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BiH state-related Issues

Lagumdzija says fight against terrorism BiH's interest

BiH Council of Ministers Chairman Zlatko Lagumdzija on Wednesday came back from Brussels where he had attended session of the Peace Implementation Council's Steering Board. Addressing journalists in Sarajevo, he condemned in the strongest possible manner a series of terrorist attacks in the United States and emphasized that all those who had participated or supported the attacks had to be punished in a proper way. Lagumdzija added that the BiH State and the entity authorities would assist and support the United States in the investigation. He reminded that the BiH Council of Ministers had declared Friday a day of mourning throughout BiH as an act of solidarity with the American nation (see the attachment). Commenting on the Brussels meeting, Lagumdzija said that the

PIC Steering Board members had fully supported partnership relations between the local authorities and the international community, as well as the implementation of the economic reforms. According to Lagumdžija, the priorities were also defined, which related to the economic reforms, establishment of a judicial system capable to fight corruption, and better cooperation with The Hague Tribunal. "We concluded that all conditions have been fulfilled for the BiH's accession to the Council of Europe, without any additional procedural requirements," Lagumdžija emphasized.

Vecernji List: poll – bombs from New York and Washington will devastate Bosnia and Herzegovina financially (provided by OHR Mostar)

After the attacks on the USA, Vecernji List conducted a survey among 300 citizens of BiH, 100 from Herzegovina, 100 from Bosnia and 100 from the RS. 31% of them believe that the international financial aid will be reduced in the future as a result of the attacks. Most of the people who fear that the aid will be reduced come from Sarajevo whilst the West Herzegovinians do not fear that much. Reduction of the US political influence in an unstable BiH could have long-term consequences. People fear that if the Americans withdrew from BiH, the situation could deteriorate drastically. If the American SFOR troops were to withdraw, and 19 % of the examinees believe they would, the control of BiH would be assumed by the indecisive Europe. If you gather all the data then 77% of the examinees believe that the events in the USA will reflect on BiH. Only 8% of them do not share that opinion. Some say that the survey is being conducted whilst we are still under the impressions of the terrifying scenes from New York and that the world politics does not change overnight, reads Vecernji List.

Oslobodjenje: The Director of the BiH Center for Security Studies considers establishment of the BiH Defense Ministry necessary

The Director of the BiH Center for Security Studies, Bisera Turkovic, told Oslobođenje that it would be necessary to establish a body at the BiH state level to coordinate activities, which are being covered by the ministry of defense. She said that a round-table on the elements of the BiH security policy, which took place on Thursday, had achieved positive results even just because of participation of a large number of invited officials from the BiH Federation and Republika Srpska.

SDS requests elections to be organized in the Brcko District

According to Oslobođenje, the Serb Democratic Party's (SDS) Brcko District branch sent on Wednesday an open letter to International Supervisor Henry Clarke and the District Assembly in which it requested that the elections are organized in the District. "The time has come for democratic elections to be held in Brcko since all necessary conditions for this have been created," the party said in the letter. It added that in this way the District would get legitimate and competent authorities supported by citizens.

Federation

BiH Federation Prime Minister has still not requested financial audit of Mostar Aluminium

The BiH Federation Bureau for Audit Director, Mehmed Jahic, told Dnevni Avaz that the Bureau "has still not received any order to conduct financial audit of Mostar Aluminium Company from the BiH Federation Government." The newspaper concludes that it is still uncertain whether the order will be issued and when.

HDZ BiH says Lagumdžija obstructing BiH economic development

According to Oslobođenje, the BiH HDZ issued a press release on Thursday fiercely condemning a part of BiH Council of

Ministers Chairman Zlatko Lagumdžija's speech at the PIC Steering Board session in Brussels, in which he had expressed doubts in work and functioning of the Mostar Aluminium Company. "Instead of to support readiness of foreigners to invest in the most successful company in BiH, Lagumdžija deliberately destroys foundations of the entire BiH economic development," the party said in the release.

Milic does not understand accusations because they are not written in Croat language

Oslobodjenje reports that a hearing of Petar Milic, the founder of the BiH Croat Christian Democrats and the vice-president of the Croat National Assembly, before the Sarajevo Canton Court was postponed for October 5. "I requested that all official documents related to the legal proceedings are written in Croat language," Milic told journalists in Sarajevo. He also said that his party would by end of this year propose its version of the "Constitution of the Croat Republic of Herceg-Bosna" to the Croat National Assembly. "BiH must be organized as a federal community of three sovereign peoples," Milic emphasized.

Tensions raising ahead of final decision on Zepce

According to Oslobodjenje, well-informed sources say that an incident in which on Wednesday night still unknown perpetrators cut the supplying of the Maglaj area of Novi Seher with the electric power represents one of the latest attempts to obstruct the implementation of High Representative Wolfgang Petritsch's final decision on Zepce. The decision is likely to confirm the current temporary municipal borders in the Zepce-Maglaj-Zavidovici triangle. Villagers of Strupina, Mladosevice, Galovac and Bese are against such a solution, and they want not to remain within the Maglaj municipal borders and to be put under the Zepce jurisdiction. The disputes are raising tensions in the area. The newspaper concludes that only a few days left until September 18 and the Petritsch's

final decision. Until then, a number of issues should be resolved in Zepce including the establishment of multiethnic steering boards in the town's home of culture, medical center and a primary school.

Slobodna Dalmacija: There were no illegal transactions between Hercegovacka Banka and Privredna Banka Zagreb

(full translation provided by OHR Mostar)

There are no illegal transactions that Privredna Banka Zagreb would stand behind, nor does the International Community have a reason to demand any documentation related to Hercegovacka Banka from Privredna Banka Zagreb (PBZ). Bozo Prka, the Chairman of the Steering Board in Privredna Banka Zagreb stated this commenting on the words by the Head of the Regional OHR in Mostar, Colin Munro, who said "the Government of the Republic of Croatia should exert pressure on the PBZ management to hand its books and documents about negotiations on the purchase of Hercegovacka Banka."

"The relations that PBZ had with Hercegovacka Banka were the same as relations with any other bank in BiH, Macedonia or Serbia. We had bilateral relations and made numerous commercial and investment transactions as we did with any other bank," said Prka. He added that what happened to Hercegovacka Banka is not a proper way of treating a private bank. In his opinion, they should have first proven someone guilty and then start with prosecution, separating the case against the Bank's shareholders or clients from the Bank itself.

PBZ, in Prka's words, is a bank that operates in accordance with the laws and regulations of the Republic of Croatia, and "in compliance with those regulations, it is bound to keep a banking secret of any of its clients." As for the PBZ's transactions with Hercegovacka Banka, Prka claims they were all "clear" and consistent to the Croatian laws.

“We are not obliged to present any institution of another country with the information about our clients, except following a request from the Croatian investigative bodies, in accordance with the Law on Banks,” says Prka. He stated that the Croatian Government has not exerted any pressure on PBZ so far.

In answer to the question as to the specific documents related to Hercegovacka Banka that the International Community is requesting from PBZ, Prka said they have been requested to hand some information that the International Community in BiH already has and if there have been any suspicions, it could have been checked in the documentation of Hercegovacka Banka that the International Community have in their hands.

“Each transaction is kept a record of on both sides, and they could have seen for themselves a long time ago that there were no dubious transactions as far as PBZ is concerned. Those were clear, commercial transactions,” says Prka.

He admits that PBZ was interested in Hercegovacka Banka for some time. There were some informal talks about a take-over. “However, that was a long time ago, and the deal was nowhere near realisation,” claims Prka.

“I think the International Community is looking for an elegant way out of the story, because if they had any tangible evidence, they would have published it by now,” said Prka. In his words, as far as the BiH market is concerned, the Bank is considering the option of extending its business, but the Bank’s “appetites are not too big,” whereas “Hercegovacka Banka is a problem of those who caused it in the first place.”

Slobodna Dalmacija: Interview with Dr. Nikola Grabovac, the Federation Deputy Prime Minister (provided by OHR Mostar)

In an interview for Slobodna Dalmacija, Dr. Nikola Grabovac, the Federation Deputy Prime Minister and the Minister of Finance in the Federation Government, stated, “I wish you

would title this interview 'If only there were 20 Aluminij companies in the Federation'," because, in his opinion, it is one of the best companies in the entity.

He says he declared a few months ago it would be necessary to conduct a revision of Aluminij operations and now that the audit is completed, he respects the institutions that conducted it.

"If anyone has an objection or a complaint, he/she should file it with the proper authorities, instead of forming cheering teams via the media. I have not yet received the Commission's audit report on Aluminij, but neither have those who have already given press statements about it. They have simply become cheerleaders who are supporting one team, one side, and whatever is in their team is good, and whatever is in the other team, is not good," said Grabovac.

To the interviewer's remark that one of the objections refers to the fact that Aluminij only employs Croats, Grabovac said: "If that is so, a complaint should be filed, but the same complaint should be filed in regard to many companies in Sarajevo, Tuzla, Travnik, Bihac or Zenica where Bosniaks alone are employed."

On possible reasons of the great attention that Aluminij has been given, he stated: "The essence of the hype regarding Aluminij is concealing of one's own ineffectiveness and inability, which, in my opinion, is the fundamental reason behind it. Some people had their pictures published on the television and in the press, simulating factory startups, laying road foundation stones that have not yet seen the construction start, and all that has come out of it is incompetence. Now that we have not made a good start, we should pull down a successful company so that there is no example to draw a comparison with."

Grabovac referred to BH Steel Zenica, Chemical Factory in

Tuzla, Energoinvest and Hepok Mostar as unsuccessful companies that do not owe their failure to their location alone.

In answer to a question about the integration of the two pension funds in the Federation, Grabovac said the High Representative has already passed laws on this matter and "our Government is obliged to act by those laws."

Slobodna Dalmacija: Central Bosnia HDZ Cantonal Board says education minister should resign (provided by OHR Mostar)

The Cantonal Board of the HDZ issued a press release on Wednesday with regard to the beginning of the school year in individual schools in Bugojno, Jajce and Kiseljak and the problems related to the pending issue of the use of the school facilities between schools working to Croat and Bosniak curricula.

They see the solution of the problem in a consistent implementation of the provisions defined under the Law on Primary and Secondary Education in the Central Bosnia Canton.

"Any attempt of manipulating parents and children is unacceptable to us, especially if its purpose is to collect political points for the parties that participate in the Cantonal authorities but are either incapable of implementing their programmes or unable to do it," reads the press release.

They say the Cantonal Minister for Education Mirsad Busatlija should either offer a solution or resign.

Vecernji List: Parties gathered around HNS to announce their objections to constitutional reforms

Written by Zoran Kresic (provided by OHR Mostar)

Caucuses of five political parties, members of the HNS, concerned with the proposed constitutional changes in the Federation of BiH, will send their comment to the Republic of Croatia's leadership, the OHR, OSCE and UN missions in BiH,

Ambassadors of the European Union countries, Vatican and to Cardinal Puljic about the proposed constitutional changes in the Federation of BiH. The parties say that the constitutional changes promote a civil model of entities which is perilous for Croats that are small in number in comparison with the Bosniak community because the changes abolish instruments of protections determined in the House of Peoples.

"To accept such an establishment of the Federation of BiH that is proposed by the Constitutional Commission means to take responsibility for a definite demise of Croats, and not only as a political people," concludes the comment of the parties of the HNS, reads Vecernji List.

At the same time they state what the HNS will undertake if the proposed changes, which are unfavorable for Croats, go through. In the establishment of the House of Peoples, national minorities are promoted as a fourth constituent people in BiH and FBiH, although there are three constituent peoples in BiH. The fictitious Caucus made up of minorities would be a means used to manipulate the composition of the House of Peoples, election of Federation President and Vice President, Chair and Deputy Chairs of Chambers of the Parliament and the composition of the Government.

The proposal that would see a one-chamber Federation Parliament with a Constitutional Commission as a substitute for the House of Peoples is an even worse solution for the Croats. Those Commissions, say the parties, would de-authorize Croats completely and turn them into a national minority.

The solution in the case of electing key persons in the Federation is also unacceptable, because the majority in the House of Representatives, that comprises some 70% of the Bosniak MPs, is awarded with the right to appoint officials. Constitutional Commission's proposal that the other two peoples in the House of Representatives could assess what is a vital interest of one people is also debatable. If the

proposal on abolishment of Cantons with special regimes goes through, the Croats in Central Bosnia would be a national and political minority without a possibility to take part in the authority. Such a solution would be acceptable if the current administrative-legal establishment is changed, not only in the Federation but in the RS too. Parties of the HNS warn about de-authorizing of the Cantons because the proposals enable centralization of authority in Sarajevo. Proposal for judiciary carries unacceptable solutions for a complex national state such as BiH. Provisions that determine sphere of action and competence of the Federation Prosecutor's Office do not define the national composition (of the Prosecutor's Office) or the rotation at key places. The Prosecutor's Office is envisaged to be a part of the Judicial authorities, although everywhere in the world it is a state body. Croat parties from BiH deem the proposal according to which a prescribed majority from the total number of MPs in the House of Peoples would decide on amendments to Constitution, as an act of neglecting the current Constitutional provision on the required majority from the line of one people, reads Vecernji List.

Republika Srpska

RS Socialists against establishment of a joint BiH court to process war crimes

The Vice-president of the Republika Srpska Socialist Party, Biljana Rodic-Obradovic, told journalists on Thursday in Banja Luka that her party did not support establishment of a joint BiH court to process war crimes. "The Socialists maintain that the current entity courts should be authorized for such tasks," Obradovic emphasized. According to Oslobodjenje, she also said that the adoption of the RS Law on Cooperation with the Hague Tribunal was a national issue about which all political parties should reach consensus.

RS Defence Minister meets with DHR Georges Bordet

Both Banja Luka dailies report that the Republika Srpska Defence Minister, Slobodan Bilic, met with the Deputy High Representative, Georges Bordet, in Banja Luka on Thursday to discuss the RS/FRY Special Relations Agreement and particularly the annex which pertains to the military co-operation between the RS and Yugoslavia. Minister Bilic says, following the meeting, that he informed the DHR Bordet about the issue of the 30th Cadre Centre. The RS Defence Ministry issued a press release, which said that, concerning the accession of the RS and BiH to the Partnership for Peace Program, Minister Bilic reiterated that creation of a BiH joint army was out of question. "It is not in line with the Dayton Peace Accords, which the RS has been implementing ever since the Agreement was signed," reads the press release.

A senior SPRS official says Zivko Radisic did sign the document on the BiH Defense Policy

Friday's edition of Glas Srpski quotes the SPRS (Republika Srpska Socialist Party) senior official, Petar Djokic, as saying that Serb member of the BiH Presidency Zivko Radisic did sign the document entitled "The BiH Defence Policy" in May this year. Djokic says that the document was discussed at a BiH Presidency session that took place at the time, that the BiH Presidency members agreed on it, and that Radisic signed it. Djokic reminds that the adoption of the document was one of the obligations from the Madrid Declaration of the PIC Steering Board.

Two Bosniak houses attacked in Janja

Friday's edition of Nezavisne Novine reports that houses of the Bosniak returnees to Janja, Velid Nurkic and Muhamed Zuberovic, were stoned again. According to a press release issued by the Bijeljina Police Administration, nobody was injured in the incidents, in which only one window was broken.

International Community

PIC Steering Board supports partnership and sets future priorities

The Steering Board of the Peace Implementation Council issued on Thursday a Communique following its session at the level of political directors in Brussels, in which it fully supported establishment of partnership relations between the local authorities and the international community in BiH. It also set future priorities related to the economic, legal and institutional reforms, as well as BiH's accession to the European institutions. (ONASA and Oslobodjenje carried the PR)

The High Representative and PIC Steering Board called on Alliance Government to urgently tackle economic reform

The High representative, Wolfgang Petritsch, and the Political Directors of the peace Implementation Council's (PIC) Steering Board held on Wednesday a constructive meeting with a BiH delegation in Brussels, led by BiH Council of Ministers Chairman Zlatko Lagumdžija. They called on the Alliance for Changes Government and its partners to responsibly address the challenges of ownership and to urgently tackle the economic reforms. (all Sarajevo-based media carried the PR prominently, Banja Luka dailies published reports on the issue from the international organizations press conference held on Thursday in Sarajevo)

Petritsch says fight against corruption to be among top priorities in the last year of his mandate

According to Oslobodjenje, High Representative Wolfgang Petritsch told SENSE news agency that the fight against corruption would be, together with the economic reforms and strengthening the BiH central institutions, among top priorities in the last year of his mandate. Petritsch said following the PIC Steering Board session in Brussels that all senior BiH representatives participating in its work strongly

supported the international community's determination to fight the corruption. Asked when BiH would be admitted into the Council of Europe, Petritsch said that there were many subjects, which this issue depended on. "However, what concerns myself and OHR. I wish to believe this could happen in a next few weeks or a month," Petritsch emphasized.

Serb Orthodox Patriarch Pavle and Greek Orthodox Archbishop Hristodulu held memorial service for Serbs and Americans

Both Banja Luka dailies report that the Serb Orthodox Patriarch Pavle and Greek Orthodox Archbishop of Athens, Hristodulu held on Thursday in Bijeljina a memorial service for all Serbs, killed in the recent war, as well as all Americans, who lost their lives in the Tuesday terrorist attacks. The memorial was attended by RS President and Vice-president, Mirko Sarovic and Dragan Cavic, BiH Presidency member Zivko Radisic, RS National Assembly Speaker Dragan Kalinic, RS Minister of Religions Dusan Antelj and many other senior officials.

OHR negotiates with entity authorities on amendments to property laws

The Property Laws Implementation Plan (PLIP) coordinators from the Office of the High Representative told Dnevni Avaz on Thursday that OHR was negotiating with the authorities of the BiH Federation and Republika Srpska on the adoption of amendments to the property laws. The amendments should restrict right to alternative accommodation. In this sense, the criteria for obtaining right to a secondary apartment following eviction would be more strict and reserved only for the most jeopardized categories. These categories include the families, which do not have access to their pre-war homes, because they are destroyed or someone else occupies them, or do not have sufficient income to provide accommodation. Experts from Wolfgang Petritsch's office emphasize that the most acceptable solution would be the adoption of the

amendments in the entity parliaments at the initiative of the entity governments. However, since the agreement on the issue has still not been reached, they say that there is a possibility for the amendments to be imposed by the High Representative.

Editorial

Dnevni Avaz: Partners in Brussels

Written by Almasa Bajric (full translation)

Comparing to previous sessions of the Peace Implementation Council (PIC), which were usually ending with imperative requirements towards the BiH authorities, the last one in Brussels had a different tone. This time the representatives of the BiH authorities looked for and got a support to by their own, and with a partnership assistance of the international community, carry out reforms and bring BiH into a qualitatively new era. Until today, BiH delegations attending such sessions were usually dictated a list of conditions, which the country had to fulfill, or the laws, which it had to pass. Then, if the BiH authorities would have failed to do so, and that was happening very often, the international community would through its High Representative simply declare them, pass them or impose them. No matter how we would call this, it comes to the same. They have been making decisions in place of us. This time, the BiH delegation did not go to Brussels to get newly-projected tasks, but it went to gain support for projects whose implementation has already started. As is, for example, the law on civil service, whose draft has already been passed by the BiH Council of Ministers. It still has to be verified by the BiH Parliamentary Assembly, and this is a job on which representatives of the BiH authorities and the international community can work together. The most difficult task for the current authorities is to carry out economic reforms. These

include dealing with the difficult economic and social situation in the country, reduced international donations, corruption, and a complicated legislation. These are tasks on which all domestic and only well-intentioned international partners should be mobilized, since unfortunately we had an opportunity to see that some moves of certain representatives of the international community at least created doubts in their good intentions. Finally, a partnership relation between BiH and the international community should as of the Wednesday's meeting in Brussels replace until today's tutorial approach.