agreement. However, he stresses that the importance of entities should be diminished whilst the role and importance of the BiH common institutions should be more emphasised.

### **ICG Director for BiH, Mark Wheeler Says BiH Will Not Become a "Talibanistan"**

Today's edition of "Nezavisne novine" carries a brief interview with ICG Director for BiH, Mark Wheeler in which he expressed his views on BiH involvement in fight against terrorism, moves that the IC should make when dealing with the RS authorities and the last two ICG reports in which ICG recommended that the RS should be eliminated. Wheeler says

that the BiH team, tasked with fight against terrorism, has good chances to do its job very successfully. According to him, the Team, comprised of representatives from both Entities, shows that all institutions involved can work together. "I think that there should not be a fear that BiH will become some sort of a "talebanistan". Such risk does not exist. Bosniaks, Croats and Serbs are Europeans and their future is in Europe", says Wheeler.

## **Editorials**

Both editorials in today's issue of *Oslobodjenje* focus on the Croat issue in BiH. In a shorter column, Mirko Sagolj evaluates the recent proposal of the Croat National Community (HNZ) for the creation of a political block comprised of all Croat parties in BiH. He notes that this initiative is a clear sign that the Croat people in BiH are disoriented and confused because of the failed policy of the HDZ. Sagolj concedes that this idea could be a positive one, however, he expresses skepticism about the willingness of the future Croat coalition to protect civic, rather than the national interests of Croats. It is possible that this Coalition would also slip into the national (ist) matrix and simply continue the policy of the HDZ. In a country like BiH, argues Sagolj, only cultural associations which are completely void of political ambitions could protect and adequately articulate the cultural and national interests of individual peoples.

In a separate editorial, Senka Kurtovic, comments on the recent demand of the HDZ BiH to have one channel of the Federation Television designated only for production and broadcast of the "Croatian programming." She notes that this move of the HDZ came as no surprise and it is fully in line the overall politics of the HDZ – the politics which is based on the national exclusiveness and antagonism to everything with the prefix "Federation".

## **Dnevni List: Traubi Soda**

By Marko Tokic

BiH is a very successful breeder of fog. It is not the Irish or London fog but the intellectual fog coming from domestic and foreign spindoctors. The latest fog is called Constitutional changes. The Constitutional Court's (CC) decision on the constituent status of the peoples within BiH was a political decision. The Constitutional Court should not pass political decisions. DPA envisaged the procedure of its own change, but who cares for procedures whilst you are having such a good time. If the CC is allowed to pass political decisions it clearly means that the DPA is dead. The DPA is dead and unchangeable. The CC's decision has been shrunk to the working title: Harmonization of Entity Constitutions to the BIH Constitution. That means, if there wasn't for the fog: the RS as BiH and FBiH as BiH. In other words, two-chamber Parliament, steering of institutions and bodies that would suit the constituent status of the peoples together with the principles of parity, rotation and consensus. If that's to be the case, then why the entities? And when it became obvious what it could turn into, enter the defenders of the RS, out come the fog and wonders. Now the working title has changed and instead of the Harmonization of Entity Constitutions we now have the Harmonization of Constitutional changes in both entities. The FBiH is being formed using the RS recipe, one national majority with the same features: civic majority with single national majority. That's it – no fog. Serbs get a republic, Bosniaks get the Federation and the Croats the fog (...), reads Dnevni List.

**Federation TV has disappointed us with kitsch of village fair: Wolfgang likes disco and Sumadia wheel dance ( lyrics from a Serbian commercial folk song)**

By Emir Felic

Although the HR fully supported the establishing of the Federation TV, luckily for him, he still does not understand what is going on, although he understands all three languages spoken on the BiH territory. Therefore, he is spared, naturally if he does not watch the program of the Federation TV at all, of all hazy formulations and Balkan emotional frustrations, that the Federation TV has been offering to its viewers during the last days.

## **Vecernji List: During secret meeting Petritsch promised that he will help BiH Croats: Tomcic demanded from Petritsch to resolve Croat issue in BiH**

Written by Zdenko Jurilj and Dejan Jazvic

After political maneuvers, that he undertook against the HDZ leadership and after he pulled down the financial power of the projects of the Croats self-rule by a raid into Hercegovacka Bank, the HR expressed his readiness to help BiH Croats. Unlike before, when he gave verbal promises, this time Petritsch is serious in his intentions. Numerous meetings with Croat representatives at the level of the BiH Federation and out of it, which have been held these days, prove it. Apart from the representatives of the Croat political leadership in BiH, he seriously talked about the concept of a legal assistance to the BiH Croats with the representatives of the Church and the Croatian delegation, led by Zlatko Tomcic.

One of the interlocutors at the meeting stated: 'We have had a few talks with the HR and his people, which were very constructive. According to the things that the HR said, obviously, he became aware that, in future, the present position of the Croats in BiH could undermine the current political organization in BiH. The talks with some people from the line of the HDZ, who are ready to return to institutions of the BiH Federation, were also held.'

Petritsch stated: ' You should make a concept and we are ready to help because such a situation does not suit anyone and to the Croat people the least.'

Although he clearly reiterated that he will negotiate only with the HDZ representatives, who were not in a conflict with the OHR, Petritsch expressed his readiness to grant amnesty from the imposed 'political' sanctions to some persons from this party.

Our interlocutor added: ' I would not talk about the names of these people, but it was clearly expressed that some people from the HDZ can expect positive reactions from the OHR.'

During the last two months there were many talks dealing with this subject, and their concrete results might be known at the beginning of the next year. The statement, that the HR gave to the Alliance leaders two months ago at the session of the Peace Implementation Steering Board, proves that the OHR is serious this time. He demanded from the ruling Alliance that 'the BiH Federation seriously discuss the issue of the status of the Croats in BiH'. According to an official note made during this meeting by the BiH Mission with the EU and NATO in Brussels, Petritsch demanded from Lagumdžija and other representatives of the BiH Authority to 'make moves in this direction urgently'. There are ten items at Petritsch's list of priorities and the issue on the status of the Croats has been specially stressed. His request, which according to our information was supported by members of the Peace Implementation Steering Board, was a surprise for many people from the current Authority. However, after their return, Zlatko Lagumdžija and other state officials did not say a word on the Petritsch's request on the status of the Croats. Although it is still unknown which are the ten Petritsch's requests, later results have not brought any visible changes in the behavior of Federation and State Authorities towards the BiH Croats. At the same time, Lagumdžija keeps insisting on other requests from Petritsch's list of priorities, such as

the requests, that refer to economic reforms and establishing of partner's relation with the International Community.

People from the HDZ Headquarters in Mostar do not know anything about the talks that some of their members had with the HR. Perhaps there have been individual meetings with Petritsch, but the members of the HDZ Presidency are not aware of them.