BiH Media Round-up, 20/5/2002

BiH State-related Issues

- Law on Succession adopted
- Belkic welcomes adoption of the Succession Law
- BiH Council of Ministers Chairman says adoption of succession law promotes cooperation with IMF
- Treasury Minister: BiH suffered damage of 15 million KM by sale of the gold
- PDHR Hays: BiH to face financial problems if fails to pass state Budget
- BiH Presidency adopts new draft Budget for 2002
- SDA against erasing a provision on financing the lawsuit against FRY from the draft BiH Budget
- Judicial reform in BiH – Petritsch to remove corrupted judges
- Commercial media support formation of public radio-TV service
- BiH Election Commission President: a total of 57 parties and four independent candidates to run in the October elections
- CIPS project to be inaugurated, new ID card presented at a ceremony in Sarajevo on Monday
- BiH officials, US military company discuss single defense program
- State Border Service knows about smuggling at the Raca border crossing
- A conference on necessity of constitutional reforms held in Sarajevo

Federation

- Vecernji List: Interview with Nikola Grabovac, the Federation Deputy Prime Minister and the Finance Minister
- Police arrest one, file charges against four in Mostar arms case
- Halilovic and Filipovic deny speculations on split-up inside the Alliance for Change
- SDA strongly condemns sale of Arab-donated weapons to Israel
- ONASA: Interview with Slavo Kukic, the President of the HPT Mostar Steering Board
- Vecernji List: Toby Robinson believes the third GSM license if given to Eronet rescues Hercegovacka Bank

- AFP: Bosnian lottery offices blown up in Mostar

Republika Srpska

- RS President says RS only prepared to participate in one joint army body
- RS Prime Minister criticizes Sarajevo media reporting of Srebrenica
- RS Defense Minister meets with the OSCE Chairman-in-Office's envoy for military issues
- Bosnian Serb war crimes suspects surrenders to ICTY – Wrong person in Scheveningen?
- RS court sentences Serb to 15 years for killing 10 Bosniaks
- Radisic officially leaves Socialist Party
- Former RS premier leaves SDS, joins DNS
- SNSD recruits pre-war BiH Presidency member
- RS Jewish Community Rabbi calls on BiH Presidency to tackle anti-Semitism
- BiH Islamic Community leader protests against attack on Mejlis building in Bijeljina

International Community

- Petritsch: BiH's Future is – Europe
- Saturday's Dnevni Avaz: Farewell interview with the High Representative, Wolfgang Petritsch
- Saturday's Vecernji List: Interview with the High Representative, Wolfgang Petritsch
- ONASA: RS officials on outgoing, new High Representative in BiH
- The High Representative hosts the fifth and his last Civic Forum
- OHR supports recommendations on land allocation
- FRY hands over Delimustafic to BiH

Editorial

- Monday's Nezavisne Novine: What is the real unemployment rate in Bosnia?

Headlines

BiH State-related Issues

Law on Succession adopted

In an emergency procedure, deputies to the House of Representatives and deputies to the House of Peoples of the Bosnia and Hercegovina Parliamentary Assembly on Saturday unanimously adopted the Law on Use of Property which BiH has obtained according to the agreement on the succession to the property of the former SFRY (Socialist Federative Republic of Yugoslavia), all BiH media report. The amount of the resources gained through succession, in keeping with the law, will be worth 156,011,373.15 convertible marks (KM) on 31 May 2002. The funds will be distributed in the following way: 26,364,456.87 KM are the shares which will be transferred to the BiH Central Bank from the Bank for International Settlements in Basel, while 19,646,916.28 KM will be allocated for the budget of BiH institutions, for settling the country's international obligations, the costs of the succession and the obligations of the BiH institutions. The amount of 71.5m KM has been set aside for the needs of the Federation of BiH, while 38.5m KM, according to this law, will be spent on the needs of the Republika Srpska. The resources intended for the entities will be used in accordance with the memorandum on economic and financial policies signed by BiH and the IMF, and they shall not be used for election purposes. The above memorandum envisages a three-monthly review of the resources by the IMF. The adoption of the Law on Succession is one of the important conditions of the World Bank and the IMF for these institutions, together with the EU and the European Bank, to grant BiH aid worth 440m KM. The deadline for adopting this law expired on Saturday, while the deadline for meeting the other condition for obtaining this aid, i.e. the adoption of the BiH institutions' budget, expires on June 5.

Belkic welcomes adoption of the Succession Law

The Chairman of the BiH Presidency, Beriz Belkic, has welcomed

Saturday's adoption of the Law on Use of Property, which BiH obtained in accordance with the agreement on issues of succession to the property of former Yugoslavia, SRNA, Fena and Sunday's Dnevni Avaz report. "We now have a clear situation since the law provides precise instructions as to what the BiH Presidency must change in the draft budget of the BiH institutions for 2002, which was endorsed back in January this year," Belkic told SRNA after a plenary session of both parliament chambers. According to him, the income structure needs to be changed, "since it (income) was increased by 14.5 million convertible marks (KM) according to the Law on Succession". "Consequently, the expenses side of the budget of the BiH institutions needs to be restructured," the Chairman of the BiH Presidency said…

BiH Council of Ministers Chairman says adoption of succession law promotes cooperation with IMF

(Provided by OHR Banja Luka)

Chairman of the BiH Council of Ministers Dragan Mikerevic said on Saturday in Sarajevo that "by adopting the Law on Use of Assets which BiH obtained from the Succession Agreement to the property of former Yugoslavia, BiH has maintained its active position with the IMF" "Together with the IMF, we must work on fulfilling requirements which will lead to completing the 15-month stand-by arrangement to the tune of more than 400 million convertible marks which will gradually be injected into the BiH and the entities' budgets." He went on to say that it was important to fulfill the requirements set out by the IMF as this would enable further implementation of reforms in BiH and "maintain the pace and direction of the initiated reforms in BiH". "Today, I was able to witness that all the deputies, all of us in the executive government and the BiH Presidency are able to put aside our party interests in the name of the country's future," Mikerevic said. He emphasized that reforms in both macro and microeconomic systems were necessary in BiH. He added that adopting this year's budget of

the BiH institutions by 5 June would create favorable conditions for further negotiations with the IMF on certain macroeconomic policies, including sustaining the currency board, restrictive fiscal policy and protecting the social sector.

Treasury Minister: BiH suffered damage of 15 million KM by sale of the gold

According to Sunday's Dnevni Avaz front-page story, the BiH Treasury Minister, Ante Domazet, admitted at a session of the BiH Parliamentary Assembly on Saturday that the country had suffered a damage of up to 15 million KM by selling the gold it had obtained from the succession to the former Yugoslavia's property. However, he said it could have happened that the price of the gold on the world market had fallen and then BiH would have been a winner and not a loser.

PDHR Hays: BiH to face financial problems if fails to pass state Budget

Saturday's Dnevni Avaz quotes the Principal Deputy High Representative, Donald Hays, as saying in Banja Luka on Friday that BiH will face financial problems if the state Budget and the succession law are not adopted soon. He emphasized that the representatives of the World Bank and the International Monetary Fund believed the decision on the Budget had to be made by the BiH institutions and not imposed by the High Representative. In the course of his visit to the town, Hays discussed the issue as well as the general economic situation, the return of refugees and the education process with the RS President, Mirko Sarovic.

BiH Presidency adopts new draft Budget for 2002

The BiH Presidency on Monday adopted the new draft Budget of the BiH institutions for 2002 amounting up to 492.8 million KM, as well as the draft law for its execution, Fena news agency reports. Both drafts will be sent into an urgent

parliamentary procedure. The Presidency members, Jozo Krizanovic and Zivko Radisic, voted for the draft as BiH Presidency Chairman Beriz Belkic was against the adopted solution. According to the passed draft, the BiH's lawsuit against FRY for aggression and genocide before The Hague-based International Court of Justice will be financed not from Budgetary funds foreseen for the Presidency but from a reserve for unforeseen matters including international arbitration and suits, which is governed by the BiH Council of Ministers. Belkic said following the session that the Presidency had not discussed the legal status of the lawsuit but just way of its financing. He added that the transfer of the authorities for the issue to the Council of Ministers might make continuation of the procedure more complicated.

SDA against erasing a provision on financing the lawsuit against FRY from the draft BiH Budget

The Democratic Action Party (SDA) will oppose to the intention of the Alliance for Change, the Serb Democratic Party (SDS) and other RS political parties to remove from the budget an item related to the funding of the BiH lawsuit against Yugoslavia for aggression and genocide, Oslobodjenje reports on Saturday. The adoption of the state 2002 budget was brought into question on Thursday night, after BiH Presidency member Zivko Radisic put a veto on the initial proposal for the budget, which foresees the funding of the lawsuit before the International Court of Justice in The Hague. "We are not surprised with the indolence of the BiH Social Democratic Party (SDP) towards this lawsuit, because they have already said that, even after 25,000 killed and more than two million expelled persons, they still do not understand the character of the past war," SDA Deputy President Elmir Jahic said at a press conference in Sarajevo on Friday.

Judicial reform in BiH – Petritsch to remove

corrupted judges

According to Monday's Dnevni Avaz, the High Representative, Wolfgang Petritsch, is preparing to very soon sign a series of decisions related to the judicial reform in BiH. The newspaper learned that at least 11 judges and prosecutors, who were corrupted or who were abusing property laws, would be suspended. "It is possible that even more than 11 judges are suspended. At the moment, it is being speculated with a list with 18 names, but it is being changed," a high-ranking international official told Dnevni Avaz. However, he did not specify the names. The official added that the High Representative's decisions would include the one on the establishment of the High Judicial Council, a body which would be tasked to appoint judges and prosecutors in BiH. However, in an article on the issue published in Monday's Oslobodjenje, journalist Nagorka Idrizovic wrote that, in order to legalize the work of the Council, it would be necessary to adopt certain constitutional amendments. Commenting on the announced High Representative's decisions, Vlado Adamovic, the President of the BiH Federation Association of Judges, told Monday's Dnevni Avaz that the Association supported reform of the judicial system, but that it did not support the way in which the reform was intended to be carried out. In a commentary on the issue, Cazim Sadikovic, a Sarajevo University Professor, wrote in Monday's Jutarnje Novine that the judicial reform initiated by the High Representative marked the beginning of the end of existence a disintegrated judiciary in BiH.

Commercial media support formation of public radio-TV service

The commercial radio and television (RTV) stations in Bosnia-Hercegovina support the formation of a strong public RTV service, but not the adoption of a law which would lead to closures of commercial stations. This was concluded at the forum which the Association of Electronic Media organized in Sarajevo, BHTV 1 reported on Friday. The position of this

association was supported by the coordinating body of the journalists' association in BiH. The law on PBS (Public Broadcasting Service) should not be adopted without consultations with representatives of electronic media associations in BiH, the participants at the forum concluded. The association believes that several provisions and laws could lead to the closure of commercial TV stations in the future.

BiH Election Commission President: a total of 57 parties and four independent candidates to run in the October elections

Lidija Korac, the President of the BiH Election Commission, told Sunday's Dnevni Avaz that a total of 57 political parties and four independent candidates had registered to run in the October 5 general elections. The Commission is due to validate their registrations by June 8.

CIPS project to be inaugurated, new ID card presented at a ceremony in Sarajevo on Monday

Saturday's Dnevni Avaz reports that, on Monday, a ceremony to inaugurate the CIPS project and present the new ID card will be held in the BiH Presidency building in Sarajevo. BiH Presidency Chairman Beriz Belkic, BiH Council of Ministers Chairman Dragan Mikerevic and the High Representative of the international community, Wolfgang Petritsch, are expected to address the attendees. On the occasion, the BiH Minister for Civil Affairs and Communications, Svetozar Mihajlovic, will hand the first samples of the ID card to Petritsch and the members of the BiH Presidency.

BiH officials, US military company discuss single defense program

(Provided by OHR Banja Luka)

The defense program at the level of BiH is aimed at the

formation of a single, affordable and capable army at state level, which can protect the country and contribute to regional security, members of the BiH Presidency Beriz Belkic and Jozo Krizanovic said on Friday during talks with representatives of the US company MPRI (Military Professional Resources Incorporated), which organized the Train and Equip program in the BiH Federation Army, SRNA news agency reports. At the meeting with Gen Crosby Saint, the vice-chairman of the MPRI, and Carl Vuono, the executive director of the Program of Military Stabilization of this company, Belkic and Krizanovic said that the establishment of such a program of defense at the level of BiH was one of the key conditions for its membership of the Partnership for Peace. On behalf of all members of the Presidency, Belkic and Krizanovic expressed the determination of BiH for further democratization and European integration and membership in the Partnership for Peace, the BiH Presidency said. Representatives of the MPRI said at a meeting that the main aims of the Train and Equip program in the BiH Federation Army was military stabilization and provision of technical help in the last phase.

State Border Service knows about smuggling at the Raca border crossing

(Provided by OHR Banja Luka)

Weekend edition of Nezavisne novine quotes Deputy Director of the State Border Service (SBS), Tomislav Mihalj, as saying that the SBS has information which indicate that there is smuggling at BiH border crossings. He said that the SBS has information about people who are involved in organized crime, smuggling, drug trafficking etc. He also said that goods that has been imported through the Raca border crossing was undervalued. “SBS controls and protects BiH borders and ports. Every SBS employee has the right to check vehicles and passengers. However, the Customs Administration checks goods. Therefore, the SBS is not the only institution that can fight organized crime. Police forces of both entities, customs

administrations of both entities, tax administration and the SBS are included in this entire process", said Mihalj. Nezavisne novine also learned from the RS President's Cabinet that the Principal Deputy High Representative, Donald Hays discussed on Friday with RS President, Mirko Sarovic, problems pertaining to corruption among RS Customs Administration employees and requested that these illegal activities stop. After the meeting with Ambassador Hays, the RS President briefly informed journalists that one of the top priorities in the forthcoming period is the fight against corruption and organized crime, failing to reveal the reasons for making this statement.

A conference on necessity of constitutional reforms held in Sarajevo

In organization of the BiH Forum of Democratic Alternative and the Foundation Friedrich Ebert, a conference on the necessity of the constitutional reform in BiH was held in Sarajevo on Saturday. According to Sunday's Oslobodjenje, the introductory speeches on the issue were delivered by the Vice-president of the SDP Main Board, Sejfudin Tokic, Vice-president of the SDP Ivo Komsic and SNSD leader Milorad Dodik. It was emphasized at the conference that the valid BiH Constitution was a result of compromise between then (1995) governing political parties and the international community, and it had been aimed to stop the war. However, following six years of its application, it has become clear that it is not an adequate legal frame for the establishment of an economically prosperous and democratic society in BiH, according to the participants at the conference.

Federation

Vecernji List: Interview with Nikola Grabovac, the

Federation Deputy Prime Minister and the Finance Minister

(Provided by OHR Mostar)

Vecernji List carries an interview with the Federation Deputy Prime Minister and Finance Minister Nikola Grabovac.

Speaking about the Health Funds in the Federation, Deputy PM Grabovac says that the international community is unhappy with the process of establishment of Health Fund in the Herzegovina-Neretva Canton adding that it is unacceptable that the West-Herzegovina Canton does not join the HNC in that matter. Grabovac justifies it with a fact that there are no hospital beds in WHC asking whether it would be a good idea to make an arrangement with the Split Hospital and send people for treatment there. Grabovac warns that such issues condition a loan worth 160 million US$ for the whole Federation.

Questioned to comment on the issue of tax collection and tax evasions, Nikola Grabovac says that the Federation is taking measures to take care of it. Minister Grabovac says that the tax Administration in the Federation has 1600 employees and that every Canton has its Tax Administration and goes on to explain that a special unit for controlling of big tax payers has been formed which in turn means that Cantonal administrations are not competent to deal with those type of tax payers. The idea of this is to prevent local ties influencing course of inspections where, for instance, Mostar-based companies would not be controlled by Mostarians but by inspectors from other towns/cities. In relation to this issue, Minister Grabovac says that there are more than 350 companies, which have a certain turnover or deal with high-tariff goods, that Cantonal administrations are not competent for.

Regarding the loan worth 20 million US$ that Haris Silajdzic has taken from Pakistan in 1992, Minister Grabovac says that such issues have been resolved as follows: “All loans from

April 5, 1992 until the DPA cannot be state loans or Federation loans, they are loans of a people during the war. That's why not a single loan from that period is unacceptable- the law clearly stipulates it", says Grabovac.

Police arrest one, file charges against four in Mostar arms case

Police in Mostar have pressed charges against four persons and arrested one for illegal possession of the recently discovered weapons and ammunition in and near Mostar, ONASA news agency reported on Friday (Oslobodjenje carried the report on Saturday). According to a press release from the police, Mehmed Bajgoric will remain in prison for one month, while criminal charges were pressed against four others, but the police gave only their initials. In the past three weeks, SFOR (NATO-led Stabilization Force) has found 9,000 grenades (120 mm caliber) [shells] and three tons of powder in secret warehouses in east Mostar. The warehouses were found in former textile combine Djuro Salaj in Vrapcici settlement, and the premises of the Mostar's Tobacco Factory and UNIS company, located in the city downtown.

Halilovic and Filipovic deny speculations on split-up inside the Alliance for Change

According to Saturday's Dnevni Avaz, the BiH Federation President, Safet Halilovic (Party for BiH) and the Federation Vice-president, Karlo Filipovic, denied there was a conflict between the SDP and the Party for BiH over the draft restitution law. "It was not about conceptual differences but just about different approaches to the issue," Halilovic said. Filipovic emphasized that the two parties were remaining fully committed to the project of the Alliance for Change.

SDA strongly condemns sale of Arab-donated weapons to Israel

(Provided by OHR Banja Luka)

The Party of Democratic Action (SDA) believes that "the sale of arms to Israel was a catastrophic move which would destroy the friendly relations with the Arab states which have so far been providing significant aid to BiH. We wonder how Foreign Minister Zlatko Lagumdzija would explain to his hosts in the United Arab Emirates today that their donated weapons to the Federation Army were sold to Israel," SDA deputy chairman Elmir Jahic said at a news conference in Sarajevo on Friday, adding that the silence of the leaders of the Alliance (Zlatko Lagumdzija and Safet Halilovic) effectively means tacit consent.

ONASA: Interview with Slavo Kukic, the President of the HPT Mostar Steering Board

President of the Steering Board of the Mostar-based Croat Post Offices and Telecommunications (HPT) Mostar Slavo Kukic said recently that mobile network of

GSM operator Eronet might lose it's signal in early June. In an interview with Onasa, Kukic says that Herzegovina tycoons had robbed HPT, explaining the aspect of conflict between HPT and Eronet, including the problems related to concession for a third GSM operator in BiH.

Vecernji List: Toby Robinson believes the third GSM license if given to Eronet rescues Hercegovacka Bank

Written by Dejan Jazvic

The article deals with the Eronet case and it says that the case continues and the role of the Federation and state authorities is very important in the whole story. Toby Robinson, the Provisional Administrator of Hercegovacka Bank, believes that by successful sale of Eronet shares necessary capital would be brought in this company but also new places of work would be secured as well as permanently low prices for the users of GSM services. The article says that HPT does not

give up a right on the third GSM license, and it is obvious that after the appointment of a new leadership this company makes moves that the Federation Government and BiH Council of Ministers wish for. Toby Robinson stated that in terms of Law their ownership over Eronet shares cannot be brought into question at all, however, if Eronet does not get a license it will fail and it would be fatal for all, especially for citizens and depositors of Hercegovacka Banka and the Federation Government is among them. Toby Robinson also says that she told the Federation Government that they cannot get their money if Hercegovacka Banka does not survive and added that they want Eronet and their money from the Bank, however, they cannot get both. Asked as to what will happen if Eronet fails, Toby Robinson said that this is not only a problem of HPT and Eronet and that the HPT Steering Board, Federation and state Governments will be responsible for the failure.

AFP: Bosnian lottery offices blown up in Mostar

Bombs blew up two offices in Mostar housing a Bosnian sports lottery operator on Sunday, police said. The first went off at 3.50 am (0150 GMT) and was followed by a second 15 minutes later, police spokesman Sead Brankovic told AFP. Windows of neighboring buildings in the Croat dominated part of the town were shattered. The attack is the fourth on offices of the lottery called Derby. It is owned by a Bosnian Croat, Dinko Slezak, who also co-owns a lottery called First in Croatia. Police are investigating the attacks.

Republika Srpska

RS President says RS only prepared to participate in one joint army body

(Provided by OHR Banja Luka)

Weekend edition of Glas srpski quotes RS President, Mirko

Sarovic, as saying on Friday after a meeting with the Principal Deputy High Representative, Donald Hays, that with regard to BiH's joint defense, the RS was only prepared to accept the Permanent Committee for Military Affairs (SKVP). Commenting on Thursday's session of the BiH Presidency, at which the formation of a BiH defense department and a joint defense general staff was discussed, Sarovic said that "the RS was only ready to accept the SKVP, which is in accordance with the constitution and the Dayton Peace Agreement". "It will be a future rallying point for us to comply with NATO demands regarding greater coordination in the domain of defense and security at the level of BiH," Sarovic recalled. He added that property laws had been discussed at the meeting, and that Hays had told him that the "international community will carry out the necessary coordination in that regard in order to realize the plans regarding Annex 7 by the end of this year, as well as to ensure an economically feasible return". Sarovic added that he had informed Hays about the important results achieved by the RS over the last year, expressing his belief that the RS would implement over 50 per cent of the property law this year. He said that one of the priorities of the RS authorities in this period would be the fight against corruption and organized crime. According to him, the education system and necessary reforms in that sector, as well as in the sphere of succession, had been discussed at the meeting. "We have stated that certain legal projects regarding these issues should be concluded at the level of BiH," Sarovic added. Commenting on the weapons found in eastern Mostar, Sarovic said that this was the most serious and blatant violation of the DPA so far, and that this case deserved to be investigated thoroughly, "especially since the weapons were found at a specific and sensitive spot". The Principal Deputy High Representative, Donald Hays, recalled that it was crucial to pass the BiH budget and the law on succession because, unless this is done, the country would face serious financial problems, and the High Representative would then consider the possible options.

RS Prime Minister criticizes Sarajevo media reporting of Srebrenica

(Provided by OHR Banja Luka)

RS Prime Minister Mladen Ivanic said on Thursday that the RS's presence at the donors' conference for Srebrenica left a very positive impression in the UN, because the RS showed its responsibility by being the second largest donor, immediately behind the USA. Speaking at a news conference, he said he was more than pleased with the results of the donors' conference because 12.5 million dollars will be collected for Srebrenica, adding that the fact that the conference also included Bratunac and Milici "clearly shows that the international community views this area as being part of the RS and as such it can have a long-term future". Ivanic severely criticized the media from the BiH Federation whose reporting from the conference bordered on hatred. "The conference was held in a special atmosphere because the Sarajevo media created an unbelievably counterproductive atmosphere in which the press was full of reports bordering on hatred," Ivanic said. He said that it was evident that it suited some media from the BiH Federation to use Srebrenica for political purposes, with nothing concrete being done in that region. Ivanic called on the international institutions to carry out a serious analysis into the real nature of such criticism coming from the BiH Federation and why the Sarajevo media do not mention any political leaders from the RS without the nationalist attribute. "These theses, which in practical terms mean that there are no good Serbs in the RS, go beyond the freedom of the press and create a very bad atmosphere similar to the pre-war one," Ivanic said.

RS Defense Minister meets with the OSCE Chairman-in-Office's envoy for military issues

(Provided by OHR Banja Luka)

During talks with RS Defense Minister Slobodan Bilic, the personal representative of the OSCE chairman-in-office on issues concerning the military section of the Dayton Agreement, General Claudio Zappulla, proposed an idea on joint inspection of weapons on the level of BiH, noting the need for modalities for the realization of this idea considering that there is no joint army at the level of BiH, SRNA news agency reported on Thursday. "Minister Bilic highlighted the determination of the RS Defense Ministry to work consistently on the implementation of the Dayton Agreement and all obligations stemming from it," said the Defense Ministry statement on Bilic's meeting with the OSCE personal representative for Articles II and IV of Annex 1b of the Dayton Agreement. In separate talks with the mission head of the International Committee of the Red Cross in BiH, Pascal Cutat, Bilic expressed the problem of dislocation of graves of the RS Army killed members on the territory of the BiH Federation, particularly pointing to the dislocation of graves in Kazan, in the federal part of Sarajevo. Bilic said that the RS Defense Ministry and the international community must contribute in the overcoming of these problems. Cutat asked for help and support from the institutions of BiH in finding missing persons and detainees from the war in BiH.

Bosnian Serb war crimes suspects surrenders to ICTY – Wrong person in Scheveningen?

(Provided by OHR Banja Luka)

SRNA news agency reports that Dusan Knezevic, indicted for war crimes committed against non-Serbs in the camps of Omarska and Keraterm near Prijedor in 1992, was transferred to the ICTY after surrendering to the RS authorities, an RS official has said. "Knezevic is the first Serb war crimes suspect to voluntarily surrender to the RS authorities in order to go to The Hague," a government source told SRNA. He said that "this is the beginning of normal cooperation between the RS authorities and the ICTY and this means that the Serbs will no

longer be physically maltreated during arrests". According to the same source, the RS government will provide Knezevic with bail guarantees in line with the Law on Cooperation with the ICTY. He added that it was most likely that the RS authorities would forward the bail guarantees "via the Ministry for Civilian Affairs of the Council of Ministers of BiH". Today's edition of Glas srpski also reported that Knezevic voluntarily turned himself in to the ICTY on Saturday evening and that the RS Government will provide guarantees for him so that the indictee can be temporarily released. On the other hand, today's edition of Nezavisne novine reports that it is still remains unknown whether the RS authorities participated in negotiations on Knezevic's surrender. The daily quotes Knezevic's mother who said that Dusan Knezevic, who has been indicted by the ICTY, was born in 1955, while her son, with the same name, Dusan Knezevic, was born in 1967. The paper also quotes ICTY Spokeswoman, Florence Hartman, as saying that Knezevic was transferred from Banja Luka to The Hague through UN office in Banja Luka. She said the RS authorities were not involved in this transfer in any way and that this is strictly Knezevic's decision. "Knezevic and his attorney contacted the ICTY and Knezevic turned himself in to the ICTY office in Banja Luka. There is no doubt that Knezevic surrender in the same way like Fustar", said Hartman. However, the RS Government's Bureau for cooperation with the ICTY claims that transfer and surrender of Knezevic has been carried out with mediation of the Bureau.

(Please note that Knezevic is the forth RS citizen who voluntarily surrender to the ICTY. The first was former RS President, Biljana Plavisic, then Colonel Jokic, indicted for crimes committed against Bosniaks in Srebrenica in 1995; the third is Dusan Fustar, indicted for crimes committed against non-Serb population in Keraterm detention camp near Prijedor/turned himself in to the ICTY in January this year.)

RS court sentences Serb to 15 years for killing 10 Bosniaks

(Provided by OHR Banja Luka)

ONASA news agency reports that the five-member court panel of the district court in Banja Luka, chaired by Judge Slobodan Milasinovic, has sentenced Bosnian Serb Obrenko Sugic (41) to 15 years of imprisonment for killing 10 Bosniaks. This is the first such verdict delivered in the RS for a Serb murder of Bosniaks during the war. It was established during the trial that Sugic committed the murders alone or with his brother Miladin, who still remains at large. According to the verdict, on 7 July 1992 the Sugic brothers killed Smajo Husanovic and Kasim Sacic, seriously wounding Raif Jusic. Five days later Obrenko Sugic killed from an automatic rifle Ejub Kovac, and then Ejub and Halima Mujkanovic, seriously wounding Ismeta Mujkanovic and Dzevida Mujkanovic. The brothers then killed five members of the Culum family.

Radisic officially leaves Socialist Party

(Provided by OHR Banja Luka)

The chairman of the Socialist Party of the RS (SPRS), Petar Djokic, informed the party's main committee that he had received a letter from former party chairman Zivko Radisic informing him that the latter was no longer member of the party, SRNA news agency reported on Thursday night The SPRS main committee today decided that it would field candidates for all levels of power in the RS and the BiH Federation for the forthcoming elections. Djokic told SRNA that the main committee defined a series of measures and activities which will be taken before final lists of candidates are drawn up.

Former RS premier leaves SDS, joins DNS

(Provided by OHR Banja Luka)

Glas srpski reports that the main committee of the Democratic

People’s Alliance (DNS) decided on Saturday to officially nominate party chairman Dragan Kostic as candidate for RS president in the October elections. Kostic told a news conference in Zvornik during a break in the main committee meeting that he was convinced of his victory. He said that he would inform the voters about the DNS proposal aimed at tackling economic problems, crime and everything that was negative in the RS. Kostic said that Rajko Kasagic (former RS prime minister) was a new member of the DNS main committee as of Saturday and that his role would be to add experience to the youth and strength of the DNS. Kasagic said that he had joined the DNS because the SDS was no longer fighting for the goals of the Serb people. He said that the SDS had become a Socialist and reformist party and that it had completely removed the word Serb from its program. “That is their problem and I have nothing against it,” Kasagic said, and added that the DNS was a legalist party which will fight for economic development and rule of law.

SNSD recruits pre-war BiH Presidency member

(Provided by OHR Banja Luka)

The chairman of the Alliance of Independent Social Democrats of the RS, Milorad Dodik, confirmed on Sunday that it was most likely that his alliance would nominate Nenad Kecmanovic (pre-war Bosnian Presidency member) for one of the top posts in the BiH Federation, Glas srpski reports on Monday. Dodik told the Banja Luka-based Nes radio that talks about Kecmanovic’s nomination were under way. He noted that Kecmanovic would be one of the most serious candidates for a member of the Presidency of the BiH Federation if the SNSD decided to field a candidate. “With Nenad Kecmanovic in its ranks, the SNSD has secured the services of an important political analyst,” Dodik said, and added that Kecmanovic wanted to play an active political role.

RS Jewish Community Rabbi calls on BiH Presidency to tackle anti-Semitism

(Provided by OHR Banja Luka)

Weekend editions of both Banja Luka dailies quote the honorable rabbi of the Jewish community in the RS, Jozef Atijas, as saying on Friday that he had asked the BiH Presidency to take a stand on the anti-Jewish campaign which "has been conducted actively and in an organized manner in a part of BiH". He said that Jews had never endangered the statehood and sovereignty of BiH through their way of life and their centuries-long presence in this region, but had rather left significant socio-political, cultural and historical, as well as other positive traces. "As a religious representative of the Jewish people in BiH, I cannot understand why public addresses by representatives of the Islamic religious community and some political representatives in BiH should contain an abundance of anti-Jewish hate speech, insults, obscenities and threats, through which the whole Jewish people is being humiliated," Rabbi Atijas said. Commenting on the appearance of graffiti, leaflets and posters in Sarajevo, Rabbi Atijas said that "they are not contributing to the peace and good of BiH, because they are an exhortation by some evil and crazy people from the times of the past fratricidal war", and recalled that "the Jewish people above all know what the war means and what physical and psychological sufferings it brings". Rabbi Atijas conveyed a message to all the peoples and citizens in BiH to "work together on creating a better and happier future in this region that we all hold dear, in which a life of peace, tolerance, unity and friendship has begun after the past war of five years".

BiH Islamic Community leader protests against attack on Mejlis building in Bijeljina

The Reis-ul-Ulema of the Islamic community in Bosnia and Hercegovina, Mustafa Ceric, has very harshly condemned

Thursday's bomb attack against the Medzlis (Majlis – council) building of the Islamic community in Bijeljina and the apartment of the main imam, Dnevni Avaz reports on Saturday. He asked the international community to thoroughly investigate this terrorist act, as part of the international coalition for fighting terrorism, because the Islamic community, he recalled, had no confidence in the local authorities of the BiH entity with a Serb majority. The Reis-ul-Ulema advises Muslims to remain dignified and not to do anything on their own, because "revenge is a sign of weakness, not power". "This was yet another in a series of calculated terrorist attacks aimed at intimidating the Muslim Bosniaks and making impossible their return to the places they had forcibly been evicted from during the aggression against BiH. This violent act in Bijeljina shows the level of religious and overall human rights in the territory of the Bosnian entity with a Serb majority," Ceric said in a press release carried by the MINA (the Sarajevo-based Muslim news agency).

International Community

Petritsch: BiH's Future is – Europe

"Bosnia and Herzegovina's future is clear. It can be summed up in one word: Europe. The question is not if but when BiH will join the European mainstream and eventually accede to the European Union. I do not want to create false hopes; this will take a long time. But the course has been charted, and now it is up to the leaders and citizens of BiH to see how fast they will travel along this path," wrote the High representative, Wolfgang Petritsch, in an article published in the Saturday's Oslobodjenje weekly supplement Pogled (View).

Saturday's Dnevni Avaz: Farewell interview with the High Representative, Wolfgang Petritsch

The indicted war criminals still at large, non-issuance of the

third GSM license and non-implemented economic reforms are the biggest three failures of the outgoing High Representative, Wolfgang Petritsch, he specified in a farewell interview with Saturday's Dnevni Avaz. "I am leaving BiH with bitterness due to a fact persons wanted by The Hague Tribunal have not been arrested and transferred to Scheweningen," Petritsch said. (Full Translation of the interview to follow)

Saturday's Vecernji List: Interview with the High Representative, Wolfgang Petritsch

Wolfgang Petritsch is leaving the position of the High Representative of International Community in BiH at the end of May. In a farewell interview given to Vecernji List he is talking about the Croat political pluralism in BiH, coming elections, his successor Paddy Ashdown and the people he politically retired by his decisions.

(Full translation of the interview provided by OHR Mostar)

ONASA: RS officials on outgoing, new High Representative in BiH

Officials of the Republika Srpska have positively assessed the three-year mandate of the outgoing High Representative, Wolfgang Petritsch, and they expect his successor, Paddy Ashdown, to continue the started reforms, and focus on fighting corruption and criminal. BiH Presidency member Zivko Radisic told Onasa he was satisfied by his cooperation with Petritsch. "He (Petritsch) showed an important dose of courage in

persisting the implementation of the Dayton Peace Agreement, thus making progress in affirmation of BiH as a joint country of its constituent peoples and entities." Emphasizing that BiH was admitted to the Council of Europe during Petritsch's mandate, Radisic said that, in the period, Serbs, Croats and Bosniaks accepted BiH as a common state, which was, as such, to join Europe and the world. "I want to believe that lord

Ashdown will continue the process of strengthening BiH as a legal state, with the rule of law, human freedoms and European standards established," Radisic said. He added that he had two informal meetings with Ashdown before his nomination for the duty of the High Representative and that the British diplomat was relatively well-informed about the situation in BiH. "I am convinced that Ashdown will continue the process of building up a legal state, especially regarding the implementation of the constitutional amendments." RS President Mirko Sarovic assessed that Petritsch's mandate had been very important period for BiH and its entities, featuring several crucial events and decisions. "It was a period of reforms in various fields in BiH. However, Petritsch has been too often imposing solutions comparing to his predecessors, which is not good for BiH because things will work only if all sides agree on a particular issue." Sarovic said he expected that Ashdown would be the last High Representative in BiH. RS Prime Minister Mladen Ivanic said the outgoing High Representative had been late in transferring responsibility to the domestic politicians. "This is very important as a process that the domestic political forces take the responsibility in resolving the problems and open issues." "In some elements he (Petritsch) was exclusively under influence of media in Sarajevo. I think he did not sufficiently learn the atmosphere and situation in the entire BiH, because he was not often present in Banja Luka, Tuzla and Zenica," Ivanic said. He stressed the Petritsch's mandate would be remembered by passing the constitutional amendments without bigger problems, by BiH's accession to the CoE, and by an increased number of returns of refugees and displaced persons. The RS Prime Minister hopes to have a good cooperation with the new High Representative and expects Ashdown to view the general situation in BiH and be above the influence of media, especially those from Sarajevo. (Monday's Oslobodjenje and Dnevni List carried the article)

The High Representative hosts the fifth and his last Civic Forum

Bosnia and Herzegovina's civic society has to play a decisive role in ensuring that the recent amendments to the Entity Constitutions are fully implemented and their goal – the representation of BiH's constituent peoples and citizens at all levels of government and public administration and their participation in the political decision-making process – is reached. The constitutional amendments are a crucial step forward for Bosnia and Herzegovina if they are properly implemented and part of a wider process. This was informally the conclusion of the fifth and his last Civic Forum that the High Representative, Wolfgang Petritsch, hosted at the OHR premises in Sarajevo on Saturday morning. The High Representative's guests were, in alphabetical order: Fra Petar Andjelovic, Guardian of the St. Anthony Monastery; Mladen Bosnjak, freelance journalist from Ljubuski; Ozren Kebo, editor-in-chief of the magazine "Start"; Rusmir Mahmutcehajic, president of "International Forum Bosna"; Senka Nozica, vice-president of the BiH Helsinki Committee and lawyer; Mirko Pejanovic, chairman of the Serb Civic Council; and Ivan Plejic, a professor of literature and Croatian language. (Monday's Dnevni Avaz, Oslobodjenje and Nezavisne Novine carried the Press Release)

OHR supports recommendations on land allocation

On May 15, 2002, at a regular session, the BiH Commission for Refugees and Displaced Persons adopted the recommendations of the special working group assembled by the State to propose reforms that will address growing concerns about the process of land allocation in Bosnia and Herzegovina. OHR views these recommendations as a significant initial step towards reforming the land-allocation process, but many challenges remain. For example, the BiH Presidency, the Council of Ministers and the Entity and Cantonal governments will now be asked to consider whether the recommended reforms should be

harmonized under amendments to the existing Entity Law or whether it would be better to regulate this issue under a single State Law. OHR fully supports the recommendations of the State Commission and calls upon the State and Entity authorities to begin, as a matter of urgency, the next phase of this reform effort. (Fena, ONASA on Friday and all Sarajevo dailies on Saturday carried the Press Release)

FRY hands over Delimustafic to BiH

Yugoslavia extradited on Friday a wartime Bosnian Muslim government minister to the authorities in Sarajevo to face financial crime and other charges, officials in the two neighboring countries said, reported Reuters on Friday and Sarajevo dailies on Saturday. Alija Delimustafic, interior minister before and in the early part of the 1992-95 BiH war, was handed over after serving a three-month sentence in Belgrade for possession of forged documents. His extradition reflects improved cooperation between BiH and Yugoslav authorities following the 2000 downfall of former Yugoslav President Slobodan Milosevic, who many people in Sarajevo blame for the war that ravaged their country. “Former Bosnian Interior Minister Alija Delimustafic was extradited to the BiH authorities today,” Nebojsa Sarkic, assistant to Yugoslavia’s justice minister, told the official Tanjug news agency. Davorin Jukic, investigative judge at Sarajevo cantonal court, said police had brought Delimustafic straight to jail on the basis of an existing arrest warrant. He will initially be detained for two months but this could later be extended. Delimustafic was joint owner of a bankrupt Bosnian bank which, in 2000, the U.S. Congress alleged was involved in corruption and swallowed nearly $1 million of U.S. deposits. He was first arrested by Bosnian police in August 2000 and held in detention for six months but the Bosnian Supreme Court ordered his release in February 2001 pending trial. Bosnia issued an arrest warrant after he failed to answer a summons. Jukic said the court had also charged him over a kidnapping case in

Germany but gave no further details.

Editorial

Monday's Nezavisne Novine: What is the real unemployment rate in Bosnia?

(Written by Joseph Ingram, the Resident World Bank's Representative in BiH)

The high rate of official unemployment remains one of the biggest problems in Bosnia, despite the visible improvements achieved over the past six years in many different fields. According to entity statistical bureaus, the unemployment rate in the country has steadied at around 40 percent. In a modern world 10 percent unemployment already indicates a serious problem while the 40 percent figure may sound like a terminal disease which effects all other aspects of life in such a country.

According to some analysts, however, the situation in BiH is not as bad as these official statistics show, and the real unemployment rate is believed to be much lower, possibly even below 25 percent. The absence of wide-spread social unrest, new cafes, housing, and small businesses popping up everywhere suggest that the lower numbers are more accurate.

The significant difference between the two figures is caused largely by the presence of a huge so-called shadow or gray economy, in which thousands of private and even some state-owned companies choose not to register all their employees and businesses in order to avoid unreasonably burdensome taxes and complex and corrupt administrations.

In the world's developing countries, the so-called gray economy has considerable influence on economic growth, although it is not recorded in official statistics. According

to a recent report prepared by the Harvard Institute for International Development, the gray economy “may be beneficial” especially at the beginning of the transition process.

After analyzing closely the situation in over a dozen ex-communist countries, the report concludes that “gray” activities provide people with cash incomes at a time when many state-owned companies are closing down or getting rid of jobs because they can’t compete, and when the regulatory system is too restrictive to allow many new formal sector companies to be created. In such conditions “gray” activities in effect offer an additional social safety net, and increase competitive pressures on the formal sector, thereby helping create better entrepreneurs who must compete with those working in the “gray”, if they are to survive. However, the same Harvard report also warns of the negative effects of a large “gray” economy – effects which include an erosion of the governments’ tax base thereby weakening their ability to pay for essential public services, less formal private investment, an inability to produce products for a modern industrial or service economy, and ultimately a disintegration of social norms, a lack of respect for official institutions and a weakening rather than strengthening of the rule of law.

Bosnia is now far enough along in its transition to a market economy that both the administration and citizens should start thinking about how to start “legalizing” gray activities. The negative effects are beginning to outweigh the positive. As a result, government budgets suffer from slow and irregular collection of revenues, thereby not allowing them to pay for social, health services and education. The paradox of this is that companies which profit from cheating the entities and state, are robbing their own managers and employees from access to a strong social safety net, including proper education for their children and medical protection for themselves and their loved ones.

There seems to be a growing understanding within Bosnia's complicated administration that something has to be done with the collection of revenues and the gray economy. However some of the initiatives which exclusively favor more robust police-like approaches are unlikely to have wanted results especially if they are extended to the tens of thousands of individuals who are forced by the rigidities of the old system to stay alive working informally in the shadows. Police raids, investigations and closing of improperly registered firms, also often result in companies spending more money on corrupt bureaucrats, frequent re-registrations and more fake companies. This of course does not mean that strong actions should not be taken against persons or companies which are illegally smuggling cigarettes, fuel and other lucrative goods. There is after all a clear difference between gray activities and simple criminals. And governments should be able to see that difference and act accordingly.

Good practices in modern economies show that the lowering of tax rates, simpler regulations and improvement of registration procedures have far-reaching effects not only in improving revenue-collection, but also in formalizing gray activities and attracting new private investment. Indeed, it is now becoming easier in BiH to establish new companies – tax rates have come down, banks have lowered interest rates, and over the next couple of years many legal and administrative obstacles to private investment will disappear. At a time when international donations for BiH are running out, such improvements, rapidly implemented, will be critical for longer-term economic development for all of BiH.

Headlines

Saturday

Oslobodjenje

- Controversial BiH businessman transferred to the Sarajevo prison: Delimustafic to be charged with kidnapping and office abuse

Dnevni Avaz

- Petritsch's farewell interview: I am leaving BiH with bitterness

Jutarnje Novine (weekend edition)

- A girl saved thanks to a seven-hour surgical operation

Dnevni List

- HSS BiH: BiH is fertile ground for spy operations
- Organization Muslim brotherhood calls on boycott of Israel: Leaflets with anti-Semite content disseminated before Mostar mosques

Vecernji List

- Wolfgang Petritsch: I was not Godfather to HDU
- New wave of emigration into Croatia: Croats from Drvar settle in Djurdjevac

Glas Srpski (weekend edition)

- Mula Omar threatening to America
- Visegrad is only mentioned in weather forecast

Nezavisne Novine (weekend edition)

- Delimustafic extradited to Sarajevo
- Mihalj: There is smuggling at the Raca border crossing

Sunday

Oslobodjenje

- The Succession Law adopted after six months: 15 million marks lost by sale of the gold

Dnevni Avaz

- BiH Treasury Minister Domazet admitted to the Parliament: damage amounts

up to 15 million KM due to sale of the gold

Dnevni List

- Mijo Anic, Federation Minister of Defense: The one who knows most about mortars is Hasan Cengic
- SFOR’s leaflets over Trebinje

Vecernji List

- Former Minister of Interior with hand-cops escorted to Sarajevo prison: Delimustafic is charged for abduction as well
- Parliament of BiH accepted Law on succession: 110 million KM for discharged soldiers

Monday

Oslobodjenje

- Bodies of two killed young men found at the Sarajevo Inter-Entity Boundary Line

Dnevni Avaz

- The BiH Foreign Minister on an Arabian tour: Shadow on Zlatko Lagumdzija’s visit

Jutarnje Novine

- Fifty seven political parties registered for the elections: 700 names erased from the lists

Dnevni List

- While police persistently remains silent and does nothing, explosions echo at night in Mostar: Premises of invalid Ante Pehar mined
- My house, my freedom: Similarities and differences between Lagumdzija and Dragas brothers

Vecernji List

- Mostarians were disturbed with new explosions on Sunday night: Two sport

bet-shops blown up

- Applications for general elections in BiH finished: 57 parties in the run

Glas Srpski

- Fate of captured and missing soldiers in Slavonski Brod still remain unknown
- America threatened with new terrorist attacks – Every day a new threat

Nezavisne Novine

- Two Mostar betting shops blown up
- Unusual wedding in the Scheveningen detention facility – Milosevic best man at Banovic’s wedding