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## **BiH State-related Issues**

### **BiH Presidency decides on ratification of several international agreements**

According to the Saturday's Dnevni Avaz, at its regular session in Sarajevo on Friday, the BiH Presidency made decisions on the ratification of several international agreements as well as the authorization of officials who would sign them. Spokesman for the Presidency Boris Kujundzic told journalist following the session that the agreements to be ratified included four contracts on the loan provided to BiH by the EBRD and the European Investment Bank as a financial support to the reconstruction of railways and electric power system. They also include the agreement between the BiH and German Governments on the financial cooperation. The Presidency also decided to establish a commission to preserve national monuments in BiH. It appointed five members of the commission including Dubravko Lovrenovic, Ljiljana Sevo, Azra Hadzimuhamedovic, and two foreigners, Andras Iglmayer and Tina Vik, at the proposal of UNESCO and OHR.

### **Deputies to the BiH House of Peoples from RS voted against proposed share of the succession money**

The BiH House of Peoples interrupted its session in Sarajevo late on Friday, after the delegates from the Republika Srpska had voted against the draft law on the purpose and the use of the funds BiH obtained in compliance with the agreement on the succession to the former Yugoslavia's properties. They voted in such a way after the House had not accepted amendments proposed by a deputy, Nikola Spiric. Saturday's Dnevni Avaz reports that Speaker of the House Sejfidin Tokic then interrupted the session calling the continuation for next Monday. The Collegium of the House is expected in the meantime to harmonize position on the draft law, which was adopted in this version by the BiH House of Representatives at the end of last month. Also on Monday, the House is expected to discuss

the rebalance state Budget for this year.

## **Spiric announces BiH's bankruptcy**

According to Sunday's Oslobodjenje, Deputy Speaker of the BiH House of peoples Nikola Spiric told a press conference in Banja Luka on Saturday that the parliamentary discussion on the share of the money obtained from the process of succession to the former Yugoslavia's property had announced the BiH's bankruptcy. Spiric raised a question how one could claim that both entities would develop equally when, according to the proposed law on the issue, two third of the succession money would go to the Federation and one third to the Republika Srpska.

## **Vecernji List: Why has Zlatko Lagumdzija demanded from the HR a removal of the CRA Head?**

Written by Z. Jurilj (Provided by OHR Mostar)

After a long, secret meeting Zlatko Lagumdzija succeeded to persuade the HR to make Jerker Thorngreen, a former CRA Head, resign. Although it was officially published that Thorngreen resigned by himself, we have the information that he resigned immediately after the meeting of the HR and Lagumdzija.

A CRA employee stated: 'The meeting was long and exhausting. After a detailed elaboration and statistic data on the damage that a cheap sale of the third GSM network might cause, Petritsch decided to remove Thorngreen. These days when a new person comes to the position of the CRA Head it will be discussed under which conditions the price for the new GSM network will be set. Our interlocutor reveals that by the coming of David Bets, a former Thorngreen Deputy, to the position of the CRA Head, and along with consultations with BiH officials the price of the concession for the third GSM operator will be at least ten times higher. According to the information coming from the Office of the Ministry of External Affairs, the interest of foreign companies for its purchase

will not reduce. By an invitation to a tender for the third GSM network, BiH will most probably get about 50 million Marks plus additional investments. The CRA will have to speed up the process of purchase of the concession license. The Agency's Spokeswoman believes that the leaving of Thorngreen will contribute to it a lot.

## **Federation**

### **BiH Federation House of peoples adopts the decision on the entity's temporary financing**

In the first three months of the next year, the BiH Federation Government will spend 69.7 million KM for paying invalid pensions, 72.5 million KM for covering expenditures of the BiH Federation Army and the Defense Ministry and 2.5 million for financing the intelligence services' work. According to Saturday's Dnevni Avaz, this is the financial plan set by the decision on the Federation temporary financing, which was adopted at the session of the Federation House of Peoples in Sarajevo on Friday. It is about the same decision the entity Government withdrew from the procedure in the House of Representatives a day before, following a number of deputies' objections that the draft Budget and not any decision on temporary financing should be a subject of discussion.

### **A senior UN post offered to Silajdzic**

Saturday's Dnevni Avaz learns from well-informed sources that the founder and the first president of the Party for BiH, Haris Silajdzic, was offered at the UN Headquarters in New York a senior post in the world organization, which is in the rank of the Deputy General Secretary. However, although it is about a very attractive offer, Silajdzic, who on Friday returned from the ten-day visit to the United States, has still not finally responded to it.

## **Misura claims that Zeco obstructs formation of a single BiH Federation Pension Fund**

Bozo Misura, the acting director of the BiH Federation Pension-Disability Fund (PIO) told Saturday's Dnevni Avaz that the moving in the renewed building of the PIO BiH in Sarajevo had been started contrary to the conclusion made by the new BiH Federation PIO Steering Board. "In my opinion, this is about the obstructions to the establishment of the single Federation pension-disability fund by the removed PIO BiH director, Sead Zeco, and his closes associates.

## **The Mostar branch of the Party for BiH calls on BiH Inter-religious Council to support rebuilding of the Balinovac mosque**

According to Saturday's Dnevni Avaz, The Mostar City Board of the Party for BiH on Friday sent a letter to the BiH Inter-religious Council concerning the obstructions to the reconstruction of the mosque on Balinovac in the Mostar municipality of Southwest. The Board called on the Council members to use their influence and support removing of the obstacles to the reconstruction of the mosque.

## **The Stolac Islamic Community considers the town's mayor decision to stop reconstruction of the Stolac mosque a fresh provocation**

Saturday's Dnevni Avaz reports that a decision recently made by Stolac Mayor Zeljko Obradovic to stop works on reconstruction of the town's mosque has been considered a fresh provocation among 3.700 Bosniak returnees. In a letter of reaction to the move, the Stolac local Islamic Community said that there were constitutional and legal foundations for the reconstruction of the mosque. "Obstructing the reconstruction works clearly shows that you do not care about the peace and the rule of law," the Community said in the

letter to Obradovic.

## **A disastrous plane accident avoided at the Sarajevo Airport on Sunday**

A plane of Cross Air Swiss company on the flight from Zurich on Sunday slid from the runway during landing and stopped several meters from the concrete fence at the Sarajevo airport, ONASA and Monday's Dnevni Avaz report. Several passengers were hurt in the incident. A total of 86 passengers were on board, among them BiH basketball player Nenad Markovic. The incident, caused by snow on the runway, occurred at 1620. The airport is presently closed.

## **Dnevni List: Scandal of "Prce's loans" in the Defense Ministry – Loans taken by Generals swallow the salaries to HVO soldiers?**

Written by Ivan Bosnjak; Full translation provided by OHR Mostar

The Provisional Administrator of Hercegovacka Banka, Toby Robinson, according to the Sarajevo weekly Slobodna Bosna, has recently informed the Federation Defense Minister Mijo Anic that his predecessor Miroslav Prce, i.e. the Federation Defense Ministry, took a loan amounting to a total of 5.6 million DEM in January of 2001 and distributed it among high-ranking officers of the HVO and senior officials of the Ministry and of other services. A total of 112 persons were given loans, and it is clear from the documentation that the money was distributed by nepotism.

The contract that the Defense Ministry closed with Hercegovacka Banka back then, specified that the loan would be paid back within 3 months. The contract read that the loans would be paid back by loan beneficiaries and unless they did it within the three-month deadline, the Bank would charge the debt from the Defense Ministry.

The contract stipulates that it would be the money originally allocated for the payment of salaries to members of the Croat component of the Federation Army.

If the beneficiaries of the loans amounting to a total of over a 100,000 KM, did assume the obligation of paying them back within three months, the purpose of the loans is questionable. Such loan arrangements are usual in the businesses of serious companies that take short-term loans in order to overcome their business difficulties, so they try to pay the loans back within the shortest time possible to avoid paying high interest rates.

However, it makes no sense for a private person to take a loan of over a 100,000 DEM with the obligation of returning it within three months.

A possible explanation would be that it was a way of extracting money from the Federation during the actions aimed at establishing self-rule, but this argument does not stand, either, because the money ended up in private accounts and, eventually, the losers are the HVO soldiers who are still waiting to enter a system of regular salary payment.

The criterion used at loan allocation is unclear as well. It is evident from the list (Note: *Dnevni List* carries a list of 51 persons who were given loans ranging in amount – from 187,000 to 10,000 DEM) that Assistants to the Minister were given the highest amounts of money. They are followed by generals and senior officers, most of whom are persons from the intelligence service and the logistic department. Most of the 112 privileged persons have only paid back the first loan installment, and around 20 of them have not returned a single Mark. It is also indicative that the total sum of the loans granted, amounts to somewhat more than 6.6 million DEM, which, approximately, matches the amount required for the payment of salaries to all HVO soldiers.



As a reminder, the payment of salaries to the Croat component members requires around 7 million Marks a month. And as yet another reminder, at the time that the loans were granted to the privileged ones, the soldiers were still waiting for their overdue salaries of several months. For instance, it was as late as this summer that they received three salaries for December of last year.

At that time, it was recommended to soldiers to take long weekends so as to reduce the food costs as much as possible. A highly-positioned official of the Defense Ministry told Dnevni List that an analysis of the case is underway and that they are preparing to file several dozens of criminal reports against the persons who are not returning loans, as well as against the responsible persons in the Ministry who participated in illegal actions.

Very few of the loan beneficiaries have paid back only several installments, and most of them have not returned a single Mark. Since the famous Hercegovacka Banka case happened in April, the Bank did not withdraw the money from the Defense Ministry's account although the Bank, under the loan contract, had the right to do it in the early May of 2001. Lawyers of the Federation Defense Ministry and the lawyers from the territory of Herzeg-Bosnia will, evidently, have much work to do in the following months (and years?).

## **Republika Srpska**

### **Alternative amendments to the RS Constitution should be proposed**

Nezavisne Novine reports that the Republika Srpska Constitutional Commission should propose alternative amendments to the RS Constitution so that they could be put on the agenda of the RS National Assembly session which is to be

held on December 26. The daily adds that this is the final deadline for the Commission to do so since the final text of the amendments to the RS Constitution was not adopted at its session last Friday. Dragan Mikerevic, a member of the RS Constitutional Commission, said that the main problem was forming of the RS authorities on the basis of the 1991's census.

## **Tihic says supported OHR proposal**

At its session in Banja Luka on Friday, the Republika Srpska Constitutional Commission failed to agree on the way of representation of constituent peoples in the entity's legislative, judicial and executive authorities. "Although the Commission failed to agree on the issue, we believe that it should anyway deliver a paper with different options into the parliamentary procedure in order that the discussion is continued in the Assembly," Head of the OHR Press Office Alexandra Stiglmayer told Saturday's Dnevni Avaz. In a statement with the newspaper, Sulejman Tihic, a member of the Commission and the SDA president, said that he had proposed the representation of the constituent peoples in the authorities on the basis of the 1991 census. Unfortunately, Dragan Kalinic (RS National Assembly Speaker and SDS Presidency President) was strictly against such the proposal. Moreover, Tihic emphasized that he was "very surprised with what OHR official Peter Neussl said at the Commission's session." "Mr. Neussl claimed, as he told us following the consultations with High Representative Wolfgang Petritsch, that Sulejman Tihic and SDA were culprits for non-reaching the agreement. Neussl claims that this was position of Ambassador Petritsch. I cannot believe this, since, actually, I supported the OHR's proposal. According to Mr. Neussl's claims, one may conclude that Ambassador Petritsch blames me because I support the OHR's proposal. If so, than I really do not know where is the solution," Tihic emphasized.

## **RS Prime Minister Mladen Ivanic said constitutional changes in BiH remind of 1991 atmosphere**

Glas Srpski carries a statement of the Republika Srpska Prime Minister Mladen Ivanic, in which he said that the constitutional changes being carried out in BiH reminded him of the atmosphere from 1991. In that context, he pointed at the national polarization in the RS Constitutional Commission and added that it jeopardized achieved level of tolerance in BiH. Ivanic stated this in Srpsko Sarajevo where he was attending a ceremony marking the second anniversary of his party (Party of Democratic Progress-PDP). Ivanic also said that the RS could not be abolished since it was a constitutional category.

## **Serb Democratic Party (SDS) holds its Convention in Banja Luka**

Both RS dailies announce holding of the SDS Convention in the Banja Luka Banski Dvor building on Monday, starting at 11:00 hrs. Nezavisne Novine adds that the internal party election on the municipal level will be held after this assembly as well as the election for the Main Board of the Party. As foreseen, the elections should last 60 days. SDS is to adopt its new statute, according to which the individuals accused of war crimes by The Hague Tribunal could not be members of the party. According to the Nezavisne Novine source from SDS, President of the party's Presidency Dragan Kalinic tried to postpone election for the new president of the party for April next year did not succeed. It is expected that Dragan Kalinic and Dragan Cavic run for the presidential position. Milenko Stanic, who appears to be the strongest opposition to Kalinic within the Presidency of SDS, could also become a candidate for the first man of the party, said the newspaper in the report.

## **SDS to be a party without members indicted for war crimes**

Sunday's Oslobodjenje reports that Momcilo Novakovic, a senior SDS official, denied speculations that there would be a split between the party's moderate members and hard-liners at the upcoming SDS Congress scheduled for Monday in Banja Luka. Among other things, the Congress is expected to adopt a new statute of the party foreseeing that the persons indicted for war crimes by The Hague Tribunal might not be members of the party. If the new statute is adopted, The Hague indictees including Radovan Karadzic and Momcilo Krajisnik will automatically be removed from SDS.

## **The international community expects SDS to break links with its past**

"I see the upcoming SDS Convention as a chance for the party to make essential changes and prove it can be considered as a partner in the implementation of the Dayton agreement, the High Representative, Wolfgang Petritsch, told Sunday's Dnevni Avaz. "SDS must stop being an ethnically exclusive party, and it must open itself also to the citizens of other nationalities. It must also realize that the Republika Srpska is a part of BiH and cooperate at the state level. It has to face its past and break with it," Petritsch emphasized.

## **Sarovic says Republika Srpska facing difficult challenges**

Glas Srpski carries a statement of the RS President Mirko Sarovic, in which he said the following: "The RS is facing difficult challenges. It has been facing challenges for the past few years and will have to face them in the following year as well." Sarovic added that the RS had no substitution and that it was a permanent category. Sarovic stated this at a session of the RS Veterans ' Association assembly.

## **International Community**

### **Petritsch calls on BiH Federation Government to seriously consider Sefer Halilovic's re-engagement**

The High Representative, Wolfgang Petritsch, told Dnevni Avaz that, although it seemed there were no legal obstacles for Sefer Halilovic to re-assume its ministerial post, he recommended the BiH Federation Government to carefully consider the issue. "It is not in accordance to the European standards that a person indicted for war crimes performs ministerial duties," Petritsch said. Petritsch warned that the Federation Government "must take into account how would those who are victims of crimes Halilovic is suspected of look at his re-positioning." "It is about the citizens of the Federation, and the position of the Refugee Ministry requires that the people whom the body is taking care about trust its. A person indicted for war crimes maybe does not enjoy such the trust," Petritsch said. Petritsch therefore calls on the Government members and all authorized officials to very seriously consider Halilovic's further engagement.

### **Petritsch says surprised with a fact Lagumdzija and Ivanic have never talked about the constitutional reforms**

In an interview with the Saturday's Dnevni Avaz, the High Representative Wolfgang Petritsch, said that his last week's visit to Banja Luka had been positive in a measure in which he had felt realism in the ranks of (Republika Srpska) political leaders. More precisely, they realized that very crucial and pretty dramatic changes are to follow in order that the BiH Constitutional Court's decision on the equal constitutional status of all constituent peoples throughout the country is implemented. "Six years have passed since the Dayton signing

and the RS is still belonging too much to Serbs and it is too less a res publica. In the Latin language, this means that a matter is possessed by the entire public, and in the case of RS, this means by non-Serbs as well. This must be changed urgently," Petritsch said. According to Petritsch, in order that this is done, a more decisive engagement of the international community will be needed. "The Constitutional Commissions have thus far done a pretty good job, and it is a high time now for the parliaments to take over their part of the responsibility. This is the next step in the process," Petritsch emphasized.

## **The United States conditioned its financial support to FRY with the apprehension of Karadzic and Mladic**

According to Saturday's Oslobodjenje, the US Congress has approved a 2002 financial assistance to Serbia amounting a total of 115 million dollars. However, these funds will not be available to Serbia any more after March 31, 2002, if the Belgrade authorities by the date do not establish a full cooperation with The Hague Tribunal, which includes assistance in apprehending the war crime suspects and providing necessary documentation to The Hague prosecutors.

## **Petritsch says terrorist threats in BiH not based on a fact Moslems are living in the country**

"The danger of terrorism does not exist on the basis of a fact Muslims are living in BiH, but on a fact the state has still not fully built up and it therefore does not function as some others," the High representative, Wolfgang Petritsch, said in an interview with the German Sueddeutsche Zeitung published on December 20, according to Saturday's Oslobodjenje.

## **Petritsch chairs third Civic Forum in Banja Luka**

As part of his commitment to listen to the voices of citizens

and help civic society gain greater influence in the political discourse of Bosnia and Herzegovina, the High Representative, Wolfgang Petritsch, on Thursday convened the third Civic Forum, at the OHR Office in Banja Luka. It was the first Civic Forum to be held in Republika Srpska. (Oslobodjenje carried the [Press Release](#))

## **Vecernji List: A conflict of international representatives in BiH culminated after the Peace Implementation Council Steering Board passed its decision**

Written by Jozo Pavkovic (Provided by OHR Mostar)

A high-ranked IC official stated that after the Peace Implementation Council Steering Board gave broader powers to the HR, the conflict between him and Jacques Klein has become more than obvious.

The source claims that misunderstandings between the two of them started at the beginning of Petritsch's mandate. However, the two highest authorities in BiH were hiding it very skillfully until recently. Jacques Paul Klein, a former soldier and a current politician, wanted to impose a dominant UN authority. However, he, as the first man of this Mission, was objected that he has not achieved some significant results, first of all, with regard to the reorganization of the Police. Apart from this, he was objected that he has given many reckless statements and claims, for instance, that it would be revealed soon as to who assassinated Jozo Leutra. Furthermore, under his pressure arrests were conducted hastily. For this reason the Court and Police have found themselves in an unpleasant situation and they are trying to find an honorable way out from it. Also, he has promised a few times that Karadzic and Mladic will be arrested, stating deadlines. Since this has not happened, he admitted in public that the IC does not have a unique attitude on their arrest.

And then the omnipresent Klein disappeared from the public. Unlike him, Petritsch has not had problems with ungrounded, spectacular statements. In a quite manner he managed to get a support from the world leaders for each of his decisions, including his concept of the BiH organization, naturally, with an absolute authority of the High Representative. Petritsch admitted: 'Klein had a different model of the IC work and, now, naturally, it is difficult for him to accept a concept of the Peace Implementation Council Steering Board.' However, he immediately added in a style of an experienced diplomat that Klein supports his way of work. Naturally, the conflict between Klein and Petritsch has its deeper background. The battle of the USA and Europe for the domination over BiH is reflected through the two of them. Perhaps, for this reason the painting showing the bullfight is decorating Petritsch's office. The one has an American flag while the other one has the flag of the European Community. According to the present situation, it is certain as to who will come out as the winner.

## **Editorials**

### **Oslobodjenje, Dnevni Avaz and Jutarnje Novine**

In the Saturday's Oslobodjenje In Focus column, Emir Habul wrote that the Friday session of the BiH Federation House of Representatives was the best illustration of the parliamentary and political life in the entity. Prime Minister Alija Behmen prevented the dismissal of the Federation Parliament's both Houses by withdrawing the disputed decision on the entity's temporary financing from the procedure. Habul concludes that the governing Alliance for Change should consider what it had really done in its mandate thus far, and whether it has internal strength to gain a wider social support through fast, visible and qualitative changes. In the other Saturday's Oslobodjenje editorial, Mirko Sagolj



concludes that if High Representative Wolfgang Petritsch and the international community miss the current opportunity to radically reform SDS, they will never again be able to do so. Enes Plecic commented in the Saturday's Dnevni Avaz Commentary of the Day on the personnel change on the top of the BiH Independent Trade Unions Association. By voting for the former president Sulejman Hrle's counter-candidate, the delegates to the last week's Trade Unions Congress clearly expressed their will to be led by leaders who will act and not just speak in their favor, according to Plecic. Mirsad Brkic commented on the same issue in the weekend Jutarnje Novine's The Seal Editorial but concluding that nothing essentially had changed by election of Edhem Biber in place of Hrle. In the Sunday's Oslobodjenje In Focus column, Resad Dautevendic criticized officials of the Alliance for Change, primarily Zlatko Lagumdžija and Sejfudin Tokic for their frequent and expensive trips abroad. In the other Sunday's Oslobodjenje editorial, Zija Dizdarevic analyzed prospects of the former Yugoslav republics to join Europe. He concludes that, concerning BiH, the results of the remaining months of High Representative Wolfgang Petritsch's mandate will be of crucial importance. Armin Zeba wrote in the Sunday Dnevni Avaz Commentary of the Day that the state was doing nothing to attract foreign capital and, through an efficient privatization process, start the BiH Federation economic development.

## **Vecernji List: Ministers or acolytes**

Written by Radoslav Dodig (Provided by OHR Mostar)

The recently published information saying that the BiH Federation has more than 7000 employees in the state service could only surprise the naïve ones. The swelling of the state, Cantonal and Municipal Administration has started suddenly after the signing of the Dayton Peace Agreement in 1995. Still, if we are critical about their language, it is more accurate to call these Ministers acolytes. In this computer era I am surprised that the HR has not passed the decision

that one man runs the whole BiH administration. All he needs is an average computer, on which he can count, without any problems, as to how much tax citizens pay.