

Chronology/Monthly Tracker 2001

Please also consult the OHR's chronology for:

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January

January was dominated by the High Representative's decision establishing Constitutional Commissions in both BiH Entities ; the creation of the Alliance for Changes in the Federation; **the first official visit of Yugoslav President Vojislav Kostunica to BiH; and the voluntary appearance of war-time Bosnian Serb leader, Biljana Plavsic, at the United Nations war crimes tribunal in The Hague.**

The High Representative, Wolfgang Petritsch, kicked off the year by warning in an interview in the daily *Oslobodjenje* that the year 2001 might be one of the most difficult for BiH because of unemployment and other economic hardships.

Only a day later, Federation pensioners threatened new protests if their pensions fell below previous levels. No protests were organized in the end as the Federation government decided to start **the payment of January pensions** on January 24. Some pension payments – save for minimum pensions – decreased. The Federation government and Sarajevo Pension Fund faced several difficulties in transition from the old

pensions system to the new one imposed by the High Representative in December 2000. The federation government must still find a means to pay months of arrears left over from the old system.

Media in both Entities marked as “historic” the High Representative’s decision to establish **Constitutional Commissions in both Entities**. The decision, imposed on January 11 as an interim arrangement until the BiH Constitutional Court’s decision on the Constituent Peoples’ Case is fully implemented, aims to protect the rights and interests of all three peoples and others in BiH. The High Representative told the public on January 7 that the **Arizona Market**, until recently a free economic zone near Brcko, will be moved to a **new location**.

Colin Munro was named as the new head of the **OHR’s regional office in Mostar** on January 17. Munro replaced Judge Finn Lynghjem.

Ten political parties on January 13 formally created the Democratic Alliance for Changes, which says it wants to speed up implementation of reforms backed by the international community.

RS and Federation institutions reached several **inter-Entity agreements** in January. The Refugees and Displaced Persons Ministries from both Entities met in Banja Luka on January 27 and established an inter-Entity coordinating body intended to strengthen the cooperation between the two ministries on speeding up returns. Another inter-Entity agreement between the RS and Federation governments formed a **State Return Fund** on January 30 and is also tasked with promoting returns. Meanwhile, the BiH Civil Affairs and Communications Ministry promoted a ‘**Citizens Identification Protection System**’ which aims to provide uniform ID cards, residence permits and social security numbers throughout BiH.

Yugoslav President **Vojislav Kostunica** made his first official visit to BiH. During his visit on January 19, Kostunica met with top BiH officials as well as representatives from the international community. The visit followed the establishment of diplomatic relations in December between Yugoslavia and BiH.

Bosnian Serb war-time leader and former RS President **Biljana Plavsic**, after learning that she was on the list of those indicted for war crimes in BiH, went **voluntarily to The Hague** where she appeared in front of the Tribunal. She pleaded not guilty to charges of genocide at her first appearance.

CHRONOLOGY

January 1:

- In an interview with a Sarajevo daily, the High Representative, Wolfgang Petritsch, stressed that the year 2001 may be one of the most difficult years for BiH, due to unemployment and other economic hardships
- A **Free Trade Agreement** between Croatia and BiH comes into effect. The Agreement is expected to balance the levels of imports and exports between the two countries

January 2:

- Pensioners in the Federation threaten new protests if their December pensions, due in January, are any lower
- BiH Constitutional Court official confirms that the Croat member of the BiH Presidency, **Ante Jelavic**, initiated a case before this body in which he questions the **changed PEC (Provisional Election Commission) rules and regulations and the authority of the EASC (Election Appeals Sub-Commission)** to dismiss elected officials

January 3:

- The Federation Prime Minister, **Edhem Bicakcic**, says he will resign his post early in order to take up the position as general manager of **Elektroprivreda BiH**

January 4:

- The Director of the BiH Central Bank, Peter Nicoll, said that the transition from the **Payment Bureaus** system to commercial banks, scheduled to start on January 4, should happen smoothly, and only small complications are expected. Nicoll stressed that this transition is an enormous step forward for BiH's economy

January 5:

- Controversy around the possible use of **depleted uranium ammunition** in BiH and Kosovo finally captures domestic attention

January 7:

- OHR informs the public that the **Arizona Market**, until recently a free zone near Brcko, will be moved to a new location; ([PR – OHR Clarifies its position, January 5, 2001](#))

January 8:

- OHR stresses that it fears that major donors will not support the **RS Government** if it includes any **SDS** (Serb Democratic Party) members

January 9:

- One of the war-time leaders of the Bosnian Serbs, **Biljana Plavsic**, surrenders voluntarily to The Hague after being presented with an ICTY indictment for war crimes

January 10:

- Federation's Constitutional Court rules constitutional the Decision of the High Representative that **Elektroprivreda** has to pay compensation to the City of Mostar for the use of the power plant on the Neretva river

January 11:

- The High Representative, Wolfgang Petritsch, issues a Decision establishing **Constitutional Commissions** in both Entities which will protect the interests of all three peoples and the group of Others in BiH. The decision is marked 'historic' by both media and politicians in both the RS and the Federation (HR issues [Decision](#), January 11, 2001)
- After four years, **Edhem Bicakcic** officially leaves the post of the Federation Prime Minister to become general manager of **Elektroprivreda BiH**

January 12:

- Biljana Plavsic pleads not guilty to charges of committing war crimes before the ICTY
- OHR issues a press release clarifying that the Council of Ministers can be formed without the BiH Parliament's House of Peoples as its formation does not require the latter's approval ([PR – HR Concerned with Presidency, January 12, 2001](#))

January 13:

- Representatives of ten political parties [SDP, S BiH, NHI, BPS (Bosnian Patriotic Party), Republican Party, GDS (Civic Democratic Party), HSS (Croat Peasant Party), Federation Pensioners Party, LDS (Liberal Democratic Party) and Democratic Party of Pensioners)] formally create the so-called Democratic **Alliance for Changes**

- RS Prime Minister, **Mladen Ivanic**, nominates ministers for his government. The international community and the Alliance pressure Ivanic to withdraw Goran Popovic, a SDS member, from the post of trade minister
- Fatal **traffic accident**, near Foca/Srbinje, involving a passenger bus en route from Sarajevo to Montenegro leaves 12 dead and 18 wounded

January 14:

- In an interview with a Sarajevo daily, the Croat member of the BiH Presidency and the leader of the HDZ (Croatian Democratic Union), **Ante Jelavic**, says the authorities in Croat dominated cantons will not be constituted until the Constitutional Court passes a ruling pertaining to the **PEC** (Provisional Elections Commission) rules and regulations

January 15:

- Constitutive session of the **Federation Parliament's House of Representatives**: SBiH's (Party of BiH) Enver Kreso elected Chairman, SDP's (Social Democratic Party) Ivan Brigic – Vice Chairman, and NHI's (New Croatian Initiative) Slavica Geber – Secretary of the House. HDZ deputies leave the session in protest Senior HDZ official, Ivo Andric Luzanski, says the session marks “the beginning of the end of the BiH Federation”
- RS Prime Minister Mladen Ivanic asks ministers in his government to **suspend** their **party memberships** and assume the role of independent experts
- US Government asks Ivanic to dismiss minister and SDS member Goran Popovic

January 16:

- The vital road between Sarajevo and Pale over **Lapisnica** is re-opened for small volumes of traffic
- After consultations with members of the BiH Presidency,

representatives of the SDP and SBiH say the Alliance will not support the candidacy of **Martin Raguz** (HDZ) to continue as chairman of the State level Council of Ministers

- Ante Jelavic tells the press that the HDZ will not boycott the process of forming governments
- New **RS government** officially takes over from the government of Milorad Dodik in Banja Luka

January 17:

- Marko Tokic, senior **HDZ** official, says the party will temporarily suspend its work in the Federation Parliament
- Colin Munro, former British Ambassador to Croatia, assumes post as Head of OHR Mostar ([PR – New Head, January 18, 2001](#))

January 18:

- Controversial SDS minister in the RS Government, **Goran Popovic**, is withdrawn from his post, due to pressure from the international community

January 19:

- FRY President **Vojislav Kostunica** pays his first official visit to BiH ([PR – HR and FRY President, January 19, 2001](#))

January 20:

- Announcement that the three existing ethnic radio stations in Brcko will merge into one multiethnic radio station

January 21:

- Bosniak member of the BiH Presidency, **Halid Genjac**, says he will support an Alliance candidate for the post of

the Chairman of the CoM

January 22:

- The High Representative, **Wolfgang Petritsch**, addresses the Foreign Affairs Committee of the **European Parliament** ([HR Speeches, January 22, 2001](#))
- The Head of the UN Mission to BiH, **Jacques Klein**, proposes a **Joint Ministry of Interior** to be formed at the State level

January 23:

- RS officials say a Joint State level Ministry of Interior is unacceptable
- The World Bank issues a \$15.5 million credit to help **demobilized soldiers** in BiH retrain, start business and re-integrate in civilian life

January 24:

- Payment of January **pensions** begins in the Federation
- US Ambassador to BiH **Thomas Miller** informs the public that he will remain on the post for the time being, despite the change of the US Administration in Washington DC

January 25:

- At a meeting with the High Representative, **Ante Jelavic** assures the High Representative that the HDZ does not want to create a third entity in BiH
- The New York Times publishes an editorial by **Thomas Friedman** calling for the partition of BiH; the editorial provokes numerous reactions in the next few weeks (see the attachment)
- Zepce Supervisor Richard Williams hold a press conference marking the official integration of **Zepce municipality** into Zenica-Doboj Canton;

January 26:

- Workers Union claims it is dissatisfied with the work of the High Representative's Agent for transformation of the public broadcasting system

January 27:

- Association of **Dobrinja** returnees says they expect the High Representative to impose a Decision on the Inter-Entity Boundary Line (IEBL) between Dobrinja I and IV
- RS and Federation ministries of refugees and displaced persons meet in Banja Luka and establish an **inter-entity coordinating body for return**
- Restitution becomes a hot topic again: Vakuf Management demands immediate natural restitution of their property; associations of citizens living in nationalized apartments warn that natural restitution would cause a serious social crisis

January 28:

- The New York Times publishes reactions of Wolfgang Petritsch and OSCE Head of Mission Robert Barry to the recent article of Thomas Friedman; the two officials say multiethnic BiH has a chance ([PR – In Bosnia, January 29, 2001](#))
- Wolfgang Petritsch replies to the RTV BiH Workers Union (see attachment)

January 29:

- Senior Deputy High Representative, Matthias Sonn, sends [letter](#) to Sead Avdic, the Chairman of the BiH Parliament's House of Representatives, requesting that this body proceed with the formation of the Council of Ministers despite the fact that the BiH House of Peoples has not been formed yet, as the Council of Ministers does not need to be approved by the House of Peoples

- OHR's Reconstruction and Return Task Force promotes new TV serial "**Koliko josŠ**", comprising thirty five-minute programs about the difficult lives of displaced persons and returnees

January 30:

- RS and Federation governments, with support of various international organizations, form the **State Return Fund** to promote systematic returns in both Entities
- BiH Ministry of Civil Affairs and Communications promotes the "**Citizens Identification Protection System**" which will provide for joint ID cards, residence permits and social security numbers across BiH

January 31:

- The Alliance names **Bozidar Matic**, a prominent intellectual and successful business manager, for the position of the Chair of the Council of Ministers
- BiH Presidency nominates **Husein Zivalj** new BiH Ambassador to the United Nations
- High Representative removes the public broadcaster **RTRS** from the list of RS companies to be privatized ([PR – HR Removes RTRS, January 31, 2001](#))
- Standing Committee on Military Matters convenes: Common Defense Policy close to being completed

ECONOMIC STATISTICS

Economic Data BiH for 3rd Quarter 2000

Source: RS and FBiH Statistical Offices

RETURN STATISTICS

- See Link to the UNHCR Mission to BiH web page at www.unhcr.ba and [PDF-file](#).

February

The month of February saw the formation of the first non-nationalist government in a decade at state level as well as the House of Peoples in the Federation Parliament. They were successfully constituted despite consistent obstruction in the implementation of last November's election results by the HDZ (Croat Democratic Union) and its threats to create extra-legal institutions on the territory of the Federation. The controversy around the planned signing of the agreement on special and parallel relations between the RS and the FRY was also the focus of media attention in February.

Despite the attempted obstruction by HDZ deputies, the last weeks of the month saw the creation of **BiH's first non-nationalist government since the outbreak of the war** in the guise of a new Council of Ministers. The High Representative expressed hope that the new Council – “which for the first time since the signing of the Dayton Accords, includes exclusively representatives of parties that fully embrace the State of BiH and are reform-oriented – will break with policies of the past and lead BiH actively and decisively into a better future”. Despite the boycott of regular parliamentary procedure by the HDZ, the Federation House of Peoples was finally constituted on February 22. Bozidar Matic – a respected economics professor and former head of BiH's Energoinvest company and a member of the SDP – was named the new chairman of the Council of Ministers.

Despite his promises during the first days of February that the HDZ would respect and implement the election results, the Central Board of the HDZ at its meeting on February 14 announced that his party would boycott the formation of governments at both state and entity levels. During all the following sessions of state and the Federation parliaments, **HDZ representatives either walked out or simply failed to show up for important discussions**. Claiming that the International Community works against Croat interests, Jelavic threatened

that the HDZ would “turn the page” and present BiH with “shock therapy”, which he did not clarify further. At the same time, Federation media and anonymous Croat officials began speculating that the HDZ would, via the Croat National Assembly, suggest the creation of a so-called Inter-Cantonal Council comprising the cantons and several municipalities with a Croat majority (mainly in Herzegovina). Many interpreted this as one more attempt to create a “third entity” in BiH.

Commenting on the behavior of HDZ officials, **the High Representative, Wolfgang Petritsch, the head of the OSCE Mission to BiH, Robert Barry, and other representatives of the International Community warned Jelavic** and his colleagues that their behavior was unacceptable and detrimental to the Croats in BiH. The OHR stressed that, by refusing to participate in the authority, the HDZ is leaving a good portion of Croat voters without proper representation in both entity and state institutions, and invited its deputies to take part in legally established bodies of governance. The HDZ’s threat to create an Inter-Cantonal Council were also dismissed by international officials who said that this body, if created, could not have any legislative or executive function.

FRY President Vojislav Kostunica’s public statement on February 8 that the FRY and the RS would sign an agreement on **special and parallel relations between Yugoslavia and RS** in the near future provoked strong criticism from BiH state officials who said they had not been informed of any details of the agreement. On February 22, the **High Representative visited Belgrade** for talks with Kostunica on the agreement. Soon afterwards, RS officials promised that the signing of the agreement on special and parallel relations would be conducted in a more transparent fashion. The actual signing ceremony was scheduled for March 5 in Banja Luka.

February was a busy month for the **UN war crimes tribunal in The Hague** (ICTY), which handed down two important verdicts. On February 22, the ICTY sentenced three Serbs from Foca to 28,

20 and 12 years respectively in prison for leading a campaign of mass rape in BiH. Media marked this historic decision as the first time **sexual assault was itself punished as a crime against humanity**. Just two days later, the same court sentenced two senior Croat officials indicted for committing war crimes against Bosniaks in Central Bosnia. Dario Kordic and Mario Cerkez were sentenced to 25 and 15 years in prison respectively. This verdict was welcomed by most members of the International Community but was deemed unfair by the HDZ and Croat veterans associations in BiH.

Finally, on February 8, the Sarajevo city administration confirmed the candidacy of Sarajevo for the **Winter Olympic Games in 2010**. City officials and the president of the Olympic Committee said this would be a great chance for the world to repay to Sarajevo for its suffering during the war.

CHRONOLOGY

February 1:

- Croatian parliamentary delegation visits Sarajevo to investigate the status of Croats in BiH. Delegation members promise they will not interfere in internal political processes in BiH
- Ante Jelavic, president of the HDZ (Croat Democratic Union), sends a vague [open letter](#) to the High Representative, Wolfgang Petritsch, informing him that his party will participate in the formation of governments only after the Constitutional Court rules on the changes of the PEC (Provisional Elections Commission) rules governing the elections of deputies to the Federation House of Peoples and the EASC (Elections Appeals Sub-commission) Decision from November under which ten Cantonal HDZ mandates were taken away .
- The Steering Board of the Peace Implementation Council asks the High Representative to vigorously pursue the economic reform in BiH order to prevent economic and

social crisis in the country ([PR: SB Communiqué, Feb 1, 2001](#))

February 2:

- BiH Constitutional Court declares a lack of jurisdiction in the case brought forward by Ante Jelavic (see item 2 in February 1)
- During the regular rotation, a Serb representative, Snezana Savic, elected the new president of the BiH Constitutional Court
- The High Representative visits Slovenia for talks on the economic role of this country in BiH ([PR: HR's Visit to Slovenia – Feb 2, 2001](#))

February 3:

- British newspapers report that Great Britain and Italy will send a specialized team of immigration officials to BiH to put an end to **illegal immigration** via BiH

February 4:

- OHR spokespeople say that the High Representative is disappointed with the letter of **Ante Jelavic** because it does not reflect the seriousness of the situation and urges the HDZ to immediately start implementing elections results and to honor and actively promote the decision of the Constitutional Court

February 5:

- The High Representative, Wolfgang Petritsch, imposes Arbitration process under Annex 5 to determine the inter-entity boundary line in Sarajevo **neighborhoods Dobrinja I and IV**, and appoints an Irishman, Judge Diarmuid Sheridan, who is to make a final ruling by April
- The Human Rights Task Force, comprising the main

international organizations in BiH – OHR, UNHCR, OSCE, and UNMiBH – meets to establish and endorse main human rights priorities for 2001 ([PR: Human Rights Task Force – Feb 5, 2001](#))

- BiH opens its **diplomatic office in Belgrade**, Yugoslavia; Radomir Bogdanovic appointed Charge d’Affaires at the BiH Embassy in the FRY capital

February 6:

- President of the BiH Presidency, **Zivko Radisic**, threatens to revoke the credentials of ambassadors to BiH who interfere with BiH’s internal affairs, such as the **US Ambassador to BiH, Thomas Miller and his British colleague, Graham Hand**; a few days later, Radisic claims his statement was taken out of context
- At a regular session, deputies in the BiH Parliament’s House of Representatives reject the candidacy of HDZ’s **Martin Raguz** for the post of the Chairman of the Council of Ministers
- OHR criticizes the **HDZ’s** lack of readiness to participate in the formation of governments even after the Constitutional Court ruling on OSCE powers in BiH
- Independent Media Commission (IMC) decides to issue long term broadcasting licenses for 20 electronic media in Tuzla region; the decision provokes a great deal of criticism since it leaves some 42 radio and television stations which failed to meet the IMC criteria without the necessary permit

February 7:

- The High Representative appoints members of **Constitutional Commissions** of entity parliaments in both the Federation and in the Republika Srpska ([PR: High Representative names – February 7, 2001](#))
- The High Representative decides to establish a **Special Auditor** for the ten cantons in the Federation; the

Auditor is to review the work of cantonal authorities and ensure proper collection and custody of revenues ([PR: High Representative establishes Special Auditor – February 7, 2001](#))

February 8:

- Sarajevo city administration officially announces its candidacy for **the 2010 Winter Olympic Games**
- FRY President Vojislav Kostunica announces the signing of an agreement on **special and parallel relations** between the FRY and the RS; Kostunica says the agreement should be signed in Banja Luka in ten days time

February 9:

- The High Representative asks the BiH Presidency to appoint without delay a new candidate for the Chair of the Council of Ministers ([PR: High Representative comments – Feb 9, 2001](#))

February 10:

- Alliance parties (SDP, Party for BiH, Bosnian Patriotic Party – BPS, Republican Party, New Croat Initiative – NHI, Civic Democratic Alliance – GDS, Croat Peasant party – HSS, Federation Pensioners Party, Liberal Democratic Party – LDS, and Democratic Party of Pensioners) propose **Bozidar Matic**, a prominent academic and a successful business manager, as the Presidency's candidate for the Chair of the Council of Ministers
- BiH Workers Union asks for the revision of the **RS Labor Law** and its 'discriminatory' Article 152 which provides for a modest severance pay for illegally dismissed workers in the RS, but does not give them the option to return to work

February 11:

- Sarajevo dailies speculate that, at its next session [scheduled for March 3], the **Croat National Assembly** will decide on the creation of a so-called Inter-Cantonal Council comprising of the cantons and municipalities with a Croat majority
- In an interview with a Sarajevo daily, the US Ambassador, Thomas Miller, claims that the present leadership of the SDS is in close contact with indicted war criminal **Radovan Karadzic**

February 12:

- In an article written for Zagreb's Jutarnji List, the **High Representative** criticizes the present policy of the **HDZ** and says the party, by playing the fear card, is working against the interests of Croats ([Article: HR for Jutarnji List – Feb 12, 2001](#))
- Ante Jelavic, the Croat member of the BiH Presidency and the leader of the HDZ, says that Croats will change their politics in BiH and threatens with a 'shock therapy' for BiH; Jelavic's party colleague, Zoran Tomic, says the HDZ is considering the possibility of seceding from the BiH Federation
- The European Commission decides to increase humanitarian aid to the Balkans in 2001 by 17.8 million Euros to help refugee, displaced persons, and other vulnerable groups; BiH got none of this extra cash
- OHR sends legal opinion to outgoing Federation House of Peoples and Cantonal Assembly speakers clarifying that the F House of Peoples can be established even if required number of deputies cannot be reached.

February 13:

- The Bosniak and the Serb member of the BiH Presidency endorse the candidacy of Bozidar Matic for the **Chair of**

the Council of Ministers; Croat member, Ante Jelavic, walks out of the session and claims the violation of the vital interest clause (which is legally untenable)

- Federation Parliament **Constitutional Commission** formally constituted in Sarajevo

February 14:

- In an interview with a Sarajevo daily, the High Representative stresses that the decision of the BiH Presidency to nominate Bozidar Matic for **the Chair of the Council of Ministers** is of historic importance and is a sign of the growing strength of this joint body
- The **Central Board of the HDZ** meets and decides that the party will boycott the formation of authority at the entity and the state level
- OHR spokespeople clarify that Ante Jelavic cannot claim the so-called **vital interest clause**, since that provision refers only to formal Decisions made by the Presidency and not to the nomination of candidates
- RS National Assembly **Constitutional Commission** formally constituted in Banja Luka
- The High Representative imposes a decision to ensure the immediate publication of the **Telecommunications Sector Policy** in the Official Gazettes of the Federation and the Republika Srpska ([PR: HR imposes Official Publication – Feb 14, 2001](#))
- The OHR and the OSCE present the **Draft Law on Defamation, Slander and Libel** ([PR: Draft Defamation – Feb 14, 2001](#))

February 15:

- OHR and OSCE say that the **Inter-Cantonal Council**, if created by the HDZ, would have no legislative or executive powers
- BiH Foreign Ministry sends a note verbale to the FRY Ministry of Foreign Affairs expressing its

disappointment over the fact that no state body in BiH has been informed about the process of signing the agreement on **special and parallel relations** between the FRY and the RS

February 16:

- The longest privatization saga in the Federation ends as the Sarajevo Canton Agency for Privatization and buyers of the **Holiday Inn hotel** voluntarily annul their sale contract
- OHR spokespeople says the recent actions of the HDZ are irresponsible and potentially dangerous, and could lead to the isolation of Croats in BiH

February 17:

- The High Representative expresses his disappointment with the unreasonable refusal of the Chairman of the Federation **House of Peoples, Niko Lozancic** (HDZ), to schedule the constituting session of this body; the High Representative stresses that the decision of Lozancic and the HDZ can be understood as an attempt to obstruct the formation of government ([PR: HR disappointed – Feb 17, 2001](#))
- Taking into account OHR's legal opinion (see February 12) the outgoing Deputy Speaker of the entity's **House of Peoples**, Alija Behmen, calls for the constituting session to be held on February 23

February 18:

- FRY Charge d'Affaires to BiH, Radislav Jankovic, says that Vojislav Kostunica will postpone his visit to BiH as well as the signing of the agreement on **special and parallel relations** between the FRY and the RS
- Sarajevo newspapers speculate that the president of the HDZ, Ante Jelavic, is willing to close down the party if the International Community accepts a **document** which is

being drafted by **HDZ** officials; the document apparently calls for a new constitution and leaves open the possibility of a third entity in BiH

February 19:

- Famous mayor of Mostar, **Safet Orucevic**, [decides](#) to resign his post and leave city politics
- International organizations active in BiH – OHR, OSCE, UNHCR and the Committee for Real Property Claims – report on the results of **implementation of property laws** in 2000 in both the Federation and the RS (PR: Results of Property Laws – Feb 19, 2001)
- Georges Bordet appointed the new head of OHR Banja Luka ([PR: Welcome to new Head – Feb 19, 2001](#))

February 20:

- Bosniak member of the BiH Presidency, Halid Genjac, initiates a case before the BiH Constitutional Court claiming that Article 152 of the **RS Labor Law** discriminates against non-Serb workers in the RS

February 21:

- OHR spokespeople say the RS government needs to show genuine effort and produce more significant results in the implementation of **property laws**
- The **High Representative** meets the FRY President, **Vojislav Kostunica**, in Belgrade for a discussion on the content of the agreement on **special and parallel relations** between the FRY and the RS ([PR: HR meets Kostunica – Feb 21, 2001](#))
- Several hundred **Bosnian Serbs** protest in Visegrad when two Bosniak returnees, former senior SDA officials, come to check on their property in the town; several policemen are slightly injured and two cars set on fire during a day-long demonstration

February 22:

- BiH gets its first government in a decade without nationalist parties – Bozidar Matic is named the Chair of the **Council of Ministers**; the House of Representatives also approves the [composition](#) of the new Council suggested by Matic
- During regular rotation, Mostar deputy mayor, Neven Tomic, becomes the new mayor; Safet Orucevic officially announces his resignation and is replaced by Hamdija Jahic
- The Hague Tribunal sentences three BiH Serbs from Foca to 28, 20, and 12 years in prison for leading a campaign of mass rape during the war in BiH; international and local media mark this a historic verdict as the ICTY (International Criminal Tribunal for former Yugoslavia) has punished sexual assault in itself as a crime against humanity

February 23:

- OHR welcomes the formation of the **Council of Ministers** ([HR welcomes Formation of new Council of Ministers 22 Feb, 2001](#))
- Federation Parliament's **House of Peoples** constituted – Ivo Komsic (SDP) elected the chairperson, Meliha Alic (Party for BiH) the deputy chairperson; deputies in the House also nominate Karlo Filipovic (SDP) and Safet Halilovic (Party for BiH) for the post of President and Deputy President of the Federation
- OHR removes the former Federation Prime Minister, **Edhem Bicakcic**, from the post of the General Manager of BiH Elektroprivreda for abuse of public office ([PR: HR removes Bicakcic – Feb 23, 2001](#))

February 24:

- Following the outbreak of foot and mouth disease in

Great Britain, the RS places a ban on import of pork and meat products from all countries which had registered cases of the disease

- Commenting on his removal from the post of the General Manager of Elektroprivreda, **Edhem Bicakcic** rejects all allegations and says the decision of the High Representative is 'illegal'

February 26:

- OHR welcomes the formation of the Federation House of Peoples ([PR: HR welcomes – Feb 26, 2001](#))
- The Hague Tribunal sentences two senior Croat officials, Dario Kordic and Mario Cerkez to 25 and 15 years in prison respectively for crimes against humanity committed in Central Bosnia during the war; while the International Community welcomes the verdict, Bosniaks are appalled by the 'light sentence'; some Croat veteran associations and the HDZ say the 'unfair' ruling places a feeling of collective guilt upon Croats in BiH

February 27

- Federation Parliament's House of Representatives endorses the nomination of Karlo Filipovic and Safet Halilovic for the post of the **President and the Vice President of the Federation**

February 28:

- Federation Parliament's House of Peoples confirms Karlo Filipovic and Safet Halilovic as the President and the Vice President of the Federation
- Ante Jelavic, the Croat member of the BiH Presidency and the leader of the HDZ, sends a letter of support to two sentenced Croat war criminals, and proclaims that the Federation is from now on solely a Bosniak entity.

ECONOMIC STATISTICS

Economic Data BiH for 3rd Quarter 2000

Source: RS and FBiH Statistical Offices

RETURN STATISTICS

See Link to the UNHCR Mission to BiH web page at www.unhcr.ba and [PDF-file](#).

March

As a significant step forward, Bosnia and Herzegovina in March has seen the establishment of authority on all levels. The Federation got its first government comprising representatives from parties that are reform-oriented and were not in power during the war, the BiH House of Peoples was constituted, and two new members of the BiH Presidency were confirmed. But the month was also marked by hard-line members of the Croat Democratic Union (HDZ) trying to break from constitutional structures, leading to the High Representative Wolfgang Petritsch's dismissal of Ante Jelavic from his positions as BiH Presidency member and HDZ president. With violent unrest in Macedonia, the High Representative also argued against new calls for a redrawing of borders in southeastern Europe. Former Yugoslav leader Slobodan Milosevic was on his way to jail.

Nearly four months after the elections, the **Federation** half of BiH **got its first government comprising representatives from parties that are reform-oriented and were not in power during the war** , on March 12th, led by Social-Democratic Party (SDP) member Alija Behmen. On March 20th, the **BiH Parliament House of People was constituted** with Ilija Simic of the Croat Peasant Party (HSS) as Chairman and Sejfidin Tokic (SDP) and Nikola Spiric of the Party of Democratic Progress (PDP) as his

deputies. The BiH Parliament also elected the **new Croat and Bosniak members of the BiH Presidency** : Beriz Belkic (Bosniak, Party for BiH) and Jozo Krizanovic (Croat, SDP) will join the last remaining member of the old Presidency, Zivko Radisic (Serb, Socialist Party of RS) in the joint leadership of the country. Their election had become necessary due to the resignation of Alija Izetbegovic last October and the dismissal of Ante Jelavic by the High Representative.

These events in March were overshadowed by the activities of the **HDZ leadership and the Croat National Assembly** (HNS). On March 3rd, the HNS declared interim **"Croat Self-Rule in BiH"** . This was followed by HNS officials instructing Croats and their legally elected representatives to reject the newly-elected Federation government (March 12th). HDZ officials ordered on March 13th the **temporary disbandment of the Croat component of the Federation Army** . Finally, on March 28th, a considerable number of Croat officers and soldiers walked out from their barracks.

The High Representative and other members of the international community condemned the activities HNS and HDZ as illegal, unconstitutional and irresponsibly towards their voters. On March 7th, the High Representative **removed Ante Jelavic** , member of the BiH Presidency and the HDZ president, as well as three other senior party colleagues: Ivo Andric Luzanski, deputy in the BiH House of Representatives and Marko Tokic and Zdravko Batinic, who held party positions, from all elected and party functions. On March 20th, the Political Directors of the **Peace Implementation Council Steering Board in Brussels expressed their full support for the actions of the High Representative** and condemned what they termed the illegal and unconstitutional establishment of the Croat self-rule in BiH. As part of the ongoing dispute, a number of HDZ officials left their post in the Federation, taking sides with the HNS. The **Federation authorities dismissed a number of disloyal Croat officials** , including Filip Andric from the Federation Customs

Administration and a number of senior officers of the Croat component of the Federation Army.

Another significant breakthrough was the long overdue issuance of **an urban permit for the reconstruction of Banja Luka's Ferhadija Mosque** on March 24th by RS authorities. The Human Rights Chamber had requested RS authorities to issue all necessary permits in its June 1999 ruling. The Ferhadija Mosque was completely destroyed by Bosnian Serb forces in 1993.

The media also paid great attention to the signing of an **agreement on special and parallel relations between the Federal Republic of Yugoslavia and Republika Srpska**. The FRY President, Vojislav Kostunica, and the RS President, Mirko Sarovic, signed the agreement on March 5th in Banja Luka, saying they wanted to boost economic and cultural ties.

The **High Representative** had a busy schedule. In his **address to the UN Security Council** on March 22nd, Petritsch warned members against trying to redraw borders in the Balkans. The Security Council expressed their support for the High Representative and his peace efforts. Petritsch also met United Nations Secretary General Kofi Annan and United States Secretary of State Colin Powell, who both pledged their support of his efforts to implement the Dayton Peace Agreement. Earlier in the week, the High Representative called on European Union foreign ministers to remain engaged in BiH and urged NATO, its partners and other countries who contribute troops to SFOR to continue their vital peacekeeping role in Bosnia and Herzegovina.

At the end of the month, the **Chief Prosecutor** of ICTY (International Criminal Tribunal for Former Yugoslavia), Carla Del Ponte, met BiH officials in both Sarajevo and Banja Luka as well as representatives of the international community in BiH. She said new indictments would soon be issued for war crimes allegedly committed by Bosniaks. Her deputy, Graham

Blewitt, said at the end of the month that ICTY was considering widening the indictment against former Yugoslav president, Slobodan Milosevic, to include crimes committed during the war in BiH. Milosevic was arrested by Serbian police on April 1.

CHRONOLOGY

March 1:

- At a round table organized by the Croat National Assembly in Travnik, the then-vice president of HDZ (Croat Democratic Union), Marko Tokic, argues that Croats should have their own republic within BiH.

March 2:

- In the single largest raid conducted simultaneously in 39 night clubs across BiH, local police from both Entities and IPTF officers (International Police Task Force) free 177 women, mostly from the Baltic countries, who were reportedly forced into prostitution, and arrest 48 persons suspected of being involved in the illegal trafficking of women
- The High Representative, Wolfgang Petritsch, issues a Decision creating a single regulator for the communications sector in BiH, the Communications Regulatory Agency (CRA). The CRA combines regulatory responsibilities for telecommunications formerly held by the Telecommunications Regulatory Agency (TRA), with those of broadcasting, formerly under the Independent Media Commission (IMC) ([PR: HR Creates Single Communications – March 2, 2001](#))
- The High Representative, Wolfgang Petritsch, issues a Decision amending the Law on Witness Protection in the BiH Federation ([PR: HR Amends Federation Law – March 2,](#)

[2001\)](#)

- In a personal message to BiH citizens the day before a session of the Croat National Assembly in Mostar, the High Representative warns that the Mostar gathering could be used by radical elements to establish parallel institutions for their own advantage; Petritsch stresses that illegal and anti-Dayton activities will not be tolerated by the international community ([PR: HR's Personal Message – March 2, 2001](#))

March 3:

- At the session in Mostar, the Croat National Assembly (HNS) declares interim “Croat self-rule” in BiH. Marko Tokic (HDZ) is elected the president of the so-called Self-Rule, Zdravko Batinic (HDZ) vice president, and Ivo Andric Luzanski (HDZ) president of the Legislative Council. The HNS threatens to break away for good unless the international community and other political partners in BiH meet a list of demands within 15 days (see afternoon [media round up for March 5](#))
- The High Representative, Wolfgang Petritsch, the Head of the OSCE Mission to BiH, Robert Barry, the US Embassy to BiH, and the UN Mission to BiH dismiss the decisions of the Croat National Assembly as illegal, unconstitutional and anti-Dayton.

March 5:

- The President of the Federal Republic of Yugoslavia (FRY), Vojislav Kostunica, and the RS (Republika Srpska) President, Mirko Sarovic, sign an agreement on special and parallel relations between FRY and the mainly Serb Entity, aimed at boosting economic and social ties. The framework agreement that is envisaged under the Dayton Peace Agreement, needs to be fleshed out in annexes, on which the OHR will be consulted, according to the agreement.

- Croatian Prime Minister Ivica Racan and the country's President, Stipe Mesic, condemn the decisions of the Croat National Assembly as detrimental to the interests of the Croat people in BiH. The Croatian leaders stress that all contentious issues in the country should be resolved through dialogue and the legally established institutions.

March 6:

- In an interview to a Viennese daily, Wolfgang Petritsch, dismisses the recent actions of the Croat National Assembly as the "mere act of one political party – the HDZ."

March 7:

- The High Representative, Wolfgang Petritsch, removes Ante Jelavic as well as three other senior party colleagues: Ivo Andric Luzanski, deputy in the BiH House of Representatives and Marko Tokic and Zdravko Batinic, who held party positions, from all elected and party function. Petritsch says Jelavic and his colleagues acted irresponsibly towards their voters and violated the constitutional order in BiH ([PR: HR removes Jelavic – March 7, 2001](#) and [PR: HR TV address on Jelavic – March 7, 2001](#))

March 8:

- OHR spokesperson Alexandra Stiglmayer says the international community in BiH will undertake further measures if the HDZ continues implementing decisions of the Croat National Assembly. The Steering Board of the Peace Implementation Council issues a statement of support for the decision to remove Jelavic, Tokic, Batinic and Andric Luzanski ([PR: Steering Board Communiqué – March 8, 2001](#)), as do the United States Embassy in Sarajevo, the US State Department, the

European Commission and the Council of Europe. Most political parties in BiH, including the HSS (Croat Peasant Party), the NHI (New Croat Initiative), the Party for BiH, the SDP (Social Democratic Party), and the SDA (Party for Democratic Action) also support the High Representative's action.

- Brcko District marks its first anniversary ([PR: HR address reg. 1st anniversary – March 8, 2001](#), [PR: Address by Brcko Supervisor – March 8, 2001](#), and [PR: PIC Steering Board on Brcko – March 8, 2001](#))

March 9:

- The Presidency of the HDZ rejects the Decision of the High Representative to remove its officials from all public functions, but Ante Jelavic says he will “voluntarily resign” from the BiH Presidency.
- According to an illegal decision of the Croat National Assembly, a dismissed party official and president of the so-called Croat self-rule, Marko Tokic, becomes the civilian commander of the Croat component of the Federation Army. The Conference of BiH Bishops (Catholic) condemn the actions of the international community and call for a dialogue with “the legal representatives of the Croat people in BiH.”

March 10:

- In an open letter, the temporary Bosniak member of the BiH Presidency, Halid Genjac, asks for an urgent session of the BiH Parliament's House of Representatives in order to discuss the issue of filling the Bosniak and the Croat vacancies in the Presidency. The media quote the High Representative as saying the Croat and Bosniak vacancies in the BiH Presidency will be resolved simultaneously.

March 11:

- The media report that a secret meeting took place on Saturday, March 10, between the highest political leaders of BiH and the Republic of Croatia, during which the present political situation in BiH was discussed. According to reports, the Croatian President and the Prime Minister gave their support to the legally established institutions of authority in BiH.
- Federation Minister of Defense, Miroslav Prce, rejects the possibility that Marko Tokic, president of the so-called Croat self-rule, can assume the civilian command of the Croat component of the Federation Army and rejects allegations that some Croat officers and soldiers are leaving the Army.
- During an eight-hour meeting, the Alliance parties (SDP, Party for BiH, Bosnian Patriotic Party – BPS, Republican Party, New Croat Initiative – NHI, Civic Democratic Alliance – GDS, Croat Peasant party – HSS, Federation Pensioners Party, Liberal Democratic Party – LDS, and Democratic Party of Pensioners) agree on the composition of a new Federation government. The seats are distributed, by and large, among the three strongest parties – the SDP, S BiH, and the NHI.

March 12:

- Nearly four months after the elections in November, the BiH Federation gets its [first non-nationalist, government](#) led by Alija Behmen (SDP)
- Marko Tokic, the president of the so-called Croat self-rule, calls on Croats to reject the newly-elected government in the Federation.
- The Brcko District Supervisor, Gary Matthews, appoints members of the judiciary in the District ([PR: Supervisor of Brcko – March 12, 2001](#))

March 13:

- Croatian media speculate that the war-time HVO (Croat Defense Council) commander, General Stanko Sopta Baja, met with high-ranking Croat officers to create a split in the Federation Army and form a separate defense structure for the so-called Croat self-rule in BiH
- Media report that the dismissed HDZ president and the Croat member of the BiH Presidency, Ante Jelavic, ordered the outgoing Federation Defense Minister, Miroslav Prce, (who is soon – in two days – to be officially replaced by Mijo Anic) to temporarily disband the Croat component of the Federation Army and have Croat soldiers remove the Federation insignia from their uniforms; Jelavic later confirmed that he indeed gave such orders to the then Federation Defense Minister

March 14:

- OHR spokesman Oleg Milisic stresses the High Representative is always open for a dialogue with representatives of the HDZ who respect the law, international treaties and the BiH Constitution
- The High Representative, Wolfgang Petritsch, issues a Decision giving the Independent Judiciary Commission a new and more comprehensive mandate ([PR: HR gives mandate – March 14, 2001](#))
- The High Representative names Gerhard Sontheim acting Supervisor of the Brcko District until the position is filled on a permanent basis ([PR: HR appoints Gerhard – March 14, 2001](#))
- The new Federation Defense Minister, Mijo Anic, annuls the decision of his predecessor, Miroslav Prce, to disband a larger portion of the Croat component of the Federation Army
- At its session, the RS National accepted its obligation to amend the RS Constitution in order to harmonize it with the Decision of the BiH Constitutional Court on the

constituent status of the constituent BiH peoples in both Entities

March 15:

- In Jajce, the Main Board of the HDZ proceeds with the creation of the so-called Croat self-rule in BiH and amends its statute to elect three additional vice-presidents from the HDZ; Martin Raguz, Dubravko Horbat and Ivo Vincetic
- Deputy Commander of the Joint Command of the Federation Army, General Dragan Curcic, offers his resignation to the Federation Defense Minister saying that he wants to remain loyal to the Croat people
- The Croatian Foreign Ministry sends an official note to its BiH counterpart stressing that the Republic of Croatia fully supports the legal state and Entity institutions in the country

March 16:

- The Croat National Assembly (Sabor) postpones the self-proclaimed Croat self-rule in BiH for another two months

March 17:

- Federation Defense Minister Mijo Anic appoints General Ivo Lozancic (NHI) the acting Deputy Commander of the Federation Army. A number of Croat officers in the Federation Army say Lozancic is not a legitimate representative of the Croat people and refuse to declare their loyalty to the new Deputy Commander

March 19:

- Despite estimates by Bishop Ratko Peric that up to 100,000 people will take part in a well-advertised prayer gathering in Mostar, only 3,000-5,000 turn up. The speakers express their unreserved support for the

decision of the Croat National Assembly

- The High Representative calls on European Union foreign ministers to continue their country's engagement in implementing the Dayton Peace Agreement ([PR: HR calls EU Foreign Ministers – March 19, 2001](#))
- The High Representative, Wolfgang Petritsch, urges NATO, its partners and other countries contributing troops to SFOR to continue their vital peacekeeping role in BiH ([PR: HR urges SFOR – March 19, 2001](#))

March 20:

- The BiH Parliament's House of Peoples is constituted; Ilija Simic (HSS) is elected the Chairman, and Sejfudin Tokic (SDP) and Nikola Spiric (PDP – Party of Democratic Progress) are elected his deputies
- At its meeting in Brussels at the level of political directors, the Steering Board of the Peace Implementation Council (PIC) expresses its full support for the recent actions of the High Representative and condemn the illegal declaration of Croat self-rule in BiH
- The Mostar City Board votes no confidence for the Mostar mayor, Neven Tomic, and asks for his removal. Anonymous HDZ officials say Tomic's "sins" are his moderate views and good relations with the international community

March 21:

- At a press conference, Federation Defense Minister Mijo Anic and the Deputy Commander of the Federation Army, Ivo Lozancic, said that they will not tolerate any attempts to establish a parallel military force in the Federation
- A delegation of the Council of Europe meets in Sarajevo with the Chairman of the BiH Presidency, Zivko Radisic, and the BiH Council of Ministers to discuss BiH's progress in meeting the requirements for accession to

the Council of Europe

- Mostar Mayor Neven Tomic refuses to resign despite the previous day's vote of no confidence by the Mostar City Board; President of the Board's HDZ caucus, Pavo Saravanja, resigns because he disagrees with the decision to remove Tomic

March 22:

- According to media reports, the HDZ leadership calls on the Croat members of the Federation Ministry of Interior to leave their posts
- In his [address](#) before the UN Security Council, the High Representative warns members against redrawing borders in southeastern Europe and calls for continued international pressure on all Balkan states to cooperate with the ICTY (U.N. International Criminal Tribunal for former Yugoslavia) ([PR: HR Brief UNSG – March 22, 2001](#)). The UNSC expresses its full support for the High Representative and condemns the illegal establishment of so-called Croat self-rule in BiH ([PR: UN SC supports HR – March 23, 2001](#))
- The High Representative meets UN Secretary General Kofi Annan to discuss the political situation in BiH ([PR: HR meets UN SG – March 23, 2001](#))

March 23:

- The High Representative meets US Secretary of State Colin Powell to discuss the progress BiH has made in refugee return, economic recovery and institution-building ([PR: First Meeting HR – March 23, 2001](#))
- The Croat National Assembly (HNS) welcomes the decision of a number of Croat officials within the Federation Ministry of Defense, the Joint Command of the Federation Army and the Customs Administration to offer their services to the HNS. Marko Tokic, the president of the so-called self-rule, says that Croat soldiers who

- decided to leave the Federation Army were paid 500 KM
- Deputy Federation Minister of Finance Nikola Grabovac dismisses the director of the Federation Customs Administration, Filip Andric, and appoints Milenko Tomic to that post. This move comes a day after Andric and 18 other senior Croat officials declared their loyalty to the Croat National Assembly, of whom a reported 16 return a couple of days later.
 - Federation Defense Minister Mijo Anic removes three senior officers in the Federation Army – Antun Luburic, Dusko Grubesic and Ivo Filipovic – due to their refusal to follow the established chain of command

March 24:

- Croatian news agencies quote Martin Raguz, the coordinator of the so-called Croat Self-Rule, as saying that a high level meeting between representatives of the Croat National Assembly and the OHR would take place in the near future
- OHR spokesman Oleg Milisic stresses that the High Representative will no longer negotiate with dismissed members of the HDZ but remains open for dialogue with the more moderate wing of this party
- After a long delay, the Banja Luka authorities finally issue an urban permit for the reconstruction of the Ferhadija mosque which was destroyed by Bosnian Serb forces in 1993 ([PR: OHR notes issuance – March 26, 2001](#))

March 25:

- In an editorial published in The New York Times, the High Representative argues that redrawing of borders in the Balkans and the possible withdrawal of the International Community from the area would be fatal ([PR: Don't Abandon the Balkans – March 25, 2001](#))
- During an unofficial visit to the BiH capital, Yugoslav Foreign Affairs Minister Goran Svilanovic meets his BiH

counterpart Zlatko Lagumdzija and discusses the formation of an International Council for cooperation between the two countries

- News agencies report Croat National Assembly officials have declared that Croats will cease paying any duties or customs taxes to the Federation budget

March 26:

- The Chief UN Prosecutor for the ICTY, Carla del Ponte arrives in Banja Luka for a three day visit to BiH; Del Ponte calls for the arrest of indicted war criminals, Radovan Karadzic and Ratko Mladic, and announces new indictments against other war crimes suspects in BiH
- The BiH State Border Service officially takes over three border crossings – rail, road and river – in Brcko District

March 27

- Croat National Assembly advises the Croat component of the Federation Army to temporarily disband
- Following his meeting with the ICTY Chief Prosecutor, Carla del Ponte, the High Representative calls the SDS (Serb Democratic Party) to deliver on their pledge to cooperate with The Hague tribunal and hand over Radovan Karadzic to ICTY. Petritsch says that the SDS should expel Karadzic from the party
- The BiH Parliament's House of Representatives elects Jozo Krizanovic (SDP) and Beriz Belkic (Party for BiH) as candidates for the Croat and Bosniak members of the BiH Presidency

March 28:

- Following the call of the Croat National Assembly for a temporary disbandment of the Croat component of the Federation Army, a number of Croats officers and soldiers – up to 7,000, according to some reports – in

Vitez, Livno, Mostar, Kiseljak and several other towns walk out of their barracks

- The High Representative holds high level talks with senior European Union officials to tackle illegal immigration issues ([PR: HR tackles illegal – March 28, 2001](#))
- Federation Defense Minister Mijo Anic decides to dismiss three additional Croat commanders – Marinko Ljojo, Mladen Nikolic and Ivan Antolovic – for their disloyalty to the Federation Army

March 29:

- The BiH Council of Ministers issues a plan with regard to legislative activity in 2001, according to which this body will pass over 60 laws, including the Elections Law, by the end of the year
- The High Representative expresses his concern that yet another offer he has made to the HDZ to represent the interests of the Croats in BiH and address all matters of concern within legal institutions, is not being answered ([PR: HDZ again rejects – March 29, 2001](#))

March 30:

- SDA vice president Sulejman Tihic threatens that SDA delegates in the BiH and the Federation Parliaments will withdraw unless the implementation of election results is revised and the SDA is given more posts in the legislative bodies
- The BiH Parliament's House of Peoples confirms the election of the new Croat and Bosniak members of the BiH Presidency, Jozo Krizanovic (SDP) and Beriz Belkic (SBiH)

March 31:

- Media report that the dismissed general manager of BiH Elektroprivreda and former Federation prime minister,

Edhem Bicakcic, filed a complaint to the BiH Constitutional Court pertaining to the decision of the High Representative to remove him from this post

- Serbian police try to arrest former FRY president and indicted war criminal Slobodan Milosevic. Wait until next month's edition of tracker!

ECONOMIC STATISTICS

Economic Data BiH for 3rd Quarter 2000

Source: RS and FBiH Statistical Offices

RETURN STATISTICS

See Link to the UNHCR Mission to BiH web page at www.unhcr.ba and [PDF-file](#).

<u>April</u>

- OHR leads operation to install a provisional administrator at **Hercegovacka Banka**
- Arbitration is completed on the disputed Sarajevo neighbourhoods of Dobrinja I and IV
- The newly reconstituted BiH Presidency meets for the first time and promises to focus on strengthening state institutions

After the Dayton Peace Agreement was signed in 1995, the territorial status of two Sarajevo neighbourhoods, Dobrinja I and IV near the airport, was left unresolved. The lack of will on the part of local officials from both Entities to agree on where the Inter-Entity Boundary Line (IEBL) should run, forced the High Representative, Wolfgang Petritsch, to name an Irish High Court judge, Diarmuid Sheridan, **the International**

Arbitrator for the Dobrinja neighbourhoods. On April 24th, Sheridan announced his final ruling on the disputed neighbourhoods, awarding 800 apartments to the Federation and 300 apartments and an Orthodox Church to the RS.

Federation authorities welcomed the ruling but RS officials, in particular the RS President, Mirko Sarovic, said they were shocked by the ruling. The OHR criticised the statements of the RS leadership as inflammatory and stressed that the Judge's decision is final and binding.

Another breakthrough in April was the **re-start of the work of BiH Presidency.** On April 2nd Bosnian Serb member Zivko Radisic and the two new members, Jozo Krizanovic, representing the Croats, and Beris Belkic, a Bosniak, held their first meeting agreeing that their top priority will be the strengthening of the state institutions.

On April 6th, the High Representative appointed an auditor, Toby Robinson **Provisional Administrator for the Hercegovacka Banka in Mostar.** The OHR was in possession of well-founded information that public funds were disappearing from the Bank. The attempt of the OHR, SFOR and Robinson to take control of the Bank in Mostar and other towns in BiH on the same day was met with organised violence from a mob of Croat extremists, resulting in 22 injuries among international officials and damage to the Bank and vehicles of international organisations.

The High Representative and other top IC officials in BiH condemned the violence and robust action against those behind the incidents. On April 18th, the OHR, again with the support of the NATO-led SFOR peacekeeping troops, entered the headquarters of Hercegovacka Banka in Mostar, retrieving the remainder of documents required by the Provisional Administrator. There was no opposition to the second operation, which was carried out with enhanced security.

The **HDZ and the Croat National Assembly (HNS)** continued in April to **oppose the international community and the Federation authorities**. On April 3rd Herzegovina-Neretva Canton Interior Minister Dragan Mandic and 19 other Croat officials in the ministry declared they no longer acknowledged the authority of Federation Interior Ministry.

These and other HDZ actions resulted in the **High Representative's April 26/27 passing of five Decisions creating a framework for the establishment of law and order** across the Federation. Petritsch removed Mandic from his post as Herzegovina-Neretva Canton Interior Minister, suspended three other officials from the Ministry and transferred the investigation, prosecution and trials of incidents of violence and intimidation during the past month to the Cantonal Prosecutor and Court of Sarajevo.

CHRONOLOGY

April 1:

Former FRY President Slobodan Milosevic arrested in Belgrade by the Serbian Police on charges of corruption and abuse of power. Numerous international community officials in BiH, including the High Representative, Wolfgang Petritsch, express their satisfaction with the arrest, but stress the former FRY dictator should face trial in The Hague ([PR: Milosevic arrest positive – April 1, 2001](#))

April 2:

- In an interview with a Sarajevo daily, the High Representative stresses that the idea of redrawing borders in the Balkans is wrong and that the region needs to be further Europeanised to increase stability
- The new BiH Presidency, comprising Zivko Radisic (Serb member), Jozo Krizanovic (Croat) and Beriz Belkic

(Bosniak), holds its first consultative meeting and declares that it will focus on strengthening the state institutions

April 3:

- In a press release, the Minister of Interior of the Hercegovina-Neretva Canton, Dragan Mandic, and nineteen other officials in the Ministry declare that they no longer acknowledge the authority of the Federation Ministry of Interior, which they term as “illegitimate and anti-constitutional”
- In an interview with a Sarajevo daily, the Head of the OSCE Mission to BiH, Robert Barry, announces that he is leaving his post and BiH on May 1; Barry’s replacement is yet to be named
- During his visit to Mostar, the Senior Deputy High Representative, Matthias Sonn, states that the international community will not tolerate any attempts to establish unconstitutional and illegal structures in BiH and warns that the present policy led by the extreme wing of the HDZ leadership leads only to poverty and isolation

April 4:

- Brothers Jerko and Mladen Ivankovic, owners of the largest meat-processing factory in BiH, Lijanovici, and moderate Croat officials (Jerko is a delegate in the BiH Parliament’s House of Peoples and Mladen is a Minister without a portfolio in the Federation Government) issue a press release warning that the HDZ policy and the decisions of the Croat National Assembly (HNS) are detrimental to the Croat people in BiH and could block economic development in BiH and the Federation

April 5:

- The BiH Council of Ministers fails to adopt the draft

Election Law; BiH Foreign Minister, Zlatko Lagumdžija, says the law has to be harmonised with the European Conventions on Human Rights

April 6:

- The High Representative, Wolfgang Petritsch, appoints a provisional administrator to Hercegovacka Banka, to investigate information that public funds had started disappearing from the Bank, possibly to finance Croat "self-rule". A Texan auditor, Toby Robinson, is named the Provisional Administrator ([PR: HR appoints Provisional Administrator – April 6, 2001](#))
- An attempt by the OHR, SFOR and the Provisional Administrator to take control of the offices of the Hercegovacka Banka in Mostar and other towns in Herzegovina is met with well-organised violence resulting in 22 injuries among international officials and significant damage to several cars belonging to international organisations. Media reports indicate that prominent HDZ officials, including former HVO general Zlatan Mijo Jelic, Hercegovina-Neretva Canton Minister of Interior, Dragan Mandic and others were present at the violent demonstrations
- Commenting on the raid, the HDZ, the HNS and the management of the Bank say that the OHR's and SFOR's actions were no more "than an attempted armed robbery."
- The High Representative strongly condemns the mob violence in Mostar and other towns in Herzegovina and announces rigorous sanctions against the organisers of the violent incidents ([PR: HR condemns mob attacks – April 6, 2001](#))

April 7:

- Commenting on the events in Herzegovina, the Principal Deputy High Representative, Ralph Johnson, says that the protests in front of Hercegovacka Banka offices were

organized by those who were afraid of an investigation of the Bank. Johnson stressed that had the Bank been open for an investigation, the incidents would have never taken place

- The Special Representative of the UN Secretary General, Jacques Paul Klein, and the US Ambassador to BiH, Thomas Miller, strongly condemn the violence in Herzegovina stating the Bank has been used for various illegal activities and for funnelling funds to extra-legal structures in the Federation
- Croatian President Stipe Mesic says it was not the ordinary people who used violence to prevent the take-over of the Bank but "those who were concerned that the international community may find out who has been handling the dubious transfers of funds in this Bank"

April 9:

- The Federation government expresses its support for the joint OHR/SFOR operation on Hercegovacka Banka. They state the Decision to appoint the Provisional Administrator is not directed against the Croat people, but against those who are abusing their power to advance their own personal interests
- The RS Ministry of Refugees and Displaced Peoples opens its branch office in Sarajevo. Its main purpose is to provide legal assistance to refugees from the RS who currently live in the Federation
- The Provisional Administrator, Toby Robinson, stresses in a statement for the press that it is her responsibility to secure the funds in Hercegovacka Banka and protect the interests of its customers

April 10:

- In a statement to the press, the Federation Banking Agency expresses its support for the Decision of the High Representative to appoint a Provisional

Administrator to Hercegovacka Banka and calls for all parties to show patience, co-operation and understanding in order to make the auditing process as efficient as possible

- A strong explosion causes serious material damage to the home and a car of Jerko and Mladen Ivankovic, two moderate Croat officials and owners of the Lijanovici meat-processing plant who, just a few days earlier, criticised the HDZ and the Croat National Assembly (HNS) for their policy in BiH. All international organisations and foreign embassies in BiH condemn the bombing ([PR: HR condemns the terrorist act – April 10, 2001](#))
- The High Representative wins the full support of several senior international officials, including US Secretary of State, Colin Powell, EU High Representative for External Affairs, Javier Solana, and NATO Secretary General, Lord George Robertson, for his Decision to establish a Provisional Administration in Hercegovacka Banka ([PR: HR briefs officials – April 10, 2001](#))

April 11:

- The former Yugoslav republics finally reach a breakthrough in succession talks on the division of gold reserves held in Switzerland. The High Representative says in a statement that he is satisfied with the progress of the succession talks
- Croatian and Croat media claim that the blockade of the funds and accounts in Hercegovacka Banka will affect the Mostar Pension Fund, the City Hospital and numerous other institutions who will not be able to fund their work or pay pensions and salaries. Meanwhile, OHR spokespeople invite all institutions which are account holders in the Hercegovacka Banka to open accounts elsewhere, explaining that this would secure their continued functioning given that tax revenues were coming in continuously and no institution had held large

amounts of money in the Bank

- The commander of the Fourth Corps of the Croat component of the Federation Army in Posavina, Tomo Knezevic, so far a supported of the legitimate Federation Government, surprised the public by ordering troops under his command to disband and explaining this decision on a video tape on which he looked nervous and under pressure. SFOR and Federation Defense Ministry officials say Knezevic was likely to have received threats, while media even speculate that he had been abducted. He has been missing since early April.
- UNMIBH, the UN mission to BiH, suspends 16 police officers in Herzegovina-Neretva Canton who had declared loyalty to Croat "self-rule" on April 3

April 12:

- The BiH Council of Ministers adopts the draft Election Law but without several disputed provisions.
- The Provisional Administrator of Hercegovacka Banka, Toby Robinson, recommends to all public deposit holders to open accounts with other banks to enable them to continue to operate ([Statement: Provisional Administrator – April 12, 2001](#))

April 13:

- The Provisional Administrator for Hercegovacka Banka, Toby Robinson, requests a meeting with the senior management of the Bank and asks for its co-operation in order to ensure a fast and efficient audit ([Statement: Provisional Administrator – April 13, 2001](#))
- The High Representative appeals to all public institutions and bodies holding accounts in Hercegovacka Banka to open accounts with alternative commercial banks in order to meet their obligations to citizens ([PR: HR calls for public institutions – April 13, 2001](#))
- During his meeting with the High Representative,

Wolfgang Petritsch, the US Secretary of State, Colin Powell, expresses his full support for the decisive action of the OHR with regard to Hercegovacka Banka ([PR: US Secretary of State – April 13, 2001](#))

April 14:

- Media carry the Easter Message of the High Representative in which he expresses his readiness for dialogue with those Croat leaders who have not discredited themselves by supporting the illegal Croat “self-rule” ([PR: Easter Message – April 13, 2001](#))

April 15:

- SFOR troops arrest Dragan Obrenovic, a Bosnian Serb who has been indicted by ICTY (International Criminal Tribunal for the former Yugoslavia) for war crimes against the Bosniak population in the area around Zvornik during the war, and transport him to The Hague. RS authorities and veterans associations strongly condemn the arrest and say it is “a true disgrace for ICTY”

April 16:

- Media publish an open letter by the Hercegovacka Banka management, in which they refuse to meet with the Provisional Administrator, Toby Robinson. They say they have nothing to discuss with her and would see her in court

April 17:

- In a statement, the Provisional Administrator, Toby Robinson, expresses her concern about the lack of co-operation from the Hercegovacka Banka management and shareholders and stresses that their rejection of co-operation prolongs the agony of thousands of private and

public account holders ([Statements: Provisional Administrator – April 17, 2001](#))

April 18:

- Members of the OHR, with the support of SFOR, enter once again the main branch of Hercegovacka Banka in Mostar, retrieving the remainder of the documentation required by the Provisional Administrator. This time, the action is completed without incident ([PR: HR welcomes operation – April 18, 2001](#))
- The Federation Defence Minister, Mijo Anic, asks his predecessor, Miroslav Prce, to hand over the documentation concerning the Federation Armed Forces, in particular its Croat component, to the Ministry of Defence

April 19:

- At its session, the BiH Parliament's House of Representatives calls upon the HDZ to join the work of the Parliament and on Croat soldiers in the BiH Federation Armed Forces to return to barracks
- At its session, the BiH Council of Ministers adopts the draft Law on Minorities in BiH which will protect the cultural and political rights of all national minorities in the country
- During her visit to Sarajevo, the President of the European Parliament's Commission on Southeast Europe, Doris Pack, says that the PEC (Provisional Election Commission) rules and regulations for the election of deputies in the Federation House of Peoples were not the "most fortunate solution", but emphasises that the HDZ representatives should not have walked out of the legally-established institutions

April 20:

- The High Representative appoints Ambassador Henry L.

Clarke to the post of the Brcko District Supervisor
([Press Release: Brcko Supervisor – April 24, 2001](#))

April 21:

- During his talks with the Croatian Prime Minister, Ivica Racan, and the country's foreign minister, Tonino Picula, in Zagreb, the High Representative states that the international community will not tolerate any illegal and criminal activity in BiH. Both Croatian officials express their support for a stable and democratic BiH

April 23:

- Media report that the controversial monument in Brcko to the leader of the Chetnik movement from World War II, Draza Mihajlovic, has been destroyed by unknown perpetrators

April 24:

- The International Arbitrator for determining the Inter-Entity Boundary Line (IEBL) in the Sarajevo neighbourhoods Dobrinja I and IV, Diarmuid Sheridan, issues a final ruling, awarding 800 apartments to the Federation and about 300 apartments, an Orthodox Church, and a bus station to the RS. The decision causes three days of demonstrations by Serb residents who oppose the ruling
- Sarajevo and Zagreb media report that the HDZ is preparing a negotiating team for possible talks with the international community and the Alliance parties in order to overcome the present political and constitutional crisis in the country

April 25:

- While the Federation authorities welcome the decision of

the International Arbitrator on Dobrinja I and IV, RS officials, in particular the RS President, Mirko Sarovic, say they are shocked with the ruling

April 26:

- OHR spokespeople criticise the inflammatory statements of the RS. OHR stresses that the decision is final and binding
- Members of the Croat Co-ordination (an alternative movement of Croat representatives), Marko Tadic, Kresimir Zubak and Ilija Simic, meet in Zagreb with Croatian President Stipe Mesic and the country's Prime Minister Ivica Racan to discuss the present political situation in BiH. The two delegations agree that all illegal actions of the HDZ are doomed to fail

April 27:

- The High Representative issues five Decisions creating a framework for the establishment of law and order across the Federation. He removes Dragan Mandic from his post as Herzegovina-Neretva Canton Interior Minister and suspends three other officials from the Ministry due to their declaration of loyalty to Croat "self-rule", and transfers the investigation, prosecution and trials of incidents of violence and intimidation during the past month to the Cantonal Prosecutor and Court of Sarajevo. ([PR: HR creates framework – April 27, 2001](#))

April 30:

- The Republic of Croatia opens a Consulate Generale in Banja Luka, primarily to address issues concerning the rights of Croats as one of the three constituent peoples in BiH. The Croatian delegation led by Croatia's Foreign Minister, Tonino Picula, also opens a 115 meter long bridge near Dvor na Uni which should encourage the

return of Serbs from BiH to Croatia and Bosnian Serbs presently living in Croatia to their homes in BiH

ECONOMIC STATISTICS Economic Data BiH for 3rd Quarter 2000 Source: RS and FBiH Statistical Offices		
Indicator	Federation of BiH	Republika Srpska
Index of Industrial Production 1-9/2000 compared to av.of 1999 1-9/2000 compared to 1-9/1999	+ 5,0 % + 10,1 %	+ 4,0 % + 7,0 %
Retail Price Index1 -9/2000 compared to av.of 1999 1-9/2000 compared 1-9/1999	+ 0,9 % + 0,6 %	+ 11,0 % + 13,0 %
Average Net Salary 9/2000 Average Gross Salary 9/2000	428,42 KM 630,03 KM	289 KM 405 KM
Registered Unemployed Employment	265.954 412.767 persons	154.656 (data not available)

No. of pensioners	273.728 (9/2000)	169.822 (4/2000)		
Average pensions	177,33 KM (9/2000)	145,06 KM (4/2000)		
Imports 1-9/2000	3,2 billion KM 0,9 billion KM	1,3 billion KM 0,5 billion KM		
Exports 1-9/2000	2,3 billion KM 28 %	0,8 billion KM 38 %		
Trade deficit 1-9/2000				
Import/Export coverage				
The Agency for statistics of Bosnia Herzegovina released recently the Statistical Bulletin 3/2000, which gives an extensive overview on the Gross domestic product of BiH of 1996 to 1999.				
		1996	1997	1998
Gross Domestic Product of BiH, current Prices in milllion KM		4,19 2	6,367	7,244
Change in percent to previous year			+ 51,9	+ 13,8

RETURN STATISTICS

See Link to the UNHCR Mission to BiH web page at www.unhcr.ba or see the latest statistics for February and March on the Adobe Acrobat files below.

- [Statistics January](#)
- [Statistics February12 ap](#)
- [Statistics March](#)

May

The month of May was marked by vigorous **diplomatic activity and co-operation in the region of the Former Socialist Federal Republic of Yugoslavia (SFRY)**, in particular between BiH and its two neighboring countries: the Federal Republic of Yugoslavia (FRY) and the Republic of Croatia. On May 21, an official BiH state delegation visited Belgrade for the first time since the end of the war. Only a week later, the Croatian President, Stipe Mesic, paid a two-day visit to BiH's capital. A result of these meetings was the establishment – in the case of the FRY – and the more efficient functioning – in the case of Croatia – of Inter-state Councils between BiH and the two states. In addition, on May 14, the ministers of interior of these three countries signed an agreement on the fight against organized crime in the region, corruption and the trafficking of people, and on joint police activities.

A major breakthrough was achieved last month at the **succession talks** on the property of the former SFRY, when the five successor states (Slovenia, Macedonia, BiH, Federal Republic of Yugoslavia, Croatia) reached a comprehensive accord how to divide the assets and liabilities of their former common state. The High Representative, Wolfgang Petritsch, welcomed the conclusion of the agreement, saying it sends a clear signal that regional cooperation, and not war, ensures peace in the former Yugoslav states.

May also saw an important breakthrough in the **political crisis** caused by the proclamation of so-called **Croat "self-rule"** in BiH on March 3. On May 16, most Croat soldiers who had initially declared their loyalty to the illegal Croat National Assembly (HNS), started returning to the Federation Army barracks following an agreement reached between the Federation Defense Minister, Mijo Anic, and rebel Croat commanders General Zlatan Mijo Jelic and his deputy Mario Bradara. At the same time, the **Croat Democratic Union (HDZ)**, which has been boycotting the Federation and state institutions since the proclamation of Croat "self-rule", elected a "negotiation

team” led by moderate HDZ member Bozo Ljubic to hold talks with the international community and Federation government in order to overcome the political crisis. Finally, in mid-May, the thus far defiant management and shareholders of **Hercegovacka Banka**, which was put under provisional administration by the High Representative on April 6, met with the Provisional Administrator, Toby Robinson, and agreed to provide their assistance so that the audit of the bank could be completed as quickly as possible.

For the first time since the war, **genuine public service radio** began covering the entire territory of BiH on May 7. “BiH Radio 1” and Federation radio were created based on the technical infrastructure of BiH Radio (operating mainly in the Bosniak-controlled parts of the Federation) and Radio FERN, a previous, internationally supported cross-Entity radio network, and staff from these two stations as well as RTRS (Radio-Television of Republika Srpska).

Unfortunately, the positive developments in BiH during the past month were overshadowed **by violence in two RS towns, Banja Luka and Trebinje**, when Serb nationalists prevented cornerstone laying ceremonies for the reconstruction of two mosques, the Osman-pasha mosque in Trebinje and the Ferhadija in Banja Luka. During the riots, dozens of people were injured, including international officials and police. International officials, including the High Representative, Wolfgang Petritsch, strongly condemned the incidents and demanded that the RS authorities identify and arrest the perpetrators without delay and publicly apologize for the violence. The RS President, Mirko Sarovic, and RS Prime Minister, Mladen Ivanic, indeed issued a public statement condemning the violence, but stressed that part of the responsibility rested with the organizers, the Islamic Community of BiH, which “unnecessarily politicized these religious events.” In the weeks that followed, the RS government accepted resignations from three senior police

officials and dismissed several others who failed to prevent the incidents from taking place. The events in Banja Luka and Trebinje provoked a number of minor, but potentially dangerous incidents across BiH, such as street protests in Sarajevo, a bomb attack on the Orthodox Church in Sanski Most, damage to an Orthodox cemetery in Tuzla and the distribution of inflammatory leaflets in several towns in the country.

CHRONOLOGY

May 1:

- The Regional office of the SDP (Social Democratic Party) in Vitez is significantly damaged in an explosion caused by an unknown perpetrator. Representatives of the international community, including the High Representative, Wolfgang Petritsch, strongly condemn the bomb attack, calling it a terrorist act meant to destabilize BiH.

May 2:

- At a press conference in Mostar, the head of OHR South, Colin Munro, says the shareholders and management of Hercegovacka Banka ought to cooperate with the bank's Provisional Administrator, Toby Robinson, to accelerate the audit. Meanwhile, the Finance Ministry of the Hercegovina-Neretva Canton asks all tax payers in the Canton to start paying their taxes and contributions into new accounts with Zagrebacka Banka in Mostar and in Univerzal Banka in Sarajevo.
- The RS National Assembly decides that holders of occupancy rights to socially-owned apartments in this Entity can purchase their apartments by paying a maximum of 60% of the apartments' prices with old foreign currency savings, while the remainder has to be paid in cash. Non-Serb parties in the RS National Assembly say this law will have negative effects on returnees.

May 3:

- BiH Presidency members Zivko Radisic, Jozo Krizanovic and Beriz Belkic visit Banja Luka to discuss the strengthening of state institutions and better coordination between the state and the Entities with the leadership of Republika Srpska.
- The High Representative, Wolfgang Petritsch, visits the site of the destroyed Ferhadija mosque in Banja Luka and holds talks with the RS leadership on the need to make the state institutions more efficient.
- At a session in Sarajevo, the HDZ Presidency elects "a negotiating team" for talks with representatives of the International Community and the Federation government. Media report that HDZ members Bozo Ljubic, Dragan Covic, Martin Raguz, Mijo Brajkovic, Rudo Vidovic and Ivo Vincetic are elected to the negotiating team.

May 4:

- Federation media report that the leader of the HDZ "negotiating team", Bozo Ljubic, has sent a letter to the High Representative, Wolfgang Petritsch, informing him that this party is ready for talks with representatives of the international community hoping that such a dialogue will "open the door for the resolution of the present political crisis in BiH".

May 5:

- Serb extremists prevent the symbolic cornerstone laying ceremony for the reconstruction of the Osman-pasha mosque in the southeastern BiH town of Trebinje. During the violent riots, several civilians and international officials, including the OHR Special Envoy to Trebinje, are slightly injured. Federation authorities and representatives of the international community in BiH, particularly the OHR, strongly condemn the violence in

this town, stressing that such brutal behavior is unacceptable and shameful for Republika Srpska. RS authorities shy away from openly condemning the incident saying that the cornerstone ceremony “has been unnecessarily politicized.”

May 7:

- During the second such outbreak of violence in just two days, a mob of several thousand Serbs singing nationalist songs and carrying Chetnik flags and banners throw rocks and eggs at the participants and guests of the cornerstone laying ceremony which was to mark the beginning of reconstruction of the famous Ferhat-pasha mosque in Banja Luka. During the riots, which lasted for over eight hours, more than 30 civilians and police are wounded. At the same time, some of the most senior international and national diplomats in BiH, along with several hundred Muslim visitors, are trapped in the building of the Islamic Center in Banja Luka. The angry protesters burn the Islamic flag and set ablaze five buses which brought the Muslim guests, most of whom were expelled from Banja Luka during the war, to the ceremony. While the international community ([PR: HR appalled at outbreak of violence](#) – May 7, 2001) and state and Federation authorities say they are shocked and appalled by the violence, the RS leadership issues a press release “regretting the incidents” and blaming the Islamic Community for “politicizing the event.” For the first time since the war, BiH has genuine public service radio. “BiH Radio 1” and Federation Radio begin broadcasting their programs according to the High Representative’s Decisions on restructuring public broadcasting in the country.

May 8:

- Following the events in Banja Luka, the RS Minister of

Interior, Perica Bundalo, and the head of the city police, Vladimir Tutus, offer their resignations to the RS government.

- The High Representative, Wolfgang Petritsch, the Special Representative of the UN Secretary General, Jacques Paul Klein, and the US Ambassador to BiH, Thomas Miller, strongly condemn the violence in Trebinje and Banja Luka saying that the RS authorities are responsible for them. The latter two blame in particular the SDS (Serb Democratic Party).

May 9:

- Expressing their outrage at the violence in Banja Luka and Trebinje, some two hundred protesters carrying Islamic flags hold peaceful demonstrations in Sarajevo. Federation authorities and the Islamic Community in BiH condemn the demonstrations saying that they could exacerbate the present political tensions in the country.
- The RS Ministry of Interior removes the head of Trebinje Police, Jovo Cokorilo, and suspends five senior police officials in Banja Luka because of their inadequate approach to high-risk situations and their failure to prevent the violent riots in the two towns.
- As part of a series of incidents suspected to be reactions to the events in Banja Luka and Trebinje, the Orthodox Church in Sanski Most is slightly damaged in a bomb blast and the Orthodox cemetery near Tuzla is vandalized by unknown perpetrators.

May 10:

- The High Representative, Wolfgang Petritsch, meets in Sarajevo members of the RS leadership – President Mirko Sarovic, Prime Minister Mladen Ivanic and the RS National Assembly Speaker Dragan Kalinic to discuss the Banja Luka and Trebinje incidents. Petritsch demands

that the RS leadership publicly condemn the violence and identify and efficiently punish the perpetrators.

- The Steering Board of the PIC (Peace Implementation Council) convenes in Sarajevo at the level of political directors and issues a communiqué, inter alia condemning the recent violence in the RS ([PR: The Steering Board – May , 2001](#))

May 11:

- The High Representative, Wolfgang Petritsch, meets in Sarajevo members of the RS leadership – President Mirko Sarovic, Prime Minister Mladen Ivanic and the RS National Assembly Speaker Dragan Kalinic to discuss the Banja Luka and Trebinje incidents. Petritsch demands that the RS leadership publicly condemn the violence and identify and efficiently punish the perpetrators.
- The Steering Board of the PIC (Peace Implementation Council) convenes in Sarajevo at the level of political directors and issues a communiqué, inter alia condemning the recent violence in the RS (PR: The Steering Board – May , 2001)

May 12:

- RS leaders Mirko Sarovic and Mladen Ivanic jointly apologize for the incidents which took place on May 5 in Trebinje and May 7 in Banja Luka, and strongly condemn the violence which prevented the inaugural ceremonies marking the beginning of the reconstruction of the two destroyed mosques from taking place.

May 14:

- A new and decisive round of negotiations on succession issues related to the property of the Former Socialist Federal Republic of Yugoslavia begins in Vienna, Austria. In an opening address, the High Representative, Wolfgang Petritsch, says an agreement on the outstanding

succession issues will send a strong signal to the whole region that the successor states have a strong desire for political and economic stability.

- The ministers of interior of BiH, the Republic of Croatia and the Federal Republic of Yugoslavia sign an agreement on the joint fight against organized crime, corruption and trafficking of people, and form a working group that will coordinate police activities in the entire region.

May 15:

- The RS government decides to accept the resignations of the RS Minister of Interior, Perica Bundalo, the RS Security Chief, Dobrislav Planojevic, and the Head of the Public Security Center in Banja Luka, Vladimir Tutus, and to dismiss the deputy RS Minister of Interior, Brano Pecanac.
- The RS Ministry of Education removes six high school directors in Banja Luka due to their decision to suspend classes during the cornerstone laying ceremony for the Ferhat-pasha mosque. A number of police and media reports indicate that a great number of students attending these high schools were on the streets actively taking part in the violence, which prevented the ceremony from taking place and resulted in dozens of injured civilians, mostly guests, and police.
- The High Representative, Wolfgang Petritsch, welcomes the decision of the RS government to remove and dismiss the officials responsible for the incidents in Banja Luka and Trebinje and demands further investigations into the incidents and the identification and punishment of the perpetrators ([PR: High Representative welcomes – May 15, 2001](#)).
- The Federation Defense Ministry files criminal charges against dismissed president of the HDZ, Ante Jelavic, former Federation Defense Minister, Miroslav Prce, and

former deputy commander of the Federation Army, Dragan Curcic, accusing them of “undermining the defense capacity of the Federation Army”. The three officials dismiss the charges claiming that they have been made up by the present political authorities in the Federation.

- The shareholders of Hercegovacka Banka hold a first official meeting with the Provisional Administrator, Toby Robinson, and discuss the auditing process in the bank. In a statement for the press, which the Provisional Administrator subsequently denies, representatives of the shareholders say they will provide all the needed assistance.

May 16:

- After a stand-off that has lasted several months, the Federation Defense Ministry and rebel commanders of the rebel Croat component of the Federation Army reach a compromise under which all Croat soldiers will return to the Federation Army barracks within twenty days.
- In the second such incident this month, an explosion damages the offices of two moderate parties, the Social-Democratic Party (SDP) in Vitez and the New Croat Initiative (NHI) in Novi Travnik. The High Representative strongly condemns the terrorist attack and encourages the law enforcement institutions in the two towns to promptly undertake an investigation and identify the perpetrators ([PR: High Representative condemns](#) – May 16, 2001).
- In an interview with a Zagreb-based news magazine, the Croatian Prime Minister, Ivica Racan, says that Republika Srpska should be abolished and that the character of both Entities in BiH should be changed. This statement provokes a strong reaction from nearly all politicians in the RS who accuse Racan of blatantly interfering in the internal politics of BiH.

May 17:

- Following a meeting with the Swedish Foreign Minister, Anna Lindh, the EU Commissioner for External Relations, Chris Patten, and the Belgian Secretary for Foreign Trade, Annemie Neyt-Uytterbroeck, the High Representative urges BiH leaders to fulfill the criteria of the EU Road Map ([PR: High Representative urges](#) – May 17, 2001).
- The Mostar HDZ City Board asks the Mayor, Neven Tomic, to resign from his post thus complying with the Board's decision to pass a vote of no confidence to the city mayor at the beginning of May

May 18:

- The High Representative, Wolfgang Petritsch, discusses the violent events and general situation in the RS with Yugoslav Foreign Minister, Goran Svilanovic. Petritsch informs Svilanovic that he expects a more robust action by the RS government against the identified perpetrators.
- The management of the Mostar Pension Fund demands that the High Representative immediately de-block its account in Hercegovacka Banka stressing that it will be unable to pay the April pensions because its funds in the bank are frozen.

May 19:

- In an interview with a Belgrade-based weekly, the RS President, Mirko Sarovic, denies the "claims" of the ICTY Prosecutor that the high-profile indicted war criminals Ratko Mladic and Radovan Karadzic are hiding in the RS. Sarovic, moreover, stresses that "not a single war crimes indictee is presently residing on the territory of the Republika Srpska".

May 20:

- The first film of young Bosnian director Danis Tanovic wins a Golden Palm award at the Cannes Film Festival for the best screenplay.

May 21:

- An official BiH state delegation comprising the three members of the BiH Presidency, Zivko Radisic, Beriz Belkic and Jozo Krizanovic, as well as BiH Foreign Minister, Zlatko Lagumdzija, arrive in Belgrade on their first official visit to the Yugoslav capital since the end of the war in BiH. The two delegations sign an agreement on the establishment of an Inter-State Council between BiH and the FRY.
- In an interview with a Warsaw daily, the Chief Prosecutor of the ICTY (International Criminal Tribunal for former Yugoslavia) in the Hague, Carla del Ponte, says that the prosecution may hire a unit of special police, "each of whom is better than James Bond," who would hunt down and arrest Radovan Karadzic and Ratko Mladic.

May 22:

- An OHR spokesman criticizes the statement of the RS President, Mirko Sarovic, who claimed that there are no indicted war criminals presently residing in the RS. He says it would be interesting to know where Sarovic's knowledge comes from and whether he has passed this information on to the Hague since he is required to cooperate with ICTY.
- Commenting the claims of the Mostar Pension Fund (MIO) management that it will not be able to disburse April pensions because of the blockade of accounts in Hercegovacka Banka, an OHR spokesman says that MIO's claims are unfounded since the Fund has a sufficient

amount of money on its new account.

May 23:

- The BiH Parliament's House of Peoples passes eleven out of a total of 16 laws earlier imposed by the High Representative, including the laws on the BiH coat-of-arms, the flag, the national anthem, the single passport and the State Border Service. Five other laws, among them the Law on the State Court, are rejected by the Serb delegates who claim that these laws give too much power to the state at the expense of the Entities.
- BiH Presidency members Zivko Radisic, Beriz Belkic and Jozo Krizanovic send a letter to UNESCO asking for mediation in the process of reconstructing religious, cultural and historical monuments in BiH. The Presidency also suggests that UNESCO sponsor the rebuilding of one religious facility for each religious community simultaneously.
- The spokesman for the Provisional Administrator of Hercegovacka Banka says in an interview with a Sarajevo daily that certain irregularities in the work of the bank have already been detected. However, he stressed that no more concrete information could be provided until the audit is completed.

May 24:

- Federation media quote a letter by the Senior Deputy High Representative, Matthias Sonn, in which he accuses the RS representatives in the Council of Ministers of constant obstruction of the Council's work and an unhelpful attitude toward the Law on the Protection of Personal Data of the Citizens. Sonn stresses at the end of the letter written on May 22 that the Entities should have minimum influence on the Council of Ministers. At a regular session of the Standing Committee on Military Matters, the Chairman of the BiH Presidency, Zivko

Radisic, proposes that military conscription is reduced from 12 to 6 months in the RS and to 4.5 months in the Federation.

May 25:

- The five successor states of the Socialist Federal Republic of Yugoslavia (SFRY) finally reach an agreement on the division of assets and liabilities of the SFRY. The High Representative welcomes the conclusion of the agreement, saying that it sends a clear signal that regional cooperation, and not war, will ensure peace and prosperity in the five countries which emerged from the former Yugoslavia ([PR: High Representative welcomes](#) – May 25, 2001).
- The Federation Ministry of Energy, Mining and Industry restructures the Boards of Directors in some of the largest companies in the Federation, Elektroprivreda Herceg-Bosna (electric energy supplier), Elektroprivreda BiH and the Aluminium factory in Mostar. The management of both Elektroprivreda HB and Aluminium reject the new appointments, claiming that the Federation government has no authority to manage these state-owned companies.
- The Provisional Administrator of Hercegovacka Banka, Toby Robinson, issues a press statement denying claims in the media that she would return all the retrieved documentation, IT equipment and secured cash to Mostar.
- International Review Panel holds session in Zepce to assess the progress in implementation of HR's decision integrating Zepce into Zenica-Doboj Canton. Croats from villages in Maglaj municipality hold peaceful demonstrations demanding to be included in the planned boundary changes. ([PR: High Representative imposes](#) – October 6, 2000)

May 26:

- BiH's confessional leaders, the head of the Orthodox

Church, Nikolaj, the head of the BiH Islamic Community, Mustafa ef. Ceric, the head of the Catholic Church, Cardinal Vinko Puljic, and the head of the Jewish Community, Jakob Finci, issue a joint statement condemning the violence in Trebinje and Banja Luka and stressing that such incident will not contribute to the process of inter-ethnic reconciliation.

- Murat Badic, a Bosniak who was injured during the riots in Banja Luka on May 7 and has since been in a coma, dies.

May 27:

- The municipal authorities of Maglaj (ZE-D0 Canton) protest against the demand of Croat villages from this municipality to become part of Zepce in the boundary realignment foreseen under the High Representative's Decision on the reintegration of Zepce municipality into this Canton. Although the demonstrations (see May 25) raise tensions in the Maglaj/Zepce/Zavidovici area, the situation remains peaceful. The Maglaj municipal authorities ask for the resignation of the International Zepce Supervisor, Richard Williams.

May 28:

- The Bosniak members of the RS Constitutional Commission tell reporters they will veto the ratification of the Agreement on the Special and Parallel Relations between the RS and the FRY since, as they believe, it jeopardizes the vital national interests of Bosniaks in the RS.
- The management and trade union of the Aluminium factory in Mostar and the HDZ protest against the appointment of new Steering Boards in that and other factories in the Federation. Dismissed HDZ President Ante Jelavic is by the Sarajevo-based daily quoted as saying: "If there will be war, it will be about Aluminium."

- OHR press release on Zepce ([PR: Maglaj Authorities](#) – May 28, 2001)

May 30:

- The High Representative, Wolfgang Petritsch, after consulting with the Special Auditor for the Federation, calls upon all authorities in BiH to intensify the fight against corruption ([PR: High Representative calls](#) – May 30, 2001).

May 31:

- Croatian President Stipe Mesic arrives in Sarajevo for a two-day visit to Bosnia and Herzegovina, during which he attends a session of the Inter-State Council between Croatia and BiH and holds talks with senior BiH officials.

Indicator	Federation of BiH	Republika Srpska	BIH (OHR estimate)
Index of Industrial Production 2000 compared to 1999 average	+8,8%	+5,6%	+7,7%
Retail Price Index 2000 compared to 1999 average 01/01 compared to 01/00	+1,2% + 4,3%	+13,6% + 12,2%	N/A

Average Net Salary 2000 2000 compared to 1999 average Average Gross Salary 2000 2000 compared to 1999 average	413 KM +16% 606 KM +9%	277 KM +22% 386 KM +18%	365 KM / 528 KM /
Number of Employed in 2000 Average Registered Unemployed	412,311 265,542	227,740 154,236	640,051 419,778
Number of pensioners in 12/00 Average pension in 12/00	281,005 171 KM	172,405 80 KM	453,410 136 KM
Imports – total for 2000 Exports – total for 2000 Trade deficit in 2000 Import/Export coverage	4,8 billion KM 1,4 billion KM 3,4 billion KM 29,5%	1,7 billion KM 0,8 billion KM 0,9 billion KM 48%	6,5 billion KM 2,2 billion KM 4,3 billion KM 33,8%

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JUNE

The month of June was marked by a multitude of important events in BiH, as well as by the extradition of former Yugoslav President Milosevic to the War Crimes Tribunal in the Hague.

The ceremony to mark the laying of the foundation stone for the Ferhadija Mosque in Banja Luka was held successfully on June 18, despite demonstrations against the event organized by Serb nationalists. Republika Srpska leaders, including President Mirko Sarovic, who together with Prime Minister Mladen Ivanic attended the ceremony, called on RS citizens to show tolerance and allow the ceremony to take place. Despite these appeals, several hundred demonstrators clashed with RS Police. Fifteen officers securing the site were slightly injured. The High Representative, Wolfgang Petritsch, acknowledged that the RS authorities had fulfilled their obligations in regard to the event. At the same time, he condemned the incidents.

The Steering Board of the Peace Implementation Council (PIC) extended the mandate of the High Representative, Wolfgang Petritsch, for another year at its session on June 21 in Stockholm. The Board also discussed Petritsch's proposal to make the OHR, the UN and the OSCE Missions in BiH more efficient. It agreed that discussions regarding the streamlining of the civilian implementation structures in the country should get under way shortly and that this should be conducted in a practical and transparent manner.

On June 15, the Croat component of the BiH Federation Army was fully re-established. On that day, the deadline expired for those Croat soldiers who had "self-dismissed" themselves in support of so-called Croat "self-rule" in March 2001 to renew their employment contracts with the Federation Ministry of

Defense. BiH Federation Minister of Defense Mijo Anic said that 7,200 soldiers had renewed their contracts by the time the deadline expired.

Diplomatic activity aimed at further improving bilateral and multilateral relations among the states that emerged from the dissolution of the former Socialist Federative Republic of Yugoslavia (SFRY) continued in June. In Vienna on June 29, BiH, FRY, Croatia, Macedonia and Slovenia signed the Framework Agreement on the Succession to former SFRY. The High Representative, Wolfgang Petritsch, who attended the ceremony, cited the Agreement as a clear signal that southeast Europe is entering a period of regional cooperation and consolidation.

The month began with a June 1 session of the BiH/Croatia Inter-state Council in Sarajevo, which discussed a short-term liberalization of the border regime between the two countries, and other issues of common interest, such as property-legal relations, dual citizenship, and the fight against organized crime in the region.

An event which stirred emotions in BiH was the June 12 visit of the Serbian Prime Minister, Zoran Djindjic, with a delegation of leading Serbian businessmen to the BiH capital. The visit was aimed at boosting bilateral cooperation in all fields.

Also on June 12, Ministers of the Interior of FRY, Croatia, Republika Srpska, and the BiH Federation met in Belgrade to form a joint task force which will monitor the implementation of the May 14 agreement on the common fight against organized crime.

At its session of 23 June in Strasbourg, the Political Committee of the Council of Europe's Parliamentary Assembly set September this year as a new deadline for BiH to adopt an Election Law. Only two days earlier, the BiH Parliament's House of Representatives failed to pass the law, which is a major pre-condition

for BiH's accession to the Council of Europe. Alliance parties objected to the draft law, saying that it violates some of the most important provisions of the European Convention on Human Rights, and they have been increasingly vocal about introducing changes to the Law on the Council of Ministers. The proposed amendments would strengthen the Council and abolish the rotation principle governing the mandate of the Chairman. The decision on the new deadline came after a series of meetings between the High Representative, Wolfgang Petritsch, and Council of Europe senior officials, and his appeal for another chance to be given to BiH. The BiH Parliament's failure to pass the law directly triggered the resignation of the Chairman of the BiH Council of Ministers, Bozidar Matic, on June 22. The OHR expressed respect for Matic's decision, while noting that it was nonetheless an unwelcome development. Matic agreed to continue performing his duties until the nomination of a new candidate for the post.

The High Representative, Wolfgang Petritsch, concluded on June 6 that the Agreement on Special and Parallel Relations between the Republika Srpska and FRY does not constitute a threat to the vital interests of any of the Constituent Peoples in BiH. The Bosniak and Croat members of the RS Constitutional Commission had introduced a claim that the Agreement does not comply with the state Constitution. After Petritsch rejected this claim, the RS National Assembly ratified the Agreement on June 7.

Other June developments worth mentioning include the departure of the first post-war train from Sarajevo to Zagreb on June 10, and a regular rotation in the office of the BiH Presidency Chairman, with the Social-Democratic Party's Croat nominee, Jozo Krizanovic, assuming the post on June 14.

An issue which during the month of June created a genuine crisis between the BiH state institutions and the international community was the process of selection of the third GSM operator in the country. After the Communication Regulatory Agency (CRA), an international body which has been

given responsibility for allocating GSM licenses, officially closed the international tender for the third license on June 15, top BiH state officials fiercely criticized the process, accusing the Agency of “selling the state’s resources at minimal cost.” The CRA has stipulated that the selected operator must pay two million KM simply to enter the BiH GSM market. Over and above this payment, the agency emphasises, the selected company is expected to invest further in developing the GSM network and will pay an annual tax to the state.

Finally, on June 28 – St.Vitus Day – the day of greatest symbolic importance for Serbs, due to their historic1389 battle with the Turks in Kosovo, Former Yugoslav President Slobodan Milosevic, indicted for war crimes by the Hague Tribunal, was handed over to the Tribunal. This event made headlines in the international press for days. Welcoming the move, the High Representative, Wolfgang Petritsch, openly called on the Republika Srpska authorities to do the same with war crime suspects living in the RS, including war-time RS leader Radovan Karadzic and his military commander Ratko Mladic.

CHRONOLOGY

June 1:

- The Inter-state Cooperation Council between BiH and the Republic of Croatia holds its first session in Sarajevo. Representatives of the two states agree on the imposition of a temporary inter-state border regime during the upcoming summer tourist season (which will allow citizens of the two countries to cross the border using only their national identification documents), and discuss issues pertaining to property and legal relations between BiH and Croatia, dual citizenship, the

fight against organized crime and other issues of common interest.

- The High Representative, Wolfgang Petritsch, meets with Croatian President Stjepan Mesic to discuss the problem of so-called Croat “self-rule”, as well as the situation related to the audit of accounts of the Hercegovacka Banka in Mostar.
- The High Representative, Wolfgang Petritsch, removes two Bratunac officials, town mayor Miodrag Josipovic and head of the municipal housing department Mladen Tolj, from office due to their persistent and serious failure to abide by the terms of the Dayton Peace Agreement. Immediately after the dismissal, the Srebrenica prosecutor’s office launched an investigation into the activities of the two sacked officials, particularly those relating to the allocation of construction lots. ([PR HR Removes Bratunac Mayor – June 1, 2001](#))

June 2:

- The BiH Federation Defense Ministry launched criminal proceedings against 18 of its former senior officials of Croat nationality, including the assistant minister of defense, his deputies, and heads of departments within the Ministry, because of their alleged abuse of office.

June 4:

- Chairman of the BiH Council of Ministers Bozidar Matic rates the work of the Council in its first 100 days as successful. At a press conference in Sarajevo, Matic says that the Council almost fully realized its plans in respect of the number of international agreements concluded, though it did not pass all the laws it had planned to pass.

June 5:

- Alliance parties are becoming increasingly vocal about

the initiative to change the Law on the Council of Ministers and introduce amendments which would strengthen this body and abolish the rotation principle under which the chairmanship rotates every eight months. Most political representatives from the RS, including the Serb member of the Presidency, Zivko Radisic, and the Minister of Civil Affairs and Communications, Svetozar Mihajlovic, fiercely object to this proposal, calling it unconstitutional.

- The International Supervisor for Zepce, Richard Williams, meets with a Maglaj municipal delegation led by the Mayor, Mehmed Bradaric, and the Chairman of the Municipal Council, Dzevad Galijasevic, to discuss the implementation of the High Representative's Decision on the integration of Zepce into Zenica-Doboj Canton. (link to Decision). Members of the Maglaj delegation stressed that they are against any change in the current municipal borders, envisaged by the Decision.
- Principal Deputy High Representative Ralph Johnson and members of the OHR expert team meet with the Federation Prime Minister, Alija Behmen, and the minister for urban planning and the environment, Ramiz Mehmedagic, and the Minister for energy, mining and industry, Hasan Becirovic, to discuss the draft law on concessions. At the meeting, Johnson stressed the importance of the adoption of this law, which would attract significant foreign capital and investment.
- RS Minister of Justice, Biljana Maric, stresses that the RS Constitution should not be an obstacle to the extradition of RS citizens to the ICTY (International Criminal Tribunal for Former Yugoslavia) because the BiH Constitution, which clearly stipulates that both entities shall cooperate with The Hague Tribunal, supersedes those of the entities.

June 6:

- The BiH Parliament's House of Representatives adopts 11 out of 16 laws imposed by the High Representative, which were earlier adopted by the BiH House of Peoples.
- The High Representative, Wolfgang Petritsch, concludes that the Agreement on Special and Parallel Relations between the RS and the FRY does not constitute a threat to the vital interests of any of the Constituent Peoples of BiH. While the RS President Mirko Sarovic notes that this ruling "will open the path for the final ratification of this agreement and the first phase of its implementation," the Bosniak member of the Constitutional Commission and a Deputy Speaker of the RS National Assembly, Sulejman Tihic, insists that Petritsch "made a mistake." ([PR HR on SPRA – June 6, 2001](#))
- The High Representative, Wolfgang Petritsch, visits Tuzla and holds talks with several city and Tuzla Canton officials. During the one-day visit, Petritsch participates in the opening ceremony of the cultural facility Mobile.culture.container ([PR HR's Speech for Tuzla – June 7, 2001](#))

June 7:

- At a regular session, the RS National Assembly ratifies the Agreement on Special and Parallel Relations between the RS and the FRY, which was signed in Banja Luka on March 5 by the RS and FRY Presidents. Nine Bosniak and Croat members of the RS National Assembly vote against the ratification, while 53, mostly Serb, members are in favour.
- At a meeting in Brussels, the NATO defense ministers express their support for the implementation of the Dayton Peace Agreement and the efforts of international representatives in BiH to combat "separatism and nationalist violence" in the country.

- BiH Federation and Croatian media report that the dismissed Croat member of the BiH Presidency and HDZ leader, Ante Jelavic, during his visit to the West Herzegovina Canton, called for a new international conference on BiH, which “could contribute to the resolution of the present political crisis in the country.”

June 8:

- Sarajevo's Oslobodjenje reports that SDA (Party of Democratic Action) in the RS National Assembly and the Federation House of Representatives would initiate a procedure before the Constitutional Courts about the constitutional foundation of respective agreements on special and parallel relations between BiH and the FRY and BiH and the Republic of Croatia.
- During his short visit to BiH, the UN High Commissioner for Refugees, Ruud Lubbers, said that cooperation between the Balkan countries on refugee issues was essential to winning the new international support for the refugee return. Lubbers arrived in Bosnia on the third leg of a regional tour that has already taken him to Yugoslavia and Croatia.
- The Chairman of the Council of Ministers, Bozidar Matic, holds a regular meeting with the RS Prime Minister, Mladen Ivanic, and his Federation counterpart, Alija Behmen. Media report that the three discussed the construction of the Potocari memorial in Srebrenica and the security situation in the area.
- At a joint meeting in the Vatican, the top BiH religious leaders called on the seven leading industrialized countries and Russia (G8) to help rebuild places of worship damaged during the war in BiH. The appeal was signed jointly by Head of the Islamic Community Mustafa ef. Ceric, Serb Orthodox Patriarch Jovan Gergievski, Cardinal Vinko Puljic, and Head of the BiH Jewish

Community Jacob Finci.

June 9:

- At a session held in Sarajevo, the BiH Council of Ministers adopts a set of laws on citizens' identification (Citizens' Identification Protection System -CIPS) and sends it for consideration by parliament.

June 10:

- For the first time since the war broke out, a passenger train sets off from Sarajevo to Zagreb, paving the way for improved links between BiH and its neighbors.
- Queen Noor of Jordan arrives in Sarajevo for a two-day visit to the BiH capital, where she is to promote the activities of the International Commission on Missing Persons (ICMP).

June 11:

- Jordan's Queen Noor, accompanied by the Chairman of the ICMP, James Kimsey, hold separate meetings with the High Representative, Wolfgang Petritsch, and members of the BiH Presidency Jozo Krizanovic and Beriz Belkic.
- The BiH Minister of Foreign Affairs, Zlatko Lagumdzija, the director of USAID in BiH, Edward Kadunz, and the US ambassador to BiH, Thomas Miller, sign an agreement on the allocation of \$ 25 million in aid intended for the development of utility, health and educational institutions in key return sites in BiH.
- Commenting on the failure of the Brcko Assembly to adopt the education law which would abolish educational segregation in the District, Brcko International Supervisor Henry Clarke notes that he is disappointed but not surprised by the decision. He stressed that this was one more attempt of the SDS to maintain mono-ethnic and mono-linguistic schools in Brcko. ([PR Brcko](#)

June 12:

- The ministers of interior of BiH (Federation and RS), Republic of Croatia and the FRY meet in Belgrade to discuss the joint fight against organized crime and illegal immigration in the region.
- At an extraordinary session, the Federation Parliament's House of Representatives calls on the OHR to annul point seven of the decision on the integration of Zepce municipality, which refers to the inclusion of certain parts of the two neighboring municipalities Maglaj and Zavidovici in the Zepce municipal territory.
- A delegation of the Serbian Government and businessmen led by the Serbian Prime Minister Zoran Djindjic arrives in Sarajevo and meets with senior BiH and Federation officials to discuss improving mutual cooperation in all fields.
- Commenting on frequent objections by RS officials that the single BiH ID card will violate the constitutional principle of equality of languages in BiH, OHR spokesman Oleg Milisic said that the new identification documents will be written in all three BiH languages as well as in English and French, and only the personal data to be filled in will be presented exclusively in Latin script, in accordance with the requirements of the 1968 Vienna Convention on Road Traffic and several Council of Europe provisions on personal documents.

June 13:

- Deputies in both chambers of the BiH Parliament hold a joint session and discuss the new project of the BiH Council of Ministers regarding the development of economic strategy in BiH in the period 2001-2004.
- In a press release, the RS Government notes that the Draft Law on the Single BiH ID, which it claims (wrongly

– see previous day) stipulates the exclusive use of Latin script, severely violates the constitutional principle of equality of languages and script.

June 14:

- Croat member of the BiH Presidency Jozo Krizanovic takes over the chairmanship of this joint body from Zivko Radisic, his Serb colleague. Krizanovic is to remain in the post for the next eight months.
- The BiH Presidency approves last month's signing of the Agreement on Succession to the former Socialist Federal Republic of Yugoslavia.
- Dnevni Avaz reports that the Bosniak and Croat members of the Republika Srpska Constitutional Commission will initiate a discussion on the Agreement on special and parallel relations agreement between the RS and the FRY before the BiH Constitutional Court.
- In a piece published in The Wall Street Journal, the High Representative, Wolfgang Petritsch, stresses that the International Community must "stay the course in BiH" and continue fostering the country's integration in democratic Europe instead of tinkering with ideas of political reorganization, which simply "draw energy away from more pressing objectives." ([PR WSJ Article – June 14, 2001](#))

June 15:

- component of the BiH Federation Army is fully re-established. Anic said that he expects more than 7,200 Croat soldiers to renew their professional contracts with the Federation Defense Ministry.
- OHR announces that, from Monday, June 18th, the documentary series "Koliko jos?" (How much longer?) will air on 25 TV stations in FRY as a series of 30 programs, each five minutes long, being broadcast every working day for the next six weeks. The TV BiH, the RTV of

Republika Srpska, 20 local TV stations in BiH, as well as the CCN network in Croatia have already broadcast the series. This campaign series is focused on the still too large number of citizens who remain displaced and have not been able to resume normal life. ([PR "Koliko jos – June 15, 2001\)](#)

- Deadline for submission of tender bids for the third mobile operator in BiH expires. Communication Regulatory Agency (CRA) closes the tender despite an appeal from the Council of Ministers to extend the deadline and increase the price of the operating license from the "minimal 2 million KM." The CRA says that the selected operator will pay this price only to enter BiH's GSM market. After that, the Agency says, the selected company is expected to invest further in GSM network development and pay an annual tax to the state.

June 16:

- Oslobodjenje reports that the High Representative Wolfgang Petritsch has proposed to the OSCE Chairman in Office, Mircea Geona, that the work of the OHR, the OSCE and the UN missions in BiH be made more efficient through the establishment of a single body, which will be led by the OHR. The daily adds that Petritsch's proposal is to be considered at the upcoming session of the Peace Implementation Council Steering Board (at the level of political directors), scheduled for June 21 in Stockholm.
- The head of the BiH Islamic Community Mustafa ef. Ceric officially announces that a second ceremony to mark the laying of the cornerstone for the reconstruction of the Ferhadija mosque in Banja Luka is to take place on Monday, June 18.

June 17:

- In a public address, BiH Foreign Minister Zlatko

Lagumdzija fiercely criticized the CRA decision to close the tender for the third GSM operator in BiH and sell the license "at such a minimal price, i.e., 2 million KM".

- RS President Mirko Sarovic calls on RS citizens to show utmost tolerance and allow a peaceful and incident-free laying of the cornerstone for the reconstruction of the Ferhadija mosque in Banja Luka.

June 18:

- The Communications Regulatory Agency (CRA) publicly opens tender bids for the third mobile operator in BiH despite the strong opposition of the BiH Council of Ministers to this move. CRA Director Jerker Thorngren announces that Hrvatski Telecom, VIP, Eronet, Zepter Phone and Rumeli Telecom applied for the third license. He stresses that the final selection will be made by July 31.
- BiH Federation Minister of Defense Mijo Anic says that the Croat
- With the assistance of senior RS officials and security of over 2000 police, the Islamic Community holds the cornerstone laying ceremony for the reconstruction of the Ferhadija mosque in Banja Luka, despite demonstrations held in an attempt to prevent the event from taking place. In clashes with violent protesters, 15 RS policemen are slightly injured. International Community representatives commend the work of the RS Ministry of Interior, while the RS vice-president, Dragan Cavic, says the RS leadership regrets the "sporadic incidents in Banja Luka."
- After a meeting with the suspended management of the Hercegovacka Banka, the Federation Finance Minister, Nikola Grabovac, says that the audit of accounts in this bank could be determined within 20 days (see the Administrator's reaction the next day)

June 19:

- Interpol officially opens an office in BiH.
- The Federation Parliament's House of Peoples asks the High Representative, Wolfgang Petritsch, to remove the CRA Director, Jerker Torngren, from his post because of his alleged irresponsible behavior with regard to the interests of BiH citizens and authorized state institutions. The House supports the position of the BiH Council of Ministers in the dispute over the third BiH GSM operator, as do a majority of BiH politicians and the public.
- Commenting on the recent statement of the Federation Finance Minister, Nikola Grabovac, (see last item – July 18) Spokesman for the Provisional Administrator of the Hercegovacka Banka, Johan Verheyden, said that "neither the Federation Finance Minister Nikola Grabovac, nor the suspended Hercegovacka Banka management are in a position to estimate how long the investigation into the operations of Hercegovacka Banka will take." Verheyden stressed that Grabovac has given false hope to the bank's small depositors.
- A spokesman for the RS Ministry of the Interior, Zoran Glusac, confirmed that the RS police had apprehended 97 persons who tried to prevent the laying of the cornerstone for the reconstruction of the Ferhadija mosque in Banja Luka.
- OHR Spokesman Oleg Milisic said at a press conference that the High Representative, Wolfgang Petritsch, regrets the fact that the Ferhadija ceremony was once again marred by a few hundred violent demonstrators. Petritsch, however, acknowledged that the RS local authorities had fulfilled their obligations by securing a safe environment and preventing serious casualties.
- OHR Spokesman Oleg Milisic informs the media that the High Representative, Wolfgang Petritsch, met earlier in the day with senior RS leaders, including the RS Prime

Minister, Mladen Ivanic, and the RS National Assembly Speaker, Dragan Kalinic, and urged them to engage in better co-operation with the state level institutions and the Council of Ministers.

June 20:

- Oslobodjenje reports that the director of the Communication Regulatory Agency (CRA) Jerker Torngren informed the chairman of the BiH Council of Ministers, Bozidar Matic, that the Agency had temporarily suspended the selection process for a third GSM operator in BiH.

June 21:

- After two long days of discussion, the BiH Parliament's House of Representatives fails to adopt the Election Law. Although the adoption of this law was the main requirement for BiH's accession to the Council of Europe, Alliance parties and the SDA object to the draft saying it violates some of the main principles of the European Convention on Human Rights.
- At a session in Stockholm, the Steering Board of the Peace Implementation Council (PIC) confirms the extension of the mandate of the High Representative, Wolfgang Petritsch, for another year and expresses its continued full support for the High Representative and his past and future efforts in Bosnia and Herzegovina. ([PR HR Mandate Extended – June 21, 2001](#))
- At the same session, the PIC Steering Board reviews the proposal of the High Representative, Wolfgang Petritsch, to make the OHR, the UN and the OSCE missions in BiH more efficient. The Board agrees that discussion regarding the streamlining of civilian implementation structures in BiH should get under way soon and that this should be conducted in a practical and transparent manner. ([SB Communiqué Stockholm – June 21, 2001](#))

June 22:

- In a statement to the press, the High Representative, Wolfgang Petritsch, expresses his disappointment over the failure by members of the House of Representatives to pass the draft Election Law. "This failure threatens to jeopardize hitherto successful efforts to consolidate the democratic process in Bosnia and Herzegovina and give its citizens the effective political representation to which they are entitled," said Petritsch in a press release. ([PR HR on failure to pass Election Law – June 22, 2001](#))
- Despite earlier announcements, the members of the BiH Presidency decide not to come up with their own draft version of the election law saying that it is unlikely that any new proposal would gain a majority in Parliament.
- Due to the failure of the BiH House of Representatives to adopt the Election Law, the Chairman of the BiH Council of Ministers, Bozidar Matic, resigns. OHR Spokesman Kevin Sullivan said that High Representative Wolfgang Petritsch respected Matic's decision and labeled it "a sign of political maturity", though it was nonetheless a very unwelcome development.

June 23:

- After a series of comprehensive meetings with representatives of the Council of Europe in Strasbourg to consider the country's prospects for accession to the Council, the High Representative, Wolfgang Petritsch, asked the members of the CoE Political Committee to give BiH another chance to pass the Election Law. ([PR HR holds talks with CoE – June 23, 2001](#))
- Media report that after dedicated lobbying on the part of the High Representative, Wolfgang Petritsch, the Political Committee of the Council of Europe has given BiH a new deadline – September, 2001 – for the

fulfillment of criteria for its accession to the Council.

- At the first domestic donors' conference in Sarajevo, more than 300 representatives of BiH companies, BiH Federation citizens and pensioners pledged approximately 2.5 millions KM for the construction of houses for refugees and displaced persons. The conference, organized by the BiH Federation Ministry for Social Policy, Refugees and Displaced Persons, was aimed at providing financial support for the return of approximately 900,000 refugees to their pre-war homes.
- The Yugoslav Government passed a decree on paving the way for the transfer of war crimes suspects, including its former president, Slobodan Milosevic, to the Hague Tribunal.

June 24:

- Chairman of the Mostar City Council Milan Jovicic rejects an HDZ request to remove the town's mayor, saying that Tomic "is the best possible solution presently offered by the HDZ".

June 26:

- In a joint press release, High Representative Wolfgang Petritsch and Head of the OSCE Mission to BiH Robert Beecroft condemn the most recent failure of the BiH Parliament's House of Representatives to adopt the Election Law and urge the BiH Parliamentarians to pass the law as soon as possible ([Joint OHR, OSCE PR – June 26, 2001](#))
- At a press conference in Sarajevo, the High Representative, Wolfgang Petritsch, assesses very positively the implementation of his Decision dated October 6, 2000 on the integration of Zepce municipality in Zenica-Doboj Canton. Petritsch said that he has been informed by the International Review Panel (IRP) that

nearly all conditions set forth in his decision have been met. ([PR Zepce MBL change – June 26, 2001](#))

- The High Representative, Wolfgang Petritsch, warns the RS Government to swiftly improve its “scandalous” level of cooperation with The Hague Tribunal. In an interview with Reuters news agency, Petritsch said he is outraged with the lack of cooperation between RS authorities and the ICTY.
- The OHR signs Memoranda of Understanding (MoU) with the Ministers of Finance of the two Entities, under which the OHR will start paying appropriate social contributions for its local staff as of July 1.
- The High Representative, Wolfgang Petritsch, and his wife Nora give a donation of 2,400 DEM to the Croatian Cultural Society “Napredak” for the purpose of providing scholarships to two outstanding students. The donation was paid out of the private “Nora and Wolfgang Petritsch Fund”.

June 27:

- At a press conference in Sarajevo, the vice president of the SDP, Sead Avdic, announces that this party will not nominate its candidate for the new chairman of the Council of Ministers. Avdic stresses that the SDP will instead advocate the complete abolition of the rotation principle governing the mandate of the chair.
- The RS minister of education, Gojko Savanovic, his Federation counterpart Mujo Demirovic, and the head of the European Commission mission to BiH, Hansjorg Kretschmer, sign an agreement on modalities for a joint strategy for modernization of education in BiH.
- The law on primary and secondary education in the Brcko District, drafted by the Law Review Commission of the Office of the Brcko Supervisor, does not get the necessary majority in the Brcko District transitional assembly. All 13 Serb deputies vote against the proposed

text of the law, while 14 Bosniak and Croat deputies are in favour of the adoption. ([PR on failure to adopt the Brcko District Election Law – June 27, 2001](#))

- Ministers for Refugees of BiH, Republic of Croatia and the Federal Republic of Yugoslavia sign in Brussels a program of regional action which is to address more decisively the problem of refugees in the region.
- Ambassadors of more than 20 countries assisting the return process in BiH participate in a helicopter tour of key return sites across BiH, which was organized by the High Representative, Wolfgang Petritsch, SFOR commander, General Michael Dodson, and the Chief of the UNHCR Mission, Werner Blatter. ([PR Ambassador's Tour of RA – June 27, 2001](#))

June 28:

- While in Brussels, High Representative to BiH Wolfgang Petritsch, Head of Delegation of the European Commission (EC) to BiH Hansjoerg Kretschmer and officials of the EC condemn the fact that BiH has not met the conditions laid out in the Road Map, by the deadline that was set for June 30. ([PR HR talks with EC – June 28, 2001](#))
- Former Yugoslav President Slobodan Milosevic is handed over to the ICTY in The Hague. This comes just hours after the end of a session in which the Serbian government decided to fulfill its obligations towards The Hague Tribunal. The High Representative, Wolfgang Petritsch, welcomed the decision of the Serbian government to extradite the most high profile individual charged with war crimes. ([PR Milosevic in the Hague – June 28, 2001](#)).
- At a regular session in Sarajevo, the Federation Constitutional Commission discusses amendments to the BiH Federation Constitution and its harmonization with the Constitutional Court's decision on the constituent status of all peoples in BiH. The Commission also comes

up with a proposal to abolish the existing House of Peoples in the Federation Parliament and keep the constitutional commission instead.

- The High Representative, Wolfgang Petritsch, removes three officials in the Herzegovina-Neretva Cantonal Ministry of Interior because of their declaration of support for so-called "Croat self-rule". ([PR HR removes Canton 7 MoI officials – June 28, 2001](#))

June 29:

- Safet Halilovic of the Party for BiH tells Oslobodjenje that the Alliance has started negotiations with "friendly" parties in the RS about the adoption of changes to the Law on Council of Ministers and the abolition of the rotation principle.
- Dnevni Avaz reports that legal experts from the BiH Ministry for Human Rights and Refugees, both entities' refugee ministries, UNHCR and OHR met to discuss further the process of purchasing socially-owned apartments, and disputes related to the issue. UNHCR Spokesperson Aida Feraget said that the participants reached certain conclusions that will be conveyed to the members of the National Commission for Refugees and Displaced Persons, who will make a final decision on the issue.
- The High Representative once again openly calls on RS President Mirko Sarovic, Prime Minister Mladen Ivanic and the RS National Assembly to take concrete measures and start cooperating with The Hague Tribunal. "Otherwise, the international community might apply the part of the May 17 European Parliament's resolution, which clearly mentions possible economic sanctions against the RS," says Petritsch. (link to [EU Parliament's Resolution](#))
- The Foreign Ministers of BiH, FRY, Croatia, Slovenia and Macedonia sign in Vienna the framework agreement on the succession to the former Socialistic Federative Republic of Yugoslavia (SFRY). Commenting on the agreement, High

Representative Wolfgang Petritsch said that it represented a clear signal that southeast Europe is entering a period of regional cooperation, as well as a period of recovery and consolidation. ([PR HR welcomes signing of the succession agreement – June 29, 2001](#))

June 30:

- Oslobodjenje reports that High Representative Wolfgang Petritsch and newly-appointed Head of the OSCE Mission to BiH Robert Beecroft have invited senior BiH and entity officials for a meeting on the “consequences of possible non-adoption of the election law.” Media reports say the meeting will take place on July 16.

ECONOMIC STATISTICS Economic Data BiH for 2000 Source: RS and F BiH Statistical Offices			
Indicator	Federation of BiH	Republika Srpska	BiH (OHR estimate)
Index of Industrial Production 2000 compared to 1999 average	+8,8%	+5,6%	+7,7%
Retail Price Index 2000 compared to 1999 average 01/01 compared to 01/00	+1,2% + 4,3%	+13,6% + 12,2%	N/A

Average Net Salary 2000 2000 compared to 1999 average Average Gross Salary 2000 2000 compared to 1999 average	413 KM +16% 606 KM +9%	277 KM +22% 386 KM +18%	365 KM / 528 KM /
Number of Employed in 2000 Average Registered Unemployed	412,311 265,542	227,740 154,236	640,051 419,778
Number of pensioners in 12/00 Average pension in 12/00	281,005 171 KM	172,405 80 KM	453,410 136 KM
Imports – total for 2000 Exports – total for 2000 Trade deficit in 2000 Import/Export coverage	4,8 billion KM 1,4 billion KM 3,4 billion KM 29,5%	1,7 billion KM 0,8 billion KM 0,9 billion KM 48%	6,5 billion KM 2,2 billion KM 4,3 billion KM 33,8%

RETURN STATISTICS

See Link to the UNHCR Mission to BiH web page at www.unhcr.ba or see the latest statistics for February and March on the Adobe Acrobat files below.

- [Statistics January](#)
- [Statistics February12 ap](#)
 - [Statistics March](#)
 - [Statistics April](#)
 - [Statistics May](#)

JULY

Perhaps the most significant move of the OHR in the month of July was the initiative of the High Representative, Wolfgang Petritsch, to create the **Partnership Forum**, which will provide an arena for discussion between representatives of the International Community and the Council of Ministers. The Forum will offer support to the Council and improve the flow and exchange of information between the International Community and the executive authority in BiH thereby enhancing the overall level of cooperation between the two. In addition, the High Representative proposed the formation of a Civic Forum, which would engage distinguished BiH representatives from the fields of science, culture, media, and business in a constructive dialogue with International Community officials. The creation of the two fora represents a concrete step in the realization of the "concept of local ownership of the peace process" which was promoted by Wolfgang Petritsch at the beginning of his mandate as the High Representative in 1999. Moreover, it also signifies that local authorities will increasingly start assuming more responsibility for the peace process in Bosnia and Herzegovina.

Two issues which would be typical topics of discussion of the Partnership Forum are the tender for the **third GSM operator** in BiH and the ongoing CIPS (Citizens Identity Protection System) project, both of which have caused problems in the relationship between the Alliance and the International Community in the past month. After the Communication Regulatory Agency (CRA), a domestic body responsible for allocating GSM licenses, officially closed the international tender for the third license on June 15, top BiH state officials, including the Minister of Foreign Affairs (and currently the chairman of the Council of Ministers), Zlatko Lagumdžija, fiercely criticized the process, accusing the Agency of “selling the state’s resources at a minimal price.”¹ Moreover, some Federation media, amongst whom the most vocal were *Slobodna Bosna* and *Oslobodjenje* started a media campaign against the International Community, and in particular the OHR, accusing them of “fixing the tender” for the third GSM operator and questioning the transparency of the entire process. On July 24th, the Council of Ministers also expressed some doubts about the tender stressing that the possible winner, if announced on July 31 as planned, will not be acceptable for the state government.

The High Representative, Wolfgang Petritsch, strongly rejected these allegations stressing that the process of selection of the third operator was fully transparent and adding that such politicization of a tender process is very detrimental to the overall development of a market economy in BiH and could discourage potential investors. Petritsch also explained that although the initial price for the GSM license is low, the selected company would be expected to invest greatly, up to 400 million KM, in developing its GSM network in BiH.

Despite this, the CRA on July 31 cancelled the controversial tender after two companies – Hrvatski Telekom and Mobilkom Austria – had expressed serious concern over the politicization of the tender process and formally withdrew, in

the case of the former, and suspended, in the case of the later, their bids. Subsequently, the Council of Ministers and the OHR decided to work jointly on resolving this issue in the spirit of mutual partnership.

On July 25, the RS National Assembly, after a long and heated discussion adopted the general text of the **Draft Law on Cooperation with the ICTY**, which, among other things, stipulates that the RS authorities are responsible for the arrest and extradition of indicted war criminals residing on the territory of the entity. Although this move is termed a positive development in the light of the overall lack of cooperation between the RS and The Hague Tribunal, the OHR reminded the RS leadership that this Law was not necessary, since the Dayton Peace Agreement itself regulates this issue in no uncertain terms. OHR also criticized the RS National Assembly for not putting this law into a speedy parliamentary procedure, instead of scheduling a final vote for September. On July 11, about 3000 Bosniaks and over 30 international and local officials marked in **Potocari** the sixth anniversary of the tragedy at Srebrenica in which over 7,000 Bosniaks went missing after the Bosnian Serb military forces captured the town. The ceremony of unveiling of the three-ton marble stone which will be the centerpiece of the future cemetery passed without a single incidents, albeit amidst tight security provided by RS authorities and the IPTF.

Only a day later, a 16-year old girl, **Meliha Duric**, who recently returned with her family to the village of Dzamdzici, 30 km from Srebrenica, was killed when an unknown assailant opened fire on her family home. The entire International Community strongly condemned this murder, while the High Representative called upon the RS authorities "to leave no stone unturned in the search for the killer." On July 16, RS Police in nearby town of Zvornik detained one person in connection with the brutal killing.

Also in July, the OHR in Sarajevo got a new Principal Deputy

High Representative – Ambassador Donald Hays – who replaced Ralph Johnson in this post.

footnote: 1. The CRA has stipulated that the selected operator must pay two million KM simply to enter the BiH GSM market. Over and above this payment, the agency emphasizes, the selected company is expected to invest further in developing its GSM network and will pay an annual tax to the state.

CHRONOLOGY

July 1:

- In separate interviews for Austrian and Sarajevo dailies, the High Representative, Wolfgang Petritsch, and the Head of the OSCE mission to BiH, Robert Beecroft, call on the RS leadership, in particular the RS president, Mirko Sarovic, his deputy, Dragan Cavic and the entity prime minister, Mladen Ivanic, urgently to start cooperating with the ICTY (International Criminal Tribunal for former Yugoslavia). An ICTY spokesperson, Florence Hartmann, joins these appeals saying that the “RS should stop being a sanctuary for indicted war criminals.”
- Amidst mounting pressure on the RS to arrest and extradite indicted war criminals, the entity prime minister, Mladen Ivanic, prepares for a two-day visit to The Hague, where he is to discuss closer cooperation between the RS and the ICTY.

July 2:

- In a commentary published in The International Herald Tribune, the High Representative, Wolfgang Petritsch, stresses that the extradition of the former Yugoslav president, Slobodan Milosevic, to The Hague will have a strong impact on the RS and should set the stage for the further arrest and transfer of indicted war criminals to

the ICTY (Articles: [Justice in The Hague – July 3, 2001](#))

- In a short mid-year report, the BiH branch of Helsinki Committee for Human Rights notes that the first six months of the year 2001 have been marked by attacks on the state constitution and the Dayton Peace Agreement by the HDZ (Croat Democratic Union) and the SDS (Serb Democratic Party).

July 3:

- Upon releasing a joint OHR-OSCE report on the audit of entity budgets for the year 2000, Wolfgang Petritsch and Robert Beecroft express their deep concern about the state of public finances in BiH and point to widespread corruption in the two entities (PR: [OHR and OSCE Assess Necessary Reform – July 3, 2001](#))
- The RS Minister of Justice, Biljana Maric, announces that the RS government has adopted the draft Law on Cooperation with the ICTY and adds that the RS Prime Minister, Mladen Ivanic, will inform the ICTY prosecutors about the content of this law during his visit to The Hague.
- OHR spokesman Patrik Volf says that the High Representative, Wolfgang Petritsch, welcomes Ivanic's visit to The Hague, but stresses that the OHR remains wholly dissatisfied with the "scandalous" lack of active cooperation between the RS and the ICTY. He, once again, calls on the RS authorities to arrest Radovan Karadzic and Ratko Mladic.

July 4:

- The two strongest Alliance parties in the BiH Parliament's House of Representatives, the SDP (Social Democratic Party) and the Party for BiH, forward draft amendments to the Law on the Council of Ministers to the parliamentary procedure. The disputed amendments initiated by the Alliance purport to abolish the rotating chairmanship of the Council of Ministers and to

strengthen this state institution.

- In an interview with Dnevni Avaz, the Provisional Administrator of Hercegovacka Banka, Toby Robinson, says that the investigation of the banka's operations should be completed in a few weeks and stresses that all collected evidence will be submitted to judicial bodies for review.
- At a regular session, the Federation Constitutional Commission adopts an amendment whereby the provision in the entity constitution that grants special-regime status to two cantons in the Federation is abolished.
- The High Representative, Wolfgang Petritsch, extends the deadline for the use of unclaimed socially-owned apartments without permanent occupancy right holder as an alternative accommodation in order to ensure that they are used as such until all repossession claims have been implemented (PR: [HR extends the deadline – July 4, 2001](#)).
- The Director of the Independent Judicial Commission, Raket Surlen, signs in Banja Luka, together with representatives of both RS and Federation Ministries of Justice, a Memorandum of Understanding on appointment procedures concerning the judiciary of BiH. The MoU is seen as an important step in strengthening the independence of the judiciary (PR: [IJC signs a MoU – July 4, 2001](#))

July 5:

- The Brcko District Supervisor, Henry Clarke, issues a supervisory order imposing the Law on Primary and Secondary school education in the District, aimed at ending segregation in the education system (PR: [Order on Education Law – July 5, 2001](#)).
- Upon arrival in The Hague in a two-day visit to the ICTY, the RS Prime Minister, Mladen Ivanic, says that the RS government is “ready for extradition” of indicted

war criminals, Radovan Karadzic and Ratko Mladic, but stresses that RS authorities do not know the whereabouts of the two men. Despite this pledge of cooperation, Jean-Jacques Joris, the diplomatic advisor to the ICTY Chief Prosecutor, says The Hague Tribunal needs a “more tangible proof” from the RS of their willingness to finally cooperate with the ICTY.

- SFOR (International Stabilization Force) confirms that it is prepared to assist the RS authorities in the arrest of the most wanted war crimes suspect, Radovan Karadzic, if such assistance is needed.
- OHR spokesman Oleg Milisic informed the press that the Ministry of the Civil Affairs and Communications, after its working group evaluated the initial proposal, already in February selected the German company Siemens for work on the CIPS (Citizens Identity Protection System) project.

July 6:

- Representatives of the RS and the Federation governments fail to agree on the modalities for the purchase of apartments in the two entities. The two governments began talks in June regarding the harmonization of entity regulations governing the purchase of apartments, whereby the Federation would abolish the two-year ban on the purchase in exchange for cheaper apartment prices for returnees in the RS.

July 7:

- At a press conference held upon his return from The Hague, the RS Prime Minister, Mladen Ivanic, says that cooperation between the RS and the ICTY can no longer be avoided, but claims that the two most wanted war crimes suspects, Radovan Karadzic and Ratko Mladic, are presently not on the territory of the Republika Srpska. “The RS government has no information about their

whereabouts," says Ivanic.

- Media report that the remains of at least 250 bodies, presumably from Srebrenica victims, have been found in a mass grave in Liplje near Zvornik. The RS authorities deny the number saying it is exaggerated.

July 8:

- Following Belgrade's example, Croatia commits itself to cooperate with The Hague Tribunal and hand over war two crimes suspects wanted by the ICTY. The controversial decision causes a serious rift in the government and plunges the country into a political crisis as the country's nationalist parties and veterans' associations strongly object to such cooperation.

July 10:

- After the failure of the Alliance parties to nominate their candidate for the chair of the Council of Ministers, the BiH Presidency proposes Zlatko Lagumdžija, the current foreign minister, for the post. Lagumdžija, who is on an official visit to the US, says he will make a decision upon his return and after consultations with Alliance member parties and his family.
- The BiH Presidency launches the initiative for the accession of BiH to NATO's Partnership for Peace. This proposal faces strong opposition from RS politicians who are concerned that membership will require the abolition of individual entity armies and the creation of a single BiH military force.
- The first joint entity delegation, comprising BiH Foreign Minister Zlatko Lagumdžija, RS Prime Minister Mladen Ivanic and BiH Minister for Foreign Trade Azra Hadžiahmetović, arrives in Washington D.C. on its official visit to the United States, where they are meeting with the US Secretary of State, Colin Powell, and senior members in Congress and the Senate in charge

the US policy on the Balkans.

July 11:

- About 3000 Bosniaks and over 30 international and local officials mark the sixth anniversary of the tragedy at Srebrenica in which over 7,000 Bosniaks went missing after the Bosnian Serb military forces captured the town. Families of the victims and other survivors gathered to witness the unveiling of a three-ton marble stone which marks the location of a projected memorial. Both local and international media note the significant absence of senior Republika Srpska dignitaries from the ceremony. In a statement to the press, the High Representative, Wolfgang Petritsch, expressed his heartfelt sympathy for all of those who lost their loved ones in this crime, and once again called on the RS authorities to arrest the indicted war criminals Radovan Karadzic and Ratko Mladic. (PR: [High Representative honors – July 11, 2001](#))
- In an interview with Zagrebas Vecernji List, the Provisional Administrator of Hercegovacka Banka, Toby Robinson, says that the audit of the banka's accounts and the follow-up investigation should be completed in the next few weeks and stressed that the results obtained so far indicate certain irregularities in the banka's operations.

July 12:

- A 16-year-old girl, Meliha Duric, who recently returned with her family to the village of Dzamdzici, 30 km from Srebrenica in the RS, is killed when an unknown assailant opens fire at her family home. UNHCR (United Nations High Commissioner for Refugees) spokesperson Aida Feraget notes that this is the second serious incident since May 1, when Bosniaks started returning to the area. Strongly condemning this attack, the High Representative, Wolfgang Petritsch, calls on the RS

authorities “to leave no stone unturned in the search for the killer.” (PR: [High Representative condemns fatal attack – July 12, 2001](#))

- RS authorities, including the entity president, Mirko Sarovic, and the Serb member of the BiH Presidency, Zivko Radisic, attend a memorial service in Kravice, near Srebrenica, for Serbs killed in eastern Bosnia during the war.
- During his short visit to Sarajevo, Lord Russell Johnston, the chairman of the Parliamentary Assembly of the Council of Europe, meets with representatives of both chambers of the BiH Parliament and discusses with them BiH's accession to the Council of Europe. Johnston expresses hope that BiH Parliamentarians will pass before September the Election Law, which is the most important requirement for BiH membership in the CoE.
- Deputy Speaker of the BiH Parliament's House of Peoples, Sejfudin Tokic, proposes the abolition of all place-names in the Republika Srpska with the prefix “Srpsko”, e.g., Srpsko Sarajevo, Srpsko Gorazde, Srpski Brod, etc., as they “discriminate against Croats and Bosniaks and therefore violate the Dayton Peace Agreement.”
- Ministers of Defense of the RS and the FRY, Slobodan Bilic and Slobodan Krapovic, sign an agreement on military cooperation intended to, among other things, “heighten transparency in the funding and training of the RS armed forces by the FRY.” Evaluating this treaty, the High Representative, Wolfgang Petritsch, notes that the signed Agreement had no legal effect and that it should be fully reviewed in consultations with OHR legal experts.

July 13:

- During a one-day visit to BiH, the Secretary-General of NATO, Lord George Robertson, meets with the members of the BiH Presidency and discusses the BiH accession to NATO's Partnership for Peace. At a press conference, Robertson stresses that the NATO troops in the country

do not have any knowledge about the whereabouts of the two best-known war crimes suspects, Radovan Karadzic and Ratko Mladic.

July 15:

- The London-based Observer and several local newspapers in Sarajevo report that SFOR, backed by the British Special Air Service (SAS), attempted to arrest late Friday night the indicted war criminal Radovan Karadzic in eastern Bosnia. The media claim that a number of SAS officers were killed in this action, while Karadzic allegedly managed to escape. Although the ICTY (International Criminal Tribunal for former Yugoslavia), SFOR and the British Ministry of Foreign Affairs denies the reports, major media in Europe continue speculating about this alleged action.

July 16:

- About 30 Bosniak residents of Kotorско near Doboj hold peaceful demonstrations in front of the OHR building in Sarajevo, protesting against the allocation of socially-owned land to Serbs who do not want to return to the Federation. Kotorско Bosniaks claim that the land being distributed in effect belongs to Bosniaks.
- The Zvornik Public Security Center announces that it has detained a person in connection with the July 12th murder of a teenage Bosniak girl, Meliha Duric in a village of Dزامdzici, 30 km from Srebrenica.
- US Ambassador Donald Hays arrives in Sarajevo to assume his new post as the Principal Deputy High Representative in BiH. Hays replaces Ambassador Ralph Johnson. (PR: [High Representative welcomes – July 16, 2001](#))

July 17:

- The High Representative, Wolfgang Petritsch, issues three Decisions in the field of property rights that

will enable displaced persons and refugees in both entities to participate in the privatization of socially-owned apartments without encountering discriminatory obstacles. The High Representative, among other things, lifts the two-year ban on the purchase of apartments in the Federation and enables their purchase by returnees in the RS for 75% of the price. (PR: [High Representative Amends – July 17, 2001](#))

- At a regular session, members of the RS Constitutional Commission agree to introduce an amendment to Article 1 of the Entity Constitution which would define the Republika Srpska as an entity of Serbs, Bosniaks, Croats, ethnic minorities and other RS citizens.

July 18:

- The BiH Parliament's House of Representatives elects BiH Foreign Minister Zlatko Lagumdžija as the new chairman of the Council of Ministers, despite the opposition of representatives of the three main nationalist parties, the SDA (Party of Democratic Action), the HDZ (Croat Democratic Union) and the SDS (Serb Democratic Party).
- In his first address before the BiH Parliament, the new chairman of the Council of Ministers, Zlatko Lagumdžija, strongly criticizes the International Community because of its alleged non-transparent and inadequate handling of the CIPS (Citizens Identification Protection System) project and its decision to entrust the German company Siemens with this expensive project.
- At a press conference, Nijaz Duraković, a member of the Main Board of the SDP (Social-Democratic Party) says that the Chief Executive of the CRA (Communication Regulatory Agency) should be declared persona non grata in BiH because of his continuous refusal to annul the controversial tender for the third GSM operator in BiH. Duraković adds that this "shameful tender indicates that bribery and corruption are also present in the CRA," and

accuses its senior official of “mafia-like practices”. OHR spokesman Oleg Milisic rejects Durakovic’s allegations as unsubstantiated, and terms his language libelous, adding that such behavior may jeopardize the business environment in BiH and discourage companies from investing.

- UN/IPTF Spokesman Alun Roberts reports that the RS Ministry of Interior has spent over 800,000 KM thus far in securing Bosniak religious gatherings in the entity, and informs the press that the RS Police will ask the organizers of such events to cover some of the costs.

July 19:

- In order to enhance the level of cooperation between the Council of Ministers and the International Community and to strengthen civil society, the High Representative, Wolfgang Petritsch, proposes the formation of two new bodies – a Partnership Forum and a Civic Forum – which will provide an arena for discussion between representatives of the International Community and members of the Council as well as distinguished representatives from the fields of science, culture, media and businesses throughout BiH. (PR: [High Representative introduces – July 19, 2001](#))
- At a regular session, the Federation Constitutional Commission agrees on forty amendments to the Federation Constitution, thereby completing the initial phase of its job related to the implementation of the Constitutional Court’s decision on the constituent status of all peoples on the entire territory of BiH.
- At a regular press conference, OHR spokesman Oleg Milisic stresses that the entire process undertaken throughout the CIPS project has been transparent and in accordance with world standards on procurement, namely, with the WTO (World Trade Organization) Agreement on Government Procurement.
- Commenting on the frequent claims by the press that the CRA-guided tender process for the third GSM operator in

BiH was not sufficiently transparent, OHR spokesman Oleg Milisic says that such behavior towards the independent regulator like the CRA makes no positive contribution to the establishment of a professional business environment in BiH and discourages further foreign investments.

July 20:

- In a joint statement for the press, the members of the BiH Presidency, Zivko Radisic, Beriz Belkic and Jozo Krizanovic, and the High Representative, Wolfgang Petritsch, welcome the initiative to create the so-called Partnership Fora. (PR: [Joint Statement of the BiH Presidency – July 20, 2001](#)). According to media reports, the public opinion, by and large, welcomes this initiative, although some voice criticism that this proposal has come a bit too late.

July 21:

- In an interview with Banja Luka's Alternative Television, the RS President, Mirko Sarovic, says that the RS is ready to, in accordance with the entity law, arrest war crimes suspects, and he denies that any of the indicted war criminals, including Ratko Mladic and Radovan Karadzic, are presently on the territory of the Republika Srpska.

July 22:

- Dnevni Avaz reports that the RS Ministry of Interior has asked the Coordination Board of Srebrenica associations to pay 564,000 KM to cover the cost of security provided during the memorial ceremony in Potocari held on July 11. OHR spokesman Oleg Milisic said that the RS authorities should not issue such requests since such tight security would not be necessary if the RS institutions had secured an overall climate in which human rights are respected.

- In an interview with Banja Luka's Reporter, the RS President, Mirko Sarovic, says that the indicted war criminal Radovan Karadzic is no longer an SDS member. Sarovic says Karadzic left the party voluntarily in 1996 and has not even had a vague presence in the SDS since then.

July 23:

- At a joint session, members of the Founding Board of the PBS (Public Broadcasting Service) and the Federation TV Council decide to suspend the current process for recruiting staff for Federation Television, which is to start broadcasting on September 15. The two bodies decide that staff will be recruited simultaneously for Federation TV and the PBS, and in agreement with the RTV BiH Trade Union, at a later stage.
- The High Representative, Wolfgang Petritsch, welcomes the successful conclusion of negotiations on the Gornji Vakuf-Uskoplje Agreement, which is to bring to an end the long-lasting division in this area, uniting Gornji Vakuf and the unrecognized municipality of Uskoplje into one municipality. (PR: [Gornji Vakuf-Uskoplje – July 23, 2001](#))

July 24:

- At a regular session, deputies in the BiH Parliament's House of Peoples formally, i.e., after the first reading, agree to amend the Law on the Council of Ministers thereby abolishing the rotation principle governing the mandate of the chair of the Council of Ministers. The proposed amendment, however, does not secure the Entity majority and consequently requires further harmonization. All other proposed laws at this session face similar fate, as the caucus of Serb representatives votes down all the proposed legislation thereby virtually blocking the work of the Parliamentary

Assembly.

- Representatives of the BiH Council of Ministers, Zlatko Lagumdžija, Kresimir Zubak and Svetozar Mihajlovic, and of the International Community, Donald Hays (the Principal Deputy High Representative), Matthias Sonn (Senior Deputy High Representative) and Thomas Miller (US Ambassador to BiH) agree on the text of the Draft Civil Service Law, which is to ensure that employees of state institutions are employed in accordance with their qualifications and not their party membership. The Draft Law stipulates that all candidates will be selected by a special agency whose director, in the first two years, will be appointed by the High Representative.
- The chair of the Council of Ministers, Zlatko Lagumdžija, stresses that the refusal of the CRA (Communication Regulatory Agency) to annul the tender for the third GSM operator in BiH is unacceptable, and adds that the possible winner, if it is announced on July 31 as anticipated, will not be acceptable to the Council of Ministers. Commenting on this and similar statement of certain BiH politicians and the press, the High Representative, Wolfgang Petritsch, stresses that such politicization of a tender process is very detrimental to the overall market economy in BiH and could discourage potential investors from working in the country.
- Speaking before the US Congress Foreign Policy Committee, Cardinal Vinko Puljic and Mostar Bishop Ratko Peric, suggest that the two optimal solutions for the internal organization of BiH are its cantonization, or the creation of a Croat unit, with simultaneous abolishment of the entities. Two were also highly critical of the work of the International Community in BiH and its treatment of the Croat population in the country.
- At a press conference, OHR spokesman Patrik Volf announces that the High Representative has appointed

Ambassador Istvan Oszl as his Special Envoy in Trebinje, while Daniel Ruiz, who formerly served in this function, has been reassigned to a new post in Sarajevo OHR. Oszl has extensive diplomatic experience and served as a Deputy Foreign Minister of Hungary.

July 25:

- After a long and heated discussion, deputies in the RS National Assembly adopt, in the first reading, the Draft Law on the Cooperation with the ICTY. The Draft Law will go for a final reading before the Assembly in early September.
- OHR spokesman Kevni Sullivan says that the RS Law on Cooperation with the ICTY is not really necessary, since this cooperation is regulated by the Dayton Peace Agreement. He, once again, reiterates that the OHR expects the RS authorities to arrest and extradite the publicly indicted war criminals who are residing on the territory of the RS.

July 26:

- Sarajevo media report that the City Police arrested earlier in the week three naturalized BiH citizens under suspicion that they are associated with the world renown terrorist Osama bin Laden. According to reports, one suspect has been handed over to the CIA, while the other two are to be extradited to French and Italian authorities.
- In an interview with Dnevni Avaz, Jerker Torngren, the chief executive of the CRA, says that his Agency has not yet made a decision as to whether to announce the winner of the third GSM operator tender on July 31, as previously announced, saying that certain aspects of the selection process have not yet been completed. Torngren also complained that he had met only once with the Council of Ministers, expressed hope that this

institutions will show more willingness to discuss this issue in the future.

- Minister of Civil Affairs and Communications, Svetozar Mihajlovic, announces that the Council of Ministers will ask the High Representative, Wolfgang Petritsch, to annul the tender for the third GSM operator in BiH.
- The High Representative, Wolfgang Petritsch, meets the UN Secretary General Kofi Annan and discusses the present situation in BiH, in particular the newly created Partnership Fora and the adoption of the Election Law. (PR: [High Representative meets – July 27, 2001](#))

July 27:

- In an interview with Oslobodjenje, the chief executive of the CRA, Jerker Torngren, explains that only the CRA can annul the existing tender for the third GSM operator in BiH.
- The Senior Deputy High Representative, Matthias Sonn, and the Director of the Independent Judicial Commission, Rakel Surlen, call upon the Federation House of Peoples urgently to adopt the Amendments to the Law on Judicial and Prosecutorial Service in the Federation. (PR: [Establishing Rule of Law – July 27, 2001](#))

July 30:

- In a letter, the chair of the Council of Ministers, Zlatko Lagumdžija, asks the High Representative, Wolfgang Petritsch, to annul the tender for the third GSM operator in BiH and open a new one, which is in accordance with international standards and usual business practices.
- The presidents of the SDS (RS Serb Democratic party), Dragan Kalinic, and the Democratic Party of Serbia (DSS), Vojislav Kostunica, sign an agreement on cooperation between the two parties.

July 31:

- The CRA (Communication Regulatory Agency) decides to annul the tender for the third GSM operator in BiH because two companies, Hrvatski Telecom and Mobilcom Austria have announced that they will either partially or fully withdraw their bids due to overwhelming politicization of the tender process.
- Onasa news agency reports that the head of the negotiating team of the HDZ (Croat Democratic Union), Bozo Ljubic, has resigned from this post because of the alleged increasing pressure of the party hard-liners. HDZ confirmed receiving an irrevocable resignation from Ljubic, but refused to comment on the reasons behind it.
- The World Bank issues a report "Diagnostic Survey of Corruption" which indicates that BiH is among the countries in transition with the highest level of corruption, coming immediately after Serbia, Romania, Albania and Bulgaria.
- At its regular session, the Federation government decides to pay the two backlog pensions by the end of the year – one in August and the other one in November, while the funds for the remaining three should be secured next year.
- The Sarajevo Canton Prosecutor asks the Cantonal Court in Sarajevo to initiate a proceedings against senior HDZ officials, Ante Jelavic, Marko Tokic, Ivo Andric Luzanski, and Zdravko Batinic, who were dismissed by the High Representative, as well as Miroslav Prce and Dragan Curcic because of reasonable doubt that they have undermined the defense capacity of the Federation Army. All the accused categorically deny the allegations.
- Senior Deputy High Representative, Matthias Sonn, meets with four of five members of the Serb caucus in the BiH Parliament's House of Peoples – Momcilo Novakovic, Nikola Spiric, Dragutin Ilic, and Dragutin Rodic – and discusses their work in this chamber of the BiH Parliament. (PR: [SDHR meets – July 31, 2001](#))

ECONOMIC STATISTICS

Economic Data BiH for 2000

Source: RS and FBiH Statistical Offices

Indicator	Federation of BiH	Republika Srpska	BiH (OHR estimate)
Index of Industrial Production 2000 compared to 1999 average	+8,8%	+5,6%	+7,7%
Retail Price Index 2000 compared to 1999 average 01/01 compared to 01/00	+1,2% + 4,3%	+13,6% + 12,2%	N/A
Average Net Salary 2000 2000 compared to 1999 average Average Gross Salary 2000 2000 compared to 1999 average	413 KM +16% 606 KM +9%	277 KM +22% 386 KM +18%	365 KM / 528 KM /
Number of Employed in 2000 Average Registered Unemployed	412,311 265,542	227,740 154,236	640,051 419,778
Number of pensioners in 12/00 Average pension in 12/00	281,005 171 KM	172,405 80 KM	453,410 136 KM
Imports – total for 2000 Exports – total for 2000 Trade deficit in 2000 Import/Export coverage	4,8 billion KM 1,4 billion KM 3,4 billion KM 29,5%	1,7 billion KM 0,8 billion KM 0,9 billion KM 48%	6,5 billion KM 2,2 billion KM 4,3 billion KM 33,8%

RETURN STATISTICS

See Link to the UNHCR Mission to BiH web page at www.unhcr.ba or see the latest statistics for February and March on the Adobe Acrobat files below.

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August

SUMMARY

In August, which is usually a month of summer vacations, two events, the long-awaited adoption of the BiH Permanent Election Law and the second anniversary of the beginning of High Representative Wolfgang Petritsch's mandate in BiH, attracted particular public attention.

Following two years of discussion, both Houses of the BiH Parliamentary Assembly, the House of Representatives on August 21 and the House of Peoples two days later, adopted the BiH Permanent Election Law. This represents perhaps the most important precondition for the country's accession to the Council of Europe. The version adopted left open certain disputed issues including the method of electing the BiH Federation and Republika Srpska Presidents and Vice-Presidents, and the delegates to the BiH Federation House of Peoples. These provisions will be defined once the BiH Constitutional Court's decision on the constituency of peoples is fully implemented. All BiH political parties belonging to the Alliance for Change, their partners and the international organizations, excluding representatives of the SDS, the HDZ and one delegate of the SDA, welcomed the adoption of the law.

On August 16, the High Representative, Wolfgang Petritsch, marked the second anniversary of his appointment. At a press conference held on the occasion in Sarajevo, Petritsch outlined the results achieved in the past two years and looked ahead to the next 12 months of his mandate. In addition to pursuing the three strategic priorities of refugee return, economic reform and strengthening of the state institutions, he said he would pay particular attention to establishing a functioning and independent judiciary and police, and genuine public broadcasting. The implementation of these priorities include the development of a deeper partnership with the BiH authorities. The High Representative also discussed the future of the international engagement in BiH. "The peace implementation process has already begun to overlap with the Europeanisation process," he said. "As time passes, there will be a gradual shift from the former to the latter – so-to-speak from Dayton to Europe."

At the beginning of the month, on August 2, the High Representative, Wolfgang Petritsch, and the Chairman of the BiH Council of Ministers, Zlatko Lagumdžija, agreed on future models of cooperation through the Consultative Partnership Forum at what was the first session of this body. The Forum does not constitute a new political institution, but will be a place where urgent issues are discussed and resolved at the highest level. Participation by the High Representative and the Chair of the Council is envisaged at all meetings of the Forum.

On August 14, the International Supervisor for the Brcko District, Henry Clarke, issued an order halting all privatization activity conducted by the Entities in Brcko District and declaring all Entity actions undertaken so far with regard to privatization in the area of the District to be without legal effect. He then initiated meetings with Entity Privatization Agencies designed to resolve the dispute over this issue between the Governments of the BiH Federation and

Republika Srpska. OHR with the District Government prepared tenders for privatization of 67% of capital of an initial group of strategic enterprises to be offered in September. The disputed percentage will remain under District control until the Entity dispute on use of vouchers and certificates can be resolved. On a separate issue, Supervisor Clarke ensured that the school year began on schedule in the District, in spite of the District Assembly's delay in adoption of the Education plan defining the network of secondary schools presented by the Government (adopted on 25 August).

An independent international team of experts headed by the Dutch lawyer Wim Timmermans finished a legal audit of Aluminium Company in Mostar and handed over their report to all interested parties including the BiH Federation Government, the Company Management, and the Federation Privatization Agency. The report, commissioned by OHR, is intended to instigate a dialogue between the Federation Government and the management of Aluminium Mostar to resolve the issues linked to the disputed privatisation and ownership structure of the company, as well as the discrimination of former Bosniak and Serb employees. Certain political parties in the Federation, particularly the SDP and the Party for BiH, criticised the report, which they said discounts the interests of the Federation Government. However, even within the Alliance for Change, there was no consensus on this issue. The leader of the New Croat Initiative, Kresimir Zubak, said in an interview with Dnevni Avaz (published on August 29) that his party did not support the media campaign of the SDP and the Party for BiH on this issue.

OHR on August 30 suspended its December 2000 waiver allowing for the allocation of socially-owned land plots in the settlement of Kotorsko, municipality Doboj. The suspension means that all construction work on the land affected by this waiver must cease. The decision was made following a review of new conflicting documentation submitted by the Doboj

authorities and representatives of the Bosniak returnees to the village. The documentation indicates that the information based on which the waiver was granted was partially incorrect. Both refugee groups held protest rallies in August requesting the resolution of situation. The dispute over property rights in Kotorsko is currently being considered by the BiH Chamber for Human Rights. The Chamber made a decision in August ordering a temporary halt to all construction work on the land until completion of the proceedings.

CHRONOLOGY

August 1:

- The **Brcko District Government's Education Department** issues the Plan of Implementation of the Law on Primary and Secondary Education in the next school year 2001/2002. According to the general principles of the plan, all schools are integrated and each student will have freedom of expression in his mother tongue. Teachers will have to accept such communication without any correction, thus overcoming the language barrier and introducing the use of all three languages in class.
- BiH Minister for Foreign Trade and Economic Relations **Azra Hadziahmetovic** agrees with **CRA** Chief Executive Jerker Torngren that all future CRA activities related to the tender for the third GSM license will be carried out in close coordination with the BiH Council of Ministers.

August 2:

- The High Representative Wolfgang Petritsch and the Chairman of the BiH Council of Ministers Zlatko Lagumdzija, together with the State ministers, agree on future models of cooperation through the **Consultative**

Partnership Forum. The Forum will not constitute a new political institution, but will be a place where urgent issues are discussed and resolved at the top level. (PR: OHR&CoM – August 2, 2001)

- In a letter to Republika Srpska Prime Minister Mladen Ivanic, the High Representative notes that the **agreement on military cooperation** signed by the Ministers of Defense of the RS and the Federal Republic of Yugoslavia on July 12, 2001 has no legal effect. (PR: [RS FRY Military Agreement has no legal effect – August 2, 2001](#))
- Dzevad Agic and Nikola Milic, representatives of **Gornji Vakuf and Uskoplje**, and the president of the Central Bosnia Canton, Rudo Vidovic, and his deputy, Nedžad Hadžić, sign an agreement uniting the municipality of Gornji Vakuf and the illegal municipality of Uskoplje. The Office of the High Representative and the OSCE Mission to BiH welcome the signing of the Agreement. (PR: [OHR&OSCE welcome signing – August 2, 2001](#))
- The BiH Federation Government announces it has detained three Bosniak wartime military officers, Generals **Mehmed Alagic** and **Enver Hadžić** and Brigadier **Amir Kubura**, and will hand them over to The Hague Tribunal. The three will face trial on charges of war crimes committed against Bosnian Croat prisoners and civilians during the 1992-95 war.
- The former Republika Srpska General **Radislav Krstić** is sentenced to 46 years in prison for the 1995 Srebrenica massacre of thousands of Bosniak men and boys and is the first person convicted of genocide by The Hague Tribunal.

August 3:

- The High Representative, Wolfgang Petritsch, issues two Decisions that are aimed at improving the work and enhancing the independence of the **judicial system** in BiH. (PR: [HR's decisions on judiciary – August 3, 2001](#))

August 6:

- The Principal Deputy High Representative, Donald Hays, meets with the Council of Ministers' internal review panel on the **CIPS** (Citizens' Identification Protection System) project and hands its members a comprehensive report on the history and handling of the issue. (PR: [PDHR hands CIPS report – August 6, 2001](#))
- Bosniak residents of **Kotorsko**, Doboj, Modrica, Bijeljina and Janja hold a peaceful protest in front of the OHR building in Sarajevo against the allocation of socially-owned land in the Republika Srpska to Serbs who refuse to return to the BiH Federation.
- The Banja Luka daily **Glas Srpski** publishes a 12-page list of 941 names provided by the Republika Srpska Government Documentation Center in Banja Luka. The names purportedly belong to individuals who committed war crimes against Serb prisoners held in BiH between 1992 and 1996.

August 7:

- Kotorsko residents continue their protest in front of the OHR building in Sarajevo. The Chairman of the BiH Council of Ministers Zlatko Lagumdžija and the Deputy Speaker of the BiH Parliament's House of Peoples, Sejfidin Tokić, support them and ask the High Representative, Wolfgang Petritsch, to temporarily suspend both the allocation of the land and construction of the houses. Commenting on the issue, the OHR spokesman, Kevin Sullivan, says that the OHR is reviewing the documentation submitted by the Kotorsko residents related to the allocation of the disputed land in the Doboj area.

August 8:

- At a press conference in Mostar, the spokesman for the

Provisional Administrator of **Hercegovacka Banka**, Johan Verheyden, announces that in the case of a liquidation of the bank, its small depositors will receive preferential treatment, as prescribed by the law, and be paid their savings. He stresses that the funds that are stored in a safe place – the BiH Central Bank in Sarajevo – will most likely be sufficient and available in the case of liquidation of the bank.

- The BiH Presidency adopts a document entitled “General Guidelines and Priorities for Implementing the **Foreign Policy of BiH**,” which defines the general guidelines, tasks and priorities in the sector of the country’s foreign policy.
- Responding to an initiative put forward by BiH Minister for European Integration Dragan **Mikerevic**, the Principal Deputy High Representative, Donald **Hays**, and the French and Yugoslav Co-Chairs of the Stability Pact’s Initiative on Social Cohesion Oliver Villey and Jela Bacovic meet with the Entity and State ministers responsible for health, pensions, welfare, employment, refugee return and war veterans in Sarajevo to discuss improvements in those areas. (PR: [Hays and Mikerevic meet – August 9, 2001](#))

August 9:

- At an initial hearing before the ICTY in The Hague, the three senior BiH Army wartime officers arrested earlier in the month deny any responsibility for war crimes against mainly Croat civilians in central BiH in 1993-94. The retired generals Mehmed **Alagic** and Enver **Hadzihasanovic**, and brigadier Amir **Kubura** were the highest-ranking Bosniaks yet to appear before the Tribunal.
- In a joint press release, the OHR and the OSCE strongly condemn the publication of a list of 941 alleged Bosniak and Croat war criminals, which appeared in the August 6

edition of the Banja Luka daily **Glas Srpski**. (PR: [OHR and OSCE on irresponsible publication – August 9, 2001](#))

- OHR requests the Doboј municipality to halt all construction on the **Kotorsko** land plots for a period of 15 days pending the completion of a review of new information presented to the OHR by Kotorsko residents. The Deputy High Representative for Return and Reconstruction, Valerie Slujiter, and the BiH Council of Ministers chairman, Zlatko Lagumdžija, agree that the process of reallocation of land in both the BiH Federation and the Republika Srpska requires further review in order to ensure that these allocations are transparent, in the best public interests, and non-discriminatory. (PR: [OHR and CoM meet on land allocation – August 9, 2001](#))
- During a short visit to Trebinje, the High Representative, Wolfgang **Petritsch**, meets with the Serb Orthodox Bishop of Zahumlje and Herzegovina, **Grigorije**, and discusses the present situation in BiH. Petritsch stresses that there can be no BiH without the Serbs and that there is no future in BiH without mutual cooperation among the three constituent peoples in the country. He adds that Serbs, Croats and Bosniaks must jointly find solutions in order to secure their place within Europe and the world.

August 10:

- NATO troops arrest the Republika Srpska Army colonel **Vidoje Blagojevic** wanted for war crimes under a sealed indictment by the ICTY. Blagojevic, the former head of an engineering unit of the RS Army wartime Drina Corps, is indicted for his involvement in crimes committed against Bosniaks in the area of Srebrenica in 1995. NATO Secretary General George Robertson welcomes the operation and says that not a single indictee will escape justice.

August 11:

- The Sarajevo Canton Court's investigating judge, Idriz Kamenica, confirms that the Court has summonsed four out of **seven Croat National Assembly (HNS) officials** for an initial hearing. These include former BiH Federation President Ivo Andric Luzanski and former Federation Defense Minister Miroslav Prce. Dnevni Avaz reports that Kamenica says Ante Jelavic and two other HNS officials (Marko Tokic and Dragan Curcic) had still not been summonsed because the Court did not know their exact home addresses. The Sarajevo Canton Prosecutor asked on July 31 the Sarajevo Canton Court to launch an investigation into the activities of the seven HNS officials on the basis of reasonable doubt that they had jeopardized the territorial integrity of BiH.
- Jutarnje Novine reports that the Serb Refugee Association **Ostanak** maintains that the OHR's request to ban further construction of houses in the locality of Kotorsko will prompt Serb refugees to resist. The Association, which gathers Serbs who do not want to return to their pre-war homes in the BiH Federation, emphasizes that the OHR is being pressed by unrealistic demands of Bosniak returnees to **Kotorsko**.

August 12:

- A rally of support for the most wanted war-crimes suspect Radovan **Karadzic** is being held in the Montenegrin coastal town of Herceg Novi. The rally followed three similar gatherings organized by an association dubbed "Matica Brda" in the Montenegrin towns of Zabljak, Berane and Pljevlja. According to a speaker at the rally, Karadzic has been spending his summer holidays in a hotel on the Montenegrin coast.

August 13:

- The BiH Croat Democratic Union (**HDZ**) announces the addresses of the dismissed president and vice-president of the party, Ante Jelavic and Marko Tokic. In a press release, the party says it has taken this step following media reports that the summons to a hearing before the Cantonal Court in Sarajevo have still not been delivered because the addresses of Jelavic and Tokic were unknown to the Court.
- BiH Presidency member **Beriz Belkic** visits **Stolac**, where he meets with Mayor Zdravko Kuzman and Municipal Council Chairman Kemal Isakovic to discuss problems related to the return of refugees and repossession of property.

August 14:

- The Supervisor for the **Brcko District**, Henry Clarke, issues an order halting all privatization activity conducted by the Entities in Brcko District and declaring all Entity actions undertaken so far with regard to privatization in the area of the District to be without legal effect. He then initiated meetings with Entity Privatization Agencies designed to resolve the dispute over this issue between the Governments of the BiH Federation and Republika Srpska. (PR: [Clarke halts privatization in Brcko District – August 14, 2001](#))

August 15:

- The High Representative, Wolfgang Petritsch, and BiH Council of Ministers Chairman Zlatko Lagumdžija sign a Memorandum of Understanding on the payment of **social contributions** for OHR local staff. (PR: [HR and CoM Chair sign MoU – August 15, 2001](#))
- Dragan Jokic, a Lieutenant-Colonel in the Republika Srpska Army, voluntarily surrenders to representatives of the Hague Tribunal in Banja Luka. A sealed indictment

against Jokic relates to war crimes committed in eastern BiH, including the 1995 massacre of up to 8,000 Bosniak men and boys in the United Nations "safe area" of Srebrenica. Jokic is the first RS army member to surrender voluntarily.

- An initial hearing of former BiH Federation Prime Minister **Edhem Bicakcic** and his deputy **Dragan Covic** takes place before the Cantonal Court in Sarajevo. The investigation against Bicakcic and Covic was launched on the basis of reasonable doubt they had abused their offices through illegal financial transactions. Bicakcic has been removed from his post as Director of Elektroprivreda by the High Representative, Wolfgang Petritsch, and barred from political activity in BiH.
- A campaign aimed at promoting the work and strengthening the position of the **border service** officially opens at the UN Mission building in Sarajevo. Head of the UN Mission in BiH Jacques Klein stresses the importance of the service in protecting BiH borders, warning that BiH loses some 500 million marks in revenue every year due to smuggling activities.

August 16:

- The High Representative, Wolfgang **Petritsch**, holds a press conference titled "From Dayton to Europe" in Sarajevo to mark **the second anniversary** of his mandate in BiH. Petritsch emphasized that, in the future, he would work on establishing a partnership relation with the BiH authorities, continue to work on return of refugees and displaced persons, economic reforms and the state and institution building. (PR: [HR press conference on occasion on the second anniversary of his mandate – August 16, 2001](#))
- The Republika Srpska Army colonel, **Vidoje Blagojevic**, pleads not guilty to charges of genocide and crimes against humanity for his alleged role in the 1995

Srebrenica massacre. See August 10.

- At a session in Sarajevo, the BiH Council of Ministers proposes that the money BiH obtained from the conclusion of the process of **succession** from former Yugoslavia should be spent on stimulating further development of the economy.
- At a meeting in Banja Luka, delegations of the defense ministries and the armies of the Republika Srpska and the FRY and OHR representatives start discussions about the **agreement on military cooperation**, which was suspended by the High Representative on August 2 and must be redrafted in order to be accepted as an annex to the Special Parallel Relations Agreement between the RS and the FRY.

August 17:

- At a public debate with representatives of the RS judicial institutions, Banja Luka University and international organizations in Banja Luka on the Republika Srpska draft **law on cooperation with the ICTY**, RS Deputy Justice Minister Mladjen Mandic says that the RS has to define this cooperation in order to eliminate the use of sealed indictments and protect its citizens from what he described as a brutal way of apprehension.

August 18:

- At a protest rally in **Kotorsko**, the Serb displaced persons who started building the houses on socially owned land claimed by Bosniaks, say they will not accept the OHR decision on the temporary stoppage of construction work.

August 19:

- BiH Council of Ministers Chairman Zlatko **Lagumdžija** meets with the Republika Srpska and BiH Federation Prime Ministers, Mladen **Ivanic** and Alija **Behmen**, to discuss

current political priorities in the work of the BiH and Entity institutions. The officials emphasize the need for particular attention to be paid to the adoption of the Election Law, better cooperation and coordination between the BiH Council of Ministers and Entity Governments, and further development of partnership relations with the international community.

August 20:

- The International Supervisor for **Brcko**, Henry Clarke, warns that he and his associates will not tolerate any repetition of the protests that interrupted classes in Brcko's high schools during the last academic year.

August 21:

- The BiH House of Representatives adopts the **permanent election law** as drafted by the Council of Ministers. The law received the support of deputies from all political parties with seats in the House, except the representatives of the HDZ, the SDS and one deputy of the SDA.
- OHR and the OSCE Mission to BiH welcome the adoption of the permanent election law by the BiH House of Representatives. (PR: [OHR and OSCE welcome adoption of election law – August 21, 2001](#))
- Remains of a total of 210 Srebrenica Bosniaks have been exhumed so far at the site of Glogova near Bratunac. Oslobodjenje quotes Murat Hrtic, the head of the Tuzla department of the BiH Federation Commission for **Missing Persons**, as saying that all the victims were killed by the wartime Bosnian Serb armed forces while trying to reach territory under BiH Army control in the area of Tuzla.
- Dnevni Avaz reports that the situation in **Trebinje** is calming down following the May 5 incidents when Serb extremists prevented the laying of a cornerstone for

rebuilding the town's mosque. The new Special Envoy of the High Representative in the town, Istvan Osz, has recently organized a meeting attended by the representatives of the municipal authorities, as well as Bosniak political and refugee representatives. The officials discussed concrete steps to accelerate implementation of the property laws in Trebinje.

- The Republika Srpska Army officer, Lieutenant-Colonel **Dragan Jokic**, pleads not guilty to war crimes and crimes against humanity during a brief initial appearance before the ICTY in The Hague. He denies responsibility for the slaughter of Bosniaks at Srebrenica in 1995, which was Europe's bloodiest massacre since World War Two.
- The Brcko District Assembly fails to adopt a plan for elementary and secondary education as drafted by the District Administration, although the next school year is to start in ten days. The plan is not acceptable because, according to a number of deputies, it does not contain all the basic principles under which an integrated education process should be carried out.
- At a session in Sarajevo, the **BiH Presidency** dismisses 33 serving BiH ambassadors and appoints 28 candidates as their replacements. The BiH Foreign Minister Zlatko Lagumdžija says that the new ambassadors were selected under strict criteria, primarily knowledge of foreign languages and experience in international relations.

August 22:

- At a press conference, the International Supervisor for Brcko, **Henry Clarke**, says that the school year will start in the District regardless of whether the Assembly adopts the plan of elementary and secondary education. In the course of the day, Clarke addresses the District secondary school teachers on the issue.
- The BiH **Social Democratic Party** sends an open letter to

High Representative Wolfgang **Petritsch** expressing its concern over the way in which the audit team and especially the team's leader carried out their legal audit of the Aluminum Company in Mostar. The audit report has not yet been handed over to the intended recipients, that is the Federation Government, the Aluminium Management and the Federation Privatization Agency.

- The Communications Regulatory Agency (**CRA**) announces that 24 stations (6 TV and 18 radio) have qualified for long-term broadcasting license in the Sarajevo region.
- OSCE Head of Mission to BiH Robert **Beecroft** meets with Republika Srpska President Mirko **Sarovic** and Prime Minister Mladen **Ivanic** to discuss the extradition of the war crime suspects to the Hague Tribunal. Beecroft reiterates that the hand-over of Radovan **Karadzic**, Ratko **Mladic** and the others is an obligation under international law, and that the Entity therefore does not need any special law on the issue.

August 23:

- The BiH House of Peoples unanimously passes the **Election Law**, which is a key precondition for BiH's accession to the Council of Europe, in the same version as passed by the BiH House of Representatives.
- The High Representative, Wolfgang **Petritsch**, welcomes adoption of the **Election Law** by the BiH House of Peoples. (PR: [HR welcomes passing the Election Law – August 23, 2001](#))
- According to reports compiled by the UN Mission to BiH's Department for Human Rights, a total of 72 Republika Srpska police officers acted unprofessionally during the **May 7 incidents** surrounding the laying of the Ferhadija cornerstone ceremony in **Banja Luka**. UN/IPTF Spokesman for the Banja Luka and Bihac regions Alun Roberts tells journalists that the Department submitted a total of 62

reports on the issue, naming the 72 policemen.

- UNMIBH Spokesman Stefo Lehmann tells journalists in Sarajevo that a total of **112 Sarajevo Canton police officers** would have to leave, within one month, apartments belonging to other people, which the police officers are illegally occupying, or they will lose their police licenses. According to Lehmann, similar action will be taken in the areas of responsibility of other police administrations.

August 24:

- In a letter sent to BiH Council of Ministers Chairman Zlatko Lagumdžija and BiH Parliament's House of Representatives Speaker Sead Avdić, the General Secretary of the Council of Europe, **Walter Schwimmer**, welcomes the adoption of the Election Law by the BiH Parliamentary Assembly. He emphasizes that passage of the law is a crucial step leading BiH towards European integration.
- Wim Timmermans, the head of the Legal Audit Team for **Aluminium Mostar**, hands over the team's report to the Federation Government and the Aluminium Management. BiH Federation Vice-president Safet Halilović (a Party for BiH official) tells Oslobodjenje that the Federation authorities will never accept the report, as it stands.
- Oslobodjenje and Dnevni Avaz report that the HDZ BiH has expressed satisfaction with the fact that the expert team tasked to look into the Mostar **Aluminum** ownership structure has confirmed the party's well-known positions concerning the company.
- At a press conference in Sarajevo, representatives of **BiH Transparency International** present their second report entitled: "The International Community is not immune to the corruption plague either." Sarajevo media note with disappointment that this much-anticipated study does not provide a single name or example, and

instead focuses on already published and unverified allegations and reports on issues such as the third GSM license, CIPS and the Mostar Aluminum audit.

August 25:

- The Provisional Administrator of **Hercegovacka Banka**, Toby Robinson, announces that the bank will have to undertake significant employee lay-offs and reduce the salaries of remaining workers.
- Glas Srpski reports that the Serb member of the BiH Presidency, Zivko Radisic, has submitted a lawsuit to the BiH Constitutional Court in June this year, challenging the constitutional foundation of Justice Diarmuid Sheridan's Arbitration Award for the Sarajevo suburbs of **Dobrinja I and IV**.

August 28:

- An **opinion poll** conducted by the Avaz Agency following the second-anniversary press conference held by the **High Representative** shows that most BiH citizens, including those living in Banja Luka and Capljina, support the efforts and work of Wolfgang Petritsch. Asked how they evaluate the two-year engagement of the High Representative, 51 percent of Sarajevo, 50 percent of Banja Luka and 48 percent of Capljina residents assess Petritsch's work as successful. Only 6 percent of Sarajevo, 4 percent of Banja Luka and 11 percent of Capljina citizens negatively assess the work of the High Representative.
- In a shorter interview with Dnevni Avaz, Kresimir Zubak, the president of the NHI (New Croat Initiative), says that the issue of **Aluminium** Mostar has never been discussed with the Croat member parties of the Alliance. He stresses that his party rejects the media and political campaign undertaken by the Party for BiH and the SDP on this issue.

- The dismissed president of the HDZ, Ante **Jelavic**, appears at a hearing before the Cantonal Court in Sarajevo. He dismisses the entire process against himself and six of his party colleagues.
- Representatives of the OHR and the Federation Prosecutor's Office meet with other responsible Federation authorities and agree on future steps pertaining to the **Special Audit of government accounts**, which was conducted earlier in the year and revealed 74 cases of corruption committed in the Federation and a number of its Cantons during 2000. (PR: [OHR and Fed. Prosecution Office meeting – August 29, 2001](#))
- In an interview with Vecernji List, **Marko Tadic**, a former Rector of Mostar University, announces the establishment of a new political party in BiH with the Croat prefix. Although the party still does not have a final name or a founding board, it is speculated that it will be the strongest competition to the HDZ BiH.

August 30:

- The OHR announces the suspension of the December 2000 waiver concerning the allocation of socially owned land in **Kotorsko**. The suspension of this waiver means that all construction work on land affected by this waiver must cease. (PR: [OHR suspends construction waiver – August 30, 2001](#))
- The Standing Committee on Military Matters (**SCMM**) holds a session in Sarajevo and adopts the report on the work of BiH military-diplomatic representatives abroad. The Committee also discusses the reduction of military potential in both RS and the Federation.

August 31:

- In an interview with Oscar C Television in Mostar, the dismissed HDZ president **Ante Jelavic** says he expects the legal proceedings against himself and six of his party

colleagues to be terminated.

- Vecernji List reports that the Court of Honour of the HDZ City Board of Mostar has made a decision to exclude **Neven Tomic**, the Mayor of Mostar, from the party. According to the Statute of the HDZ BiH, Tomic has the right to file an appeal. Legally, only the City Council is authorized to dismiss the Mayor, so this decision is legally ineffective.

ECONOMIC STATISTICS

BiH Economic Data January-May/June 2001

Source: FBiH and RS Statistical Offices

Indicator	Federation of BiH	Republika Srpska	BiH (OHR estimate)
Index of Industrial Production 06/01(FBiH) 05/01 (RS) compared to 2000 average 06/01 (FBiH) 05/01 (RS) compared to 06/00 (FBiH) 05/00 (RS)	+11% +11.9%	-12.6% -7.7%	+3% +5.3%
Retail Price Index 06/01 compared to 2000 average 01-06/01 compared to 01-06/00	+1.8% + 3.3%	+6% + 9.1%	N/A N/A
Average Net Salary 05/01 05/01compared to 2000 average Average Gross Salary 05/01 05/01 compared to 2000 average	436 KM +5,3% 625 KM +3%	309 KM +11.5% 437 KM +13%	390 KM +7,2% 558 KM +5,7%
Number of Employed 05/01 Number of Registered Unemployed 05/01	406,783 persons 263,228 persons	227,740 persons 154,236 persons	634,523 417,464
Number of pensioners in 05/01 Average pension in 05/01	280,533 persons 170 KM	179,073 persons 105 KM	459,606 145 KM

Imports 01-05/01	1,959 billion KM	0,642 billion KM	2,601 billion KM
Exports 01-05/01	0,734 billion KM	0,227 billion KM	0,961 billion KM
Trade deficit – January to May	1,223 billion KM	0,416 billion KM	1,639 billion KM
2001	37.5%	35.3%	36,8%
Import/Export coverage			

RETURN STATISTICS

See Link to the UNHCR Mission to BiH web page at www.unhcr.ba or see the latest statistics for July on the Adobe Acrobat file below.

September

SUMMARY

The month of September in BiH saw renewed efforts to deepen the partnership between local authorities, in particular State institutions, and the International Community. For the first time since the formation of the **PIC (Peace Implementation Council) Steering Board**, the Political Directors of the PIC and the High Representative, Wolfgang Petritsch, hosted a delegation from the BiH State and Entity governments, headed by the Chairman of the BiH Council of Ministers. At their meeting, on September 12, the Steering Board Political Directors, the High Representative and the BiH officials discussed the most important issues facing BiH, ranging from economic and legal reform to better co-operation with the ICTY. In a Communiqué issued after the meeting, the Steering Board welcomed the recent Council of Ministers' call for enhanced partnership with the International Community as a necessary step towards eventual full "ownership", but

reiterated that this new relationship requires not only responsible governance but also a “total, immediate, and professional commitment to drastic, overdue, long-term institutional, legal and economic reforms.” It commended the efforts of the High Representative, Wolfgang Petritsch, in this regard, in particular the recent (July 19) formation of the Consultative Partnership Forum, which provides an arena for discussion between representatives of the International Community and State and Entity authorities.

In an article published in Dnevni Avaz on September 17, the High Representative explained that partnership “cannot be a one-way street”. He stressed that it requires responsible and professional governance and a commitment to the future of the people of the country, and, most importantly, it requires decisive steps towards structural economic reform. A poll conducted by Dnevni Avaz shortly afterwards indicated that most citizens agree with the High Representative’s stance that local authorities need to accelerate their activities related to economic reform. According to the poll, 67% of Federation citizens support the High Representative’s call for urgent economic reform. Only 20% of the polled citizens were against Petritsch’s initiative, while 13% had no opinion on the matter. The poll was conducted among 300 persons in Sarajevo, Tuzla and Zenica, using random sampling.

Yet another positive development in September, that will move BiH closer to Europe, was the decision of the Political Affairs Committee of the Council of Europe to make a positive recommendation for the admission of BiH into the oldest European human-rights body. In a letter to Foreign Ministers of the Council of Europe member states, the High Representative expressed satisfaction that this decision had been reached and stressed that he firmly believes that **BiH is ready to join the Council of Europe**. “BiH’s accession is an opportunity that should not be missed to bring this war-torn yet slowly recovering country to Europe where it belongs.”

As part of his efforts to **eliminate illegal parallel structures in the Federation**, the High Representative took two important steps. On September 15, he gave legal force to the Agreement on Gornji Vakuf-Uskoplje, which was signed on 2 August by the relevant parties. This Agreement reunited the municipality of Gornji Vakuf with the self-declared municipality Uskoplje. Two days later, on September 17, the High Representative declared his October 6 (2000) Decision on the integration of Zepce municipality into Zenica-Doboj Canton as final and binding, thereby putting the new municipal boundary lines into effect. "After years of uncertainty on the legal status of the municipality and the existence of illegal parallel structures, one of the legacies has been overcome and a consensus has been achieved in the interest of all the citizens of Zepce and surrounding municipalities," OHR said in a press release.

On September 11, the Federation government finally delivered on its promise to start paying **backlog pensions** from last year. One day later, pensioners in the Federation received one backlog monthly payment, while the second one is to be disbursed in November. In addition, pensioners have also received their regular monthly pensions on time, and in accordance with the Law on Pension Fund, which was imposed by the High Representative, Wolfgang Petritsch, on November 12.

However, the situation in BiH was largely overshadowed by the **terrorist attacks on the United States** on September 11, when three hijacked passenger planes crashed into the World Trade Centre in New York and the Pentagon building in Washington D.C. killing nearly 6,000 people. This event left a significant imprint on domestic affairs in BiH, as rumours that the country was a safe haven and a training ground for terrorists due to the war legacy of former Mujahedeen, who fought on the side of the Bosniak-dominated Armija BiH and later settled in BiH, became more and more widespread. Some fighters from abroad were granted BiH citizenship. Local and

international media speculated about alleged links between the former authorities in BiH and associates of Osama bin Laden despite repeated denials by BiH authorities that either Bin Laden or any of his associates hold BiH passports or operate on BiH territory. To show their commitment to the global fight against terrorism, local authorities in BiH undertook a series of measures, which include co-operation with international investigative bodies, close co-operation between the Entity Interior Ministries, and an intensified process of reviewing cases of citizenship granted to foreigners during and after the war.

CHRONOLOGY

September 1:

- At a working meeting in the Bosnian town of Gradacac, the Croatian President, Stipe Mesic, and BiH Presidency members Zivko Radisic and Beriz Belkic discuss additional measures to improve **relations between BiH and the Republic of Croatia**.

September 2:

- The newly appointed director of **HPT** (Postal and Telecommunications Company) Mostar, Stipe Prlic, tells Sarajevo daily Oslobodjenje that, following the re-appropriation of Eronet (provider of mobile telephone services) by HPT, Eronet should be able to automatically obtain the license for the third GSM operator in BiH.

September 3:

- After nearly a decade of virtual segregation, Serb, Bosniak and Croat students in **Brcko District** begin attending classes in common schools in accordance with the Law on Primary and Secondary education, which

provides for a multiethnic educational system.

- The Secretary of the Herzegovina-Neretva Cantonal Board of the HDZ (Croat Democratic Union), Marija Soldo, confirms that the party's Court of Honour decided to oust the Mostar Mayor, **Neven Tomic**, from the HDZ because of his failure to comply with the party plan and program.
- Some 200 **Bosniak and Serb returnees** to south-eastern BiH gather in front of the OHR building in Sarajevo **protesting** against the failure of international and local agencies to help rebuild their destroyed homes and secure adequate living conditions in areas of their pre-war residence. After talks with representatives of the returnees, OHR spokesman Oleg Milisic stresses that the OHR is aware of the problems facing the returnees and is ready to work on their resolution together with those affected. He also notes that international aid for BiH is being drastically reduced, which contributes to slower construction.

September 4:

- The Chief Prosecutor of the ICTY (International Criminal Tribunal for former Yugoslavia), **Carla Del Ponte**, arrives in Banja Luka, which is the first stop of her official visit to Bosnia and Herzegovina. During her meeting with authorities in the RS, Del Ponte urges all forms of co-operation between this Entity and the ICTY, including the arrest and extradition of indicted war criminals, but also access to relevant documents, archives and information related to war crimes committed in the area.
- At a press conference in Mostar, the management of the **Aluminium Company** announces that it is satisfied with the basic lines of the legal audit report on this company conducted by an expert team of local and international auditors led by Wim Timmermans. The

results of the report were handed to the Federation authorities in late August.

- Banja Luka dailies Nezavisne Novine and Glas Srpski quote the SFOR commander, Michael Dodson, as saying that in order to join important European institutions, BiH has to develop normal institutions at the state level, including a **State Defence Ministry and a Joint Army**. This statement provokes tremendous criticism on the part of Republika Srpska officials, including the Prime Minister, Mladen Ivanic, and the Entity President, Mirko Sarovic, who promptly dismiss any calls for the establishment of a single army as unconstitutional, premature and unrealistic.
- The Federation Ministry of Refugees and Displaced Persons opens a **Regional Return Centre in Srebrenica**. The High Representative, Wolfgang Petritsch, welcomes the move, saying that it represents “support for the implementation of the property legislation and the co-ordination of activities of the Federation authorities and the International Community.” (PR: [HR welcomes the opening – September 4, 2001](#))
- The High Representative, Wolfgang Petritsch, and the State Minister for Human Rights and Refugees, Kresimir Zubak, host a **Human Rights Information Meeting** during which they review progress made during the first half of the year 2000 in the field of human rights. (PR: [OHR Hosts Human Rights – September 04, 2001](#))

September 5:

- During her visit to the BiH capital, the Chief Prosecutor of the ICTY, **Carla Del Ponte**, stresses that Serb and Croat authorities in the country are not sufficiently co-operating with The Hague Tribunal. She also asks the High Representative, Wolfgang Petritsch, to push for this co-operation.

September 6:

- The former RS President, **Biljana Plavsic**, arrives in Belgrade, Yugoslavia, from The Hague. Plavsic, who is charged with genocide, crimes against humanity, violations of the laws and customs of war and grave breaches of Geneva Conventions during the war in BiH, has been granted temporary release and allowed to stay in Belgrade until the beginning of her trial scheduled for February 2002.

September 7:

- US General John Sylvester takes over the **command of SFOR** troops in BiH from his colleague General Michael Dodson.
- The **Constitutional Commissions** of the Federation and the Republika Srpska hold a consultative meeting in Banja Luka and discuss constitutional changes and amendments to Entity Constitutions related to the implementation of the Constitutional Court's decision on the constituent status of all peoples on the entire territory of BiH.

September 8:

- In a letter to the Secretary-General of the **Council of Europe**, Walter Schwimmer, the High Representative, Wolfgang Petritsch, expresses hope that the BiH application for accession to the Council of Europe will be considered quickly, as he believes the country has now fulfilled a significant portion of the membership criteria. (PR: [High Representative reiterates – September 8, 2001](#))
- Dnevni Avaz reports that earlier in the week, the Chief Prosecutor of the ICTY, **Carla Del Ponte**, during her visit to BiH proposed the formation of a single BiH court which would exclusively deal with cases of individual responsibility (as opposed to senior or command responsibility) for war crimes committed in BiH

during the war.

- OHR spokesperson Oleg Milisic confirms to Oslobođenje that the High Representative, Wolfgang Petritsch, met earlier in the week with the General Manager of the **Aluminium Company** in Mostar, Mijo Brakovic. The daily reports that, during the meeting, Petritsch urged Brakovic to try to resolve the outstanding issues linked to the company together with the Federation authorities.

September 10:

- In a statement for the press, the **Independent Union of RS Journalists** asked the RS authorities to “stop meddling with the editorial policy of the media operating in the RS”. The Union suggests that all presently state-owned media be transformed into public ones thereby ridding them of political influence.
- Following the example of the former RS President Biljana Plavsic, her war-time colleague **Momcilo Krajisnik**, who is awaiting trial in The Hague, asks ICTY to grant him, too, temporary release from the Scheveningen prison and pleads with Yugoslav authorities to provide guarantees for his stay in Belgrade.
- At a press conference, the secretary of the Party for BiH, Safet Halilovic, says the party would consider leaving the Alliance for Change if the Federation government fails to take urgent measures to resolve the financial and legal status of the **Aluminium Company** in Mostar.

September 11:

- Three abducted passenger planes crash into the twin towers of the **World Trade Centre** in New York and into the Pentagon building in Washington D.C. killing close to 6,000 people. US authorities characterise the attacks as terrorist. Speculations begin that the notorious

international terrorist Osama bin Laden is behind the attacks.

- Addressing journalists in Brussels the day before a session of the **PIC (Peace Implementation Council) Steering Board** at the level of political directors, the Chairman of the BiH Council of Ministers, **Zlatko Lagumdzija**, says that new BiH authorities want to take a leading role in the creation and development of their state, and cease acting merely as “obedient performers of very often poorly projected work” of the International Community. He adds that the partnership between the International Community and the local authorities in BiH would be the focus of the upcoming session of the Steering Board.
- The director of the Federation Privatisation Agency, Resad Zutic, informs the Federation government that a financial audit of the **Aluminium Company** in Mostar is necessary.
- The Federation Finance Minister, Nikola Grabovac, authorises the order for payment of the first of five **backlog pensions** owed by the government. The actual payment begins the following day. Grabovac also informs pensioners that the second backlog pension should be paid out in November, and the remaining three in 2002.
- At a consultative meeting in Banja Luka, the RS President, Mirko Sarovic, the Deputy Prime Minister, Petar Kunic, the RS National Assembly Speaker, Dragan Kalinic, and the Entity’s Defence Minister, Slobodan Bilic, discuss the possible accession of BiH to **NATO’s Partnership for Peace** and claim that the establishment of a Joint BiH Army and a Defence Ministry at State level are not possible.

September 12:

- On the first day of a two-day session of the PIC (Peace Implementation Council) Steering Board, the High

Representative, Wolfgang Petritsch, and the Steering Board political directors meet with a delegation from the BiH State and Entity governments led by the Chairman of the Council of Ministers, Zlatko Lagumdžija, in Brussels, discussing mostly economic issues and BiH's integration in Europe. At the meeting, the **Steering Board** calls for the local authorities' "total, immediate and professional commitment to drastic, overdue, long-term, institutional, legal and economic reforms and implementation." It welcomes the Council of Ministers' call for an enhanced partnership as a necessary and welcome step towards eventual full ownership requiring and responsible governance. (PR: [High Representative and the PIC – September 13, 2001](#))

- The High Representative, members of the PIC Steering Board and BiH authorities also express their horror over the **terrorist attacks** on the US and convey their deepest sympathy to the families and friends of the victims. (PR: [The High Representative, the Steering Board and BiH authorities – Sept 12, 2001](#))
- The Senior Deputy High Representative, Matthias Sonn, the BiH Minister of Civil Affairs and Communication, Svetozar Mihajlovic, and Mr. Hugh Chetwynd of the Council of Europe's Human Rights Directorate General open a one-day forum designed to highlight the role of the Government Agents in representing BiH before the **European Court of Human Rights**. (PR: [OHR and the Council of Europe host – September 12, 2001](#))

September 13:

- Second day of the **PIC Steering Board meeting in Brussels**. In its Communiqué, the Steering Board reiterates its readiness to support BiH institutions in their efforts towards stability and self-sustainability, but stresses the need for urgent and immediate "long-term, institutional, legal and economic reforms as a

prerequisite for full ownership and integration into EU structures” and calls “upon all relevant BiH authorities at last to live up to the real challenges in a real partnership.” It reprimands RS delegates in the BiH Parliament for obstructing the passage of important laws, asks for full co-operation with ICTY, and discussed and supports the High Representative’s approach to recalibrating the current international civilian implementation structures in BiH. (PR: [PIC Communiqué – September 13, 2001](#))

- Local and international media begin speculating about alleged training camps for **terrorists in BiH** and claim that the leader of the most notorious terrorist organisation Al’Quaeda, Osama bin Laden, holds a BiH passport issued by the BiH Embassy in Vienna in 1993.

September 14:

- At noon, citizens of BiH observe three minutes of silence after the BiH Council of Ministers declares September 14th a **day of mourning** for all the victims of the terrorist attacks in the US.

September 16:

- The Head of the **Islamic Community in BiH**, Mustafa ef. Ceric, condemns the terrorist attacks on the US and warns against the widening of “anti-Islamic hysteria in the West” following the September 11 incidents.
- Bakir Dautbasic, the head of BiH’s Naturalisation Commission tasked with reviewing cases of BiH citizenship granted to foreign citizens between 1992 and 1995, strongly rejects the allegations that **Osama bin Laden** or any of his associates have BiH passports.
- Four students and a teacher from an elementary school in Banja Luka drown off the coast of Montenegro following a **boating accident**. The students and teachers of the eighth grade of the “Petar Petrovic Njegos” school were

on a school-organised vacation in Budva.

September 17:

- In an article written exclusively for Sarajevo daily Dnevni Avaz, the High Representative, Wolfgang Petritsch, calls upon BiH authorities to undertake urgent **economic reform** in the country in order to attract a more significant level of foreign investment. (Articles: [BiH has to implement reforms without delay – September 17, 2001](#))
- The dismissed HDZ (Croat Democratic Union) President, **Ante Jelavic**, makes his second appearance before the Cantonal Court in Sarajevo and files a request for the dismissal of all judges and the President of the Court because of their alleged violation of the European Convention on Human Rights.
- The High Representative, Wolfgang Petritsch makes his 6 October 2000 **Decision on the integration of Zepce** municipality into Zenica-Doboj Canton final and binding, thereby putting into effect the new municipal boundary lines. He stresses at a press conference in Zepce that the Decision serves the interest of all citizens of this and surrounding municipalities. Whereas Bosniak representatives from the SDA (Party of Democratic Action) and the Party for BiH express some scepticism about the ruling, Croat members of the Interim Board in Zepce welcome the decision as a compromise solution which will serve as the foundation for future relations and progress in the municipality. (PR: [HR announces satisfactory implementation – September 17, 2001](#)) See also (PR: [Zepce Decision – October 6, 2000](#))
- The Senior Deputy High Representative, **Matthias Sonn**, presents to officials in the Central Bosnia Canton the High Representative's Decision from August 2 providing the Agreement on **Gornji Vakuf-Uskoplje** signed in Travnik on August 2, 2001, with a legal base. The High

Representative also names Bernd Burwitz from Germany a Supervisor for this municipality. (PR: [High Representative confirms – September 17, 2001](#))

- At a press conference, the secretary of the Party for BiH (SBiH), Safet Halilovic, announces that the party will remain in the Alliance for Changes despite earlier doubts caused by the recommendations of the legal audit in the **Aluminium Mostar**. He stresses that the SBiH found a “satisfactory solution for the injustice done in the company” together with the Federation Prime Minister, Alija Behmen.
- International and local officials visit the site of the 1997 **helicopter crash** and hold a memorial service for 12 members of the international peace mission in BiH – five members of the OHR, and seven members of UNMIBH -, who were killed in the accident. (PR: [Fourth Anniversary – September 17, 2001](#) and [HR’s eulogy – September 17, 2001](#))

September 18:

- At a regular session, the BiH Council of Ministers strongly rejects speculation that some of **Osama bin Laden’s associates reside on the territory of BiH** or hold BiH passports. “There is no basis for such statements,” says the Minister for Civil Affairs and Communications, Svetozar Mihajlovic.
- In an interview with SRNA news agency, the Bosniak member of the BiH Presidency, Beriz Belkic, says that BiH will take part in a **global anti-terrorist coalition**. Belkic explains that the BiH contribution will include tightening security and checks at the state borders and the introduction of additional measures by the Entity interior ministries and relevant State institutions in BiH.
- The Federation Prime Minister, Alija Behmen, announces that the Federation government has decided that all conditions exist for a comprehensive financial audit of

the **Aluminium Company** in Mostar. He explains that the audit will have three goals: to determine the real value of the company, the level of war damage and the legality of the privatisation.

- The High Representative, **Wolfgang Petritsch**, meets with **Cardinal Vinko Puljic** and discusses the necessity of establishing the rule of law and protecting all peoples in BiH.
- According to a poll conducted by Avaz Agency and published in Dnevni Avaz, 67% of Federation **citizens support the initiative of the High Representative**, Wolfgang Petritsch, that local authorities accelerate economic reform in BiH. In an article written exclusively for Sarajevo daily Dnevni Avaz, the High Representative, Wolfgang Petritsch, calls upon BiH authorities to undertake urgent **economic reform** in the country in order to attract a more significant level of foreign investment

September 20:

- A **NATO delegation** led by the head of the Partnership and Co-operation Directorate, George Katsirdakis, ends a three-day visit to BiH during which the possible accession of BiH to NATO's Partnership for Peace is discussed with relevant State and Entity authorities. Katsirdakis tells media that it is necessary that BiH develops a civilian command structure at the state level. "BiH needs a joint command and a joint defence policy, but this does not have to mean that Entity armies must disappear," he says.
- Haris Silajdzic steps down from his position of President of the Party for BiH (SBiH) and leaves the party leadership to his deputy, Safet Halilovic. At the party congress, a six-member Presidency chaired by Halilovic is elected, which will discuss and rule on most important issues.

- The BiH **Council of Ministers broadens the mandate of the Naturalisation Commission** for the review of cases of BiH citizenship obtained by foreign citizens between 1992 and 1995 so that it includes cases after the signing of the Dayton Peace Agreement in 1995.
- At separate press conferences, spokespersons of the BiH Foreign Ministry, Amer Kapetanovic, and of the OHR, Kevin Sullivan, warn that unfounded rumours about ties between BiH and **Bin Laden's terrorists** do not positively contribute to the process of reconciliation in the country and could be highly detrimental to the BiH economy as they could discourage possible foreign investment.
- The Steering Board of the Federation Agency for Privatisation concludes that all companies in the Entity are obliged to conduct financial audits and that the **Aluminium Company** in Mostar can therefore not be an exception to this. The Board decides to order such an audit.
- In a joint statement for the press, OHR, OSCE, UNMIBH, UNHCR and the CRPC urge the responsible ministries in the RS and the Federation to draft the **instructions for the implementation of the Entity laws on purchase of apartments**, which were amended by the High Representative on 17 July, so as to ensure that correct procedures for this process are established. (PR: [Dialogue is underway – September 20, 2001](#))

September 21:

- The High Representative, **Wolfgang Petritsch**, addresses the **UN Security Council** in New York and outlines the progress made in BiH in the past six months in the three strategic areas: the return of refugees, economic reform and institution-building. He also commends the efforts of politicians in the Alliance for Change to establish a new and mature partnership with the International

Community. (PR: [HR addresses the UNSC – September 22, 2001](#) and Speech: [Address to the UNSC – September 22, 2001](#))

- The Supreme Court of the Federation rejects the request of **Ante Jelavic** to dismiss all judges and the President of the Cantonal Court in Sarajevo.

September 23:

- Croatian media note with approval the participation of BiH at the annual **Autumn International Economic Fair in Zagreb** (September 17-23). BiH, which is called a “partner country” and for the first time has presented companies from both Entities.

September 24:

- A lawyer representing the war-time commander of the Armija BiH and the present Federation Minister for Refugees and Displaced Persons, **Sefer Halilovic**, confirms that his client has been indicted by The Hague Tribunal for command responsibility for crimes against Croat civilians committed by Armija troops in Stupni Do and Grabovica in 1993.
- The Federation Financial Police begin a financial audit in the **Aluminium Factory** in Mostar. According to reports, the aim of the audit is to determine the real value of the company’s capital and the legality of the company’s privatisation.
- The Senior Deputy High Representative, **Matthias Sonn**, meets with five members of the Collegia of both **Houses of BiH Parliament** to discuss the work of the Parliamentary Assembly in the upcoming period. Referring to the growing amount of legislation pending before the Parliament, Sonn underlines the necessity for urgent adoption of legislation, including the CIPS laws, draft laws on competition, on individual ownership and BiH Foreign Trade Chamber. (PR: [SDHR Matthias Sonn meets –](#)

[September 24, 2001](#))

- Senior State and Entity officials, including the BiH Presidency, the Chairman and several members of the Council of Ministers, and the Entity Presidents and prime ministers, meet in Sarajevo to discuss the co-ordination **of joint efforts in the global fight against terrorism**.
- The Cantonal Court in Zenica starts hearings of 15 Croats, including senior officials, suspected of setting up and running prison camps for Bosniak civilians in the Zepce region during the war. The so-called **Zepce group** includes Ivo Lozancic, a senior NHI (New Croat Initiative) member and wartime commander of the Zepce HVO Brigade, and Perica Jukic, wartime chairman of the Herceg-Bosna Presidency. Lozancic refuses to appear for the scheduled hearing and files a motion to declare the all-Bosniak Cantonal Court in Zenica unfit to try this case.
- Milan Jovicic, the chairman of the Mostar City Council, claims that members of the Council have adopted the so-called **Action Plan** for the reintegration of **Mostar**. The city Mayor, Neven Tomic, however, denies that the plan has been adopted and claims he has not even been informed about its contents.

September 25:

- The Senior Deputy High Representative, **Matthias Sonn**, visits the **Posavina Canton** and meets with the Canton Governor, Mijo Matanovic, and the Prime Minister, Ivo Vincetic. They discuss return to this area and the general progress achieved in recent month.
- BiH Council of Ministers agrees to a **nation-wide plan to combat terrorism**, which includes a series of measures relating to the issuance of identification documents, civil aviation regulations and Cupertino with international organisations. The Deputy Foreign

Minister, Ivica Misic, tells media that this is the first joint action plan agreed upon by all levels of administration in BiH.

- The Federation Supreme Court rejects in an urgent procedure Ivo Lozancic's appeal to declare the Cantonal Court in Zenica unfit to try the so-called **Zepce Group** case (see September 24). The court declares the appeal "unfounded". The President of the NHI (New Croat Initiative), **Kresimir Zubak**, and the Federation Defence Minister, **Mijo Anic**, in a letter to the High Representative, Wolfgang Petritsch, ask that he transfer the case to "some other, more impartial court." This move provokes criticism from other leaders in the Alliance.

September 26:

- At a regular press conference, the head of OHR South, Colin Munro, stresses that, contrary to some media reports, the **Mostar Action Plan** has not been adopted at the session of the Mostar City Council. Munro adds that some councillors used dubious methods in order to deceive the media. "Such procedure is unacceptable in democratic societies which are based on the rule of law," says Munro.
- The BiH Presidency unanimously accepts an initiative to establish a **special state court**, as earlier proposed by the Chief ICTY Prosecutor Carla Del Ponte, and which will try exclusively cases of war crimes committed during the war in BiH.

September 27:

- At a regular session, the BiH **Council of Ministers** accepts a report by the **CIPS** (Citizen Identity Protection System) Ministerial Panel on the CIPS project and decides to re-open some elements of the existing tender, (e.g., the civil registry and printing of the ID

cards), and launch new tenders for other elements in the CIPS package (systems for printing visas and for border control). The Panel confirmed that there “is no evidence that would point to the elements of corruption and the exclusive status of the companies who submitted their proposals.”

- The **Political Affairs Committee of the Council of** makes a positive recommendation for the admission of BiH into the Council of Europe and notes that the accession could be expected by the beginning of the year 2002. The High Representative, Wolfgang Petritsch, welcomes the decision and stresses in a letter to Foreign Ministers of the Council of Europe member-states that BiH should be urgently admitted to the oldest European human rights body. (PR: [High Representative writes – September 27, 2001](#))
- Retired General **Sefer Halilovic**, the highest-ranking Bosniak to face trial at The Hague Tribunal, pleads not guilty to charges of command responsibility for crimes committed by Bosnian Army troops in Central Bosnia.

September 28:

- The BiH Constitutional Court rules that the **Court of BiH**, imposed by the High Representative, Wolfgang Petritsch, is consistent with the BiH constitution. The OHR welcomes the decision and OHR spokesperson Alexandra Stiglmayer stresses that this Court will provide for judicial remedies in matters that, under the Constitution, are within the competence of the State, such as foreign trade and investment, passport and ID cards, illegal immigration, human trafficking or inter-Entity crime.
- The Principle Deputy High Representative, **Donald Hays**, visits Mostar and meets with Herzegovina-Neretva Canton officials and city authorities.

September 30:

- The chairman of the BiH Council of Ministers, Zlatko Lagumdžija, meets with representatives of the International Community in BiH, (SFOR commander John Sylvester, Principal Deputy High Representative Donald Hays, and Special Representative of the UN Secretary-General Jacques Paul Klein) as well as representatives of the BiH Federation authorities to discuss BiH's participation in the **global fight against** terrorism. Participants agree jointly to combat all forms of terrorism and to co-ordinate their activities.
- In an interview with the Split weekly Feral Tribune, Zlatko Lagumdžija rejects allegations that **Osama bin Laden** holds **a BiH passport**. Lagumdžija stresses that BiH Passports changed several times since the war and that the wartime passports are no longer valid.

ECONOMIC STATISTICS

BiH Economic Data January-May/June 2001

Source: FBiH and RS Statistical Offices

Indicator	Federation of BiH	Republika Srpska	BIH (OHR estimate)
Index of Industrial Production 06/01(FBiH) 05/01 (RS) compared to 2000 average 06/01 (FBiH) 05/01 (RS) compared to 06/00 (FBiH) 05/00 (RS)	+11% +11.9%	-12.6% -7.7%	+3% +5.3%
Retail Price Index 06/01 compared to 2000 average 01-06/01 compared to 01-06/00	+1.8% + 3.3%	+6% + 9.1%	N/A N/A

Average Net Salary 05/01 05/01 compared to 2000 average	436 KM +5,3%	309 KM +11.5%	390 KM +7,2%
Average Gross Salary 05/01 05/01 compared to 2000 average	625 KM +3%	437 KM +13%	558 KM +5,7%
Number of Employed 05/01 Number of Registered Unemployed 05/01	406,783 persons 263,228 persons	227,740 persons 154,236 persons	634,523 417,464
Number of pensioners in 05/01 Average pension in 05/01	280,533 persons 170 KM	179,073 persons 105 KM	459,606 145 KM
Imports 01-05/01 Exports 01-05/01 Trade deficit – January to May 2001 Import/Export coverage	1,959 billion KM 0,734 billion KM 1,223 billion KM 37.5%	0,642 billion KM 0,227 billion KM 0,416 billion KM 35.3%	2,601 billion KM 0,961 billion KM 1,639 billion KM 36,8%

RETURN STATISTICS

For the latest returns statistics for August see the [pdf file](#) or visit the UNHCR web site at www.unhcr.ba.

October

SUMMARY

The month of October was marked by continued efforts on establishing partnership relations between the BiH authorities and the international community. On October 3, the Partnership Forum, a body established to improve communication between the leading BiH and international officials on crucial issues, held its second consultative meeting in Sarajevo focusing on the country's economic development. Following the meeting, Chairman of the BiH Council of Ministers Zlatko Lagumdžija said that the Council would make a long-term plan of economic measures the final goal of which is a self-sustainable economy

and the creation of a single economic space. The High Representative, Wolfgang Petritsch, described the discussion, on the economy in general and the Entity and State budgets, as very constructive. He noted that this kind of partnership and discussion is important in order to ensure proper communication between the Council of Ministers and the International community. The Entity Prime Ministers, Alija Behmen and Mladen Ivanic, also attended the meeting.

At a meeting in Sarajevo on October 17, the High Representative, Wolfgang Petritsch, and the BiH Presidency members agreed to hold regular meetings, similar to the Partnership Forum, to discuss issues of common interest.

In October, a concrete and positive result was also achieved in the establishment of genuine public broadcasting through the launch of BiH Federation Television on October 27, which, together with RT RS, will become part of the country-wide Public Broadcasting System (PBS). Prior to that, on October 5, the BiH Federation RTV Council elected Jasmin Durakovic as BiH Federation Television Director, and on October 24, both Houses of the BiH Federation Parliament adopted the Law on Federation Radio-Television in the version imposed by the High Representative, Wolfgang Petritsch, on December 6, 1999. At the launch of Federation TV in Sarajevo, the High Representative, Wolfgang Petritsch, said that he was confident the new broadcaster would reflect the interests of Bosniaks, Croats and all other citizens of the Federation, and over time become a broadcaster with which all Federation citizens can identify.

The Economic Task Force, chaired by Principal Deputy High Representative Donald Hays and comprising senior representatives of international financial institutions and major donors to BiH, including Bruno de Schaetzen, the Resident Representative of the International Monetary Fund, Joseph K. Ingram, the Country Director of the World Bank and

others, met with Republika Srpska Prime Minister Mladen Ivanic and members of his cabinet on October 5 to discuss all the crucial issues related to the improvement of the economic situation in the country.

Joining these efforts, members of the BiH Council of Ministers, the Prime Ministers of the BiH Federation and the Republika Srpska, and the Entity Ministers of Finance and Industry established a coordination team for BiH's economic development, in Sarajevo on October 11.

The High Representative, Wolfgang Petritsch, was actively engaged in raising public awareness of the need to foster economic development. On October 12, together with the Head of the European Commission delegation to Bosnia and Herzegovina, HansJoerg Kretschmer, he visited the firm of P.V.S.H. Alplast in Ilijas near Sarajevo. They viewed production facilities and met the staff, many of whom are returnees, and raised the issue of launching small businesses in BiH. On October 23, the High Representative visited the offices of the BiH Foreign Investment Promotion Agency (FIPA), where he discussed the current investment climate with the agency's Director Mirza Hajric. The High Representative and the FIPA Director then travelled on to Visoko where they visited the premises of Prevent Sarajevo Ltd.

The High Representative's diplomatic activities outside BiH were also connected to economic issues. On October 6 and 7, the High Representative participated, together with numerous experts, at a Stability Pact seminar on 'The Balkans and the European Union'. He returned to Sarajevo with the renewed conviction that international attention for Bosnia and Herzegovina was decreasing rapidly in the light of events following the September 11 attacks in the US. His spokesman Oleg Milisic described the current situation as one of general economic risk and said Bosnia and Herzegovina was still regarded as a country of risk. He concluded that progress must therefore be made immediately, otherwise Bosnia and

Herzegovina would not be able to adapt to the changing global environment.

Addressing the OSCE Permanent Council in Vienna on October 18, the High Representative, Wolfgang Petritsch, and the Head of the OSCE Mission to BiH, Robert Beecroft, stressed that now was the time for BiH authorities to take things into their own hands.

On October 30 in Brussels, the High Representative chaired a meeting of the Peace Implementation Council's Steering Board at Political Directors level, which was also attended by representatives from the World Bank, IMF and BiH's Central Bank, as well as SFOR, OSCE, UNMIBH and UNHCR. The Steering Board discussed steps to be taken in the coming year to move economic reform and recovery in BiH forward. The Steering Board termed the economic transition process in BiH "less than satisfying" and again urged BiH authorities to increase the tempo of implementation of the economic reform agenda, which is not only imperative for higher investment and employment levels but also indispensable if BiH does not want to fall even further behind its neighbors in the EU Stabilization and Association Process.

A series of activities undertaken by BiH and international officials during the month were related to the worldwide fight against terrorism. At a session of both houses of the BiH Parliamentary Assembly in Sarajevo on October 2, Chairman of the BiH Council of Ministers Zlatko Lagumdžija presented the Council's Plan of Activities in the Struggle against Terrorism and called on deputies to come up with proposals. A day later, members of the BiH anti-terrorist Coordination Team met in Sarajevo with representatives of the International Community in order to determine the concrete measures which must be undertaken in the upcoming period. At a special session on October 8, the BiH Council of Ministers expressed its support for the US-launched air strikes on selected military targets and terrorist camps in Afghanistan. It characterised the

strikes as unavoidable. The same day, Lagumdžija briefed the Ambassadors of the Islamic countries and Turkey to BiH, which are members of the Organization of the Islamic Conference (OIC), on BiH's efforts to combat terrorism. On October 9, the BiH Coordination Team for Fighting against Terrorism held its second meeting and proposed the imposition of a new BiH visa regime, as well as more efficient control at the BiH borders. And finally, BiH Council of Ministers Chairman Zlatko Lagumdžija, Head of the BiH Coordination Team for Fighting against Terrorism Ivica Misic, and BiH Deputy Minister for Human Rights and Refugees Vladislav Vladicic attended in Brussels on October 20 a conference of foreign ministers of all European countries dedicated to joint efforts in combating international terrorism. In his address, Lagumdžija emphasized that terrorism does not have a religion or a nation, and that terrorists are to be found living throughout Europe.

CHRONOLOGY

October 1:

- The People's Party – **Working for Prosperity** ("Radom za Boljitak") established in Siroki Brijeg. Mladen and Jerko Ivankovic, the owners and managers of the Lijanovici Company in Siroki Brijeg, were elected President and Vice-president of the Party. Mladen Ivankovic says the main reason for the founding of the party is the need to protect economic interests of all citizens in the country, and particularly of the BiH Croats.
- The first issue of **Dnevni List**, the first daily in Croatian language in BiH, appears on newsstands. The newspaper is being published by National Holding Ltd in Mostar, and its managing director is Mladen Zulj. The daily has 40 pages and will cover political, economic, cultural, sports and entertainment events.

- The Republika Srpska Government fails to agree on the **draft Law on RTRS**. Head of the RS Government Bureau for Public Relations, Cvijeta Kovacevic, tells journalists that the RS Government is of the view that the Law should define that the founder of RTRS is the RS National Assembly, with all privileges coming out from such a definition.
- The Office of the High Representative launches a redesigned and updated **website**, which can be visited at www.ohr.int. The new site comprises more than 6,000 documents and a search engine, and reflects OHR's political priorities and organisational structure. (PR: [OHR Web page – October 1, 2001](#))

October 2:

1. The RS National Assembly adopts a **law on cooperation with the International Criminal Tribunal for the former Yugoslavia** (ICTY) in The Hague. The law spells out procedures for cooperation between the Republika Srpska and the ICTY. The OHR considers this Law a positive symbolic gesture and insists on actual arrests and transfers of indicted war criminals to The Hague.
2. The High Representative, Wolfgang Petritsch, and the chief of the EC (European Commission) Delegation in BiH, Hansjoerg Kretschmer, announce the launch of broadcasts of the radio and television serial "**From idea to business**" which is aimed at encouraging economic development in BiH. The serial takes the form of a guide for starting and running small and medium-sized businesses in BiH. (PR: [Launch of TV/Radio serial "Od ideje do biznisa" – October 2, 2001](#))
3. At a session of both houses of the BiH Parliamentary Assembly, Chairman of the BiH Council of Ministers Zlatko **Lagumdžija** presents the Council's **Plan of Activities in the Struggle against Terrorism** and calls on the deputies to contribute with their suggestions. He

emphasises that a full consensus and preparedness exist at all government levels to get Bosnia-Hercegovina actively involved in combating the global problem.

October 3:

- The **Partnership Forum** holds the second consultative meeting in Sarajevo, devoted to the issue of the country's economic development. Following the meeting, Chairman of the BiH Council of Ministers Zlatko Lagumdžija said that the Council would draw up a long-term plan of economic measures whose final goal would be a self-sustainable economy and the creation of a single economic space. The High Representative, Wolfgang Petritsch, described the discussion, on the economy in general and the Entity and state budgets, as very constructive and added that this form of partnership and discussion was important for ensuring proper communication between the Council of Ministers and the International community. The Entity Prime Ministers, Alija Behmen and Mladen Ivanic, also attended the meeting.
- Dnevni **Avaz** wins the tender for **privatization** of Oko, the largest printing firm in BiH, after the only other bidder, Oslobodjenje, was disqualified because of its debts to Oko. Oslobodjenje immediately expressed concern that by purchasing this printing firm Avaz will secure a complete monopoly in the market of print media. The oldest Sarajevo daily also said it will file a complaint to the Cantonal Agency for Privatization in Sarajevo and to all relevant local and international organizations.
- Members of the **Coordination Team** of the BiH Council of Ministers for fighting against **terrorism** meet in Sarajevo with representatives of the International Community in order to determine concrete measures which need to be undertaken in the upcoming period.

October 4:

- At a press conference in Sarajevo, spokespersons for the OHR and the OSCE, Alexandra Stiglmeier and Urdur Gunnarsdottir, express their concern about the possible **monopoly on print media** in the region following the announcement that Dnevni Avaz had won the tender for the largest printing firm in BiH, Oko in Sarajevo.
- At the same press conference, OSCE and the OHR also express concern about recent attempts by the **SDP** (Social Democratic Party) to exert **pressure on media** in the country. OHR Spokesperson Alexandra Stiglmeier says the OHR is surprised that pressure is coming from the SDP, which is a party with a very progressive platform supporting democratic principles.
- The leaderships of the Federal Republic of Yugoslavia (FRY) and the Republika Srpska headed by President Vojislav Kostunica and President Mirko Sarovic, establish the **Council for Cooperation envisaged in the Agreement on Special Parallel Relations between the RS and the FRY**. The Council, comprising Kostunica, Sarovic and RS Vice-president Dragan Cavic, forms the six-member Permanent Board.
- At a session in Sarajevo, the **Federation Government** adopts a report on **measures to combat terrorism**. These measures include the creation of an interdepartmental group which is to come up with a plan on anti-terrorism activities. The commission will include ministers and deputy ministers of finance, internal affairs, justice and trade.

October 5:

- The **Economic Task Force**, chaired by Principal Deputy High Representative Donald Hays, and comprising senior representatives of international financial institutions and major donors in BiH including Bruno de Schaetzen, the Resident Representative of the International

Monetary Fund, Joseph K. Ingram, the Country Director of the World Bank, and others, meets with Republika Srpska Prime Minister Mladen Ivanic and members of his cabinet. [\(PR: Economic Task Force discussions – October 5, 2001\)](#)

- The Federation RTV Council elects **Jasmin Durakovic** Federation Television Director. Following the election, Fed RTV Council Chairman Slavo Kukic explains that one of the other candidates, Haris Pasovic, had not submitted a plan of action though he had been requested to do so, and that because of this he had not been taken into consideration as a nominee.

October 6:

- The BiH Croat Democratic Union (**HDZ**) holds its Seventh Congress in Mostar. Ante Jelavic is re-elected President of the Party despite the High Representative's ban, and claims the HDZ is ready to return to the Federation and Entity Parliaments and look for the resolution of all outstanding issues through institutional political activities. In his address to the attendees at the convention, Jelavic also says that the entire BiH should be organized on the basis of cantons, or three equal federal units should be established. Jelavic adds that work on the upcoming constitutional reforms was also among the HDZ priorities. Ivo Andric Luzanski, Dragan Covic, Zdravko Batinic, Martin Raguz and Marko Tokic (all nominated by Jelavic) were elected HDZ Vice-presidents at the Congress.
- OHR Spokesman Oleg **Milisic** tells ONASA that **Jelavic** has not been recognised as a party leader by the International Community since March 8, when the High Representative dismissed him, and that nothing would change in this regard. He also says the OHR finds it disturbing that Jelavic was the only candidate for his party's presidency and that by re-electing Jelavic the HDZ only weakens its own position.

- Bosniak forensic experts say the **bodies of more than 500 victims** of Bosnia's 1992-5 war have been unearthed at two mass grave sites in the east and northwest of the Republika Srpska. Jasmin Odobasic, an official from the BiH Federation Commission for Missing Persons, tells Reuters that 301 bodies had been exhumed so far from a former iron mine near the northwestern town of Ljubija. Another 224 bodies were exhumed at the Cancari grave in eastern Bosnia where work was now finished.
- Head of the **OHR** Press Office Alexandra Stiglmayer tells Dnevni Avaz the OHR is against a proposal that approximately 82,000 still **not privatized** apartments in the BiH Federation were to be sold for cash. According to Stiglmayer, such a measure would discriminate against returnees to the Entity and families living in the nationalized apartments, who have not been able to purchase their apartments yet.

October 7:

- The **United States launches air strikes** on selected military targets in Afghanistan, since the country has failed to hand over Osama Bin Laden, the main suspect for organizing the September 11 terrorist actions in Washington and New York.

October 8:

- The **BiH Council of Ministers** holds an extraordinary session and expresses its support for the US air strikes against selected military targets and terrorist camps in Afghanistan.
- The High Representative, Wolfgang **Petritsch**, says in an [interview](#) with the Belgrade daily Danas, that the danger of possible involvement of BiH, as a country with a Moslem majority, in international terrorism is overestimated. Petritsch adds that the Bosnian variant of Islam is the European one. He says that he does not

believe there is a significant possibility of Islamic fundamentalism developing in the country. On the other hand, Petritsch emphasizes that economic and social problems and a lack of perspective are leading towards radicalization. He believes that this radicalization could be prevented through BiH's integration in Europe.

- A new International Crisis Group ([ICG](#)) [report](#) recommends that the international community changes its policy towards Republika Srpska. The new course would include harsh political measures and economic sanctions since a failed policy of compromises has not achieved any positive results so far.

October 9:

- At a press conference in Sarajevo, **OHR** Spokesman Oleg Milisic says it is disappointing that there seemed to be no real discussion at the October 6 **HDZ** Congress on how to tackle problems of unemployment, economic reform and investment, and a wealth of social issues such as education, health care and pensions. He also says that the HDZ also seemed to have recognised that they have failed in many areas; that the overall HNS policy has failed, that the policy to pull the Croat component from the Federation Army has failed, and that the HDZ finally admits that the constitutional reform process is important, six months after their refusal to join the Constitutional Commissions.
- At the same press conference, OHR Spokesman Oleg Milisic says that the High Representative, Wolfgang **Petritsch**, is very concerned about the effects of current global developments on Bosnia and Herzegovina. The High Representative has warned of a sharp decrease in international interest in the country, Milisic says, and he adds that foreign investors may be deterred from investing because of BiH's continuing reputation as a high-risk country.

- At this press conference, **UNHCR** Spokesperson Aida Feraget says that, according to UNHCR statistics, the total number of persons that returned to or within Bosnia and Herzegovina since 1996 was 778,651.
- The International Criminal Tribunal for former Yugoslavia (**ICTY**) sentences two Bosniaks and a Croat to 18, 15 and nine years in prison respectively for crimes against Bosnian Serbs committed in the Celebici prison camp during the war. Hazim Delic and Esad Landzo are the first Bosniaks to be convicted in the Hague. Delic is sentenced to 18 and Landzo to 15 years in prison for violations of the laws and customs of war and the Geneva Convention. Bosnian Croat Ratko Mucic was sentenced to nine years.
- The BiH **Coordination Team for Fighting against Terrorism** holds its second meeting and proposes the imposition of a new BiH visa regime, as well as more efficient controls at BiH borders. Head of the Team Ivica Misic tells journalists following the meeting, which was also attended by representatives of the International Community, that the BiH Council of Ministers is expected to discuss the proposed measures at its next meeting.

October 10:

- Commenting on the latest **ICG** report accusing **OHR** of adopting a soft approach towards the Republika Srpska authorities, OHR Spokesman Oleg Milisic tells Oslobodjenje that the Office has never and will never tolerate dereliction of duty on the part of BiH authorities. "We agree that the RS authorities have not done enough in the implementation of the Dayton Agreement, and that jeopardises the position of the citizens in the Entity," Milisic says.
- The **Republika Srpska National Assembly** holds an extraordinary session in Banja Luka to discuss the work of the Entity representatives in the BiH state bodies,

as well as a document titled: "BiH Defense Policy." RS President Mirko Sarovic says that the RS accepts all Dayton solutions but that it cannot accept the imposition and adoption of documents that have no constitutional foundation. Sarovic also says that a lack of a proper coordination among the RS representatives in the BiH institutions is damaging the Entity's interests. Serb member of the BiH Presidency Zivko Radisic emphasizes that the BiH Defense Policy was supported by all RS institutions including the Supreme Defense Council. He again fails to confirm whether he has signed this document. The session adjourns until October 26.

- The High Representative, Wolfgang **Petritsch**, addresses a letter to the Speaker of the RS National Assembly, Dragan Kalinic, on the occasion of a special session of the Assembly. In the letter he expresses concern about the obstructionist behavior of some RS delegates in the State Institutions. ([PR: HR's Letter to Kalinic – October 10, 2001](#))

October 11:

- The first session of the **Civic Forum** takes place in Sarajevo at the initiative of the High Representative, Wolfgang Petritsch. At his residence, Petritsch hosts eight intellectuals and representatives of BiH NGOs and civic society organisations and discusses with them a range of topics relating to the Civic Forum itself as well as the underlining meaning of the importance of civic society in BiH. ([PR: 1st session of Civic Forum – October 12, 2001](#))
- The **OSCE** Mission to BiH in cooperation with **SFOR** launches an initiative aimed at raising public awareness of the high level of military expenditure in Bosnia and Herzegovina.
- The members of the BiH Council of Ministers, the Prime Ministers of the BiH Federation and Republika Srpska,

and the Entity Ministers of Finance and Industry establish a **coordination team for BiH's economic development**, in Sarajevo. BiH Council of Ministers Chairman Zlatko Lagumdžija, who initiated the establishment of the Team, says following the session that the body will deal with the harmonization of positions on economic transition, trade, and the creation of a suitable economic environment.

- BiH Federation Minister of Interior Muhamed **Besic** resigns. He did not want to comment on the move. However, in a newspaper interview earlier in the day, Besic said that he did not have the support of the Party for BiH, which had nominated him for the post.

October 12:

- At a special press conference only a day before the beginning of the SDA Congress, Alija **Izetbegovic**, announces his withdrawal from the post of Party President due to his age and his health.
- The High Representative, Wolfgang **Petritsch**, and the Head of the European Commission delegation to Bosnia and Herzegovina, HansJoerg **Kretschmer**, visit the firm of P.V.S.H. Alplast in Ilijas, where they view production facilities and meet the staff, many of whom are returnees, and discuss the starting of small businesses in BiH. ([PR: HR's visit to Alplast – October 12, 2001](#))

October 13:

- The delegates to the third congress of the Party of Democratic Action (**SDA**) in Sarajevo adopt a new statute of the party and elect Sulejman Tihic as party President. Tihic replaces Alija Izetbegovic, the founder of the SDA and its thus far leader. The delegates also elect Edhem Bicakcic, Seada Palavric, Elmir Jahic, and Mirsad Kebo as the Party Vice-presidents, while Adnan Terzic is appointed to the post of Party Deputy

President. According to the new statute, the SDA is defined as “a national party of the political centre”, and the function of the deputy president is established. Izetbegovic is elected SDS President of Honour, and he is expected to chair the Political Council, a new body designed to advise the SDA leadership on strategic issues.

- Several hundred Croat residents of **Zepce** gather on the main square in this town expressing support for the 14 Croats of the so-called Zepce Group who have been charged with committing war crimes against Bosniak civilians in this area during the war. Addressing the crowd, Ivica Siric, the president of the Co-ordination Board of Zepce Croats, reiterates the request of the Zepce Group to declare the Cantonal Court in Zenica unfit to try this case, and adds that this board will ask the OHR to transfer the case to a different court.

October 15:

- In a press release, the Communications Regulatory Agency (**CRA**) announces that 19 broadcasters in Banja Luka, five in Bugojno and five in the Konjic region have qualified for long-term broadcasting licenses.

October 16:

- At a press conference in Sarajevo, OHR Spokesperson Patrik Volf says that, at a Monday (October 15) meeting with former **SDA** leader Alija Izetbegovic and newly-elected party leader, Sulejman Tihic, the **High Representative**, among other things, expressed concern regarding the composition of the party's leadership, which includes Edhem Bicakcic, an official who was previously removed from public office. “The High Representative stated that this may reflect negatively on the future development of the party,” says Volf.

October 17:

- At a meeting in Sarajevo, the High Representative to BiH, Wolfgang **Petritsch**, and the **BiH Presidency** members agree to hold regular meetings, similar to the Partnership Forum, which has been established for better co-ordination between the BiH Council of Ministers and the international community in BiH. ([PR: HR meets BiH Presidency – October 17, 2001](#))
- The **US and British embassies** to Bosnia close due to a “credible security threat” believed to be linked with the ongoing US-led military operation in Afghanistan.

October 18:

- The High Representative, Wolfgang **Petritsch**, names the international members of the BiH Election Commission – the Head of the OSCE Mission to BiH, his deputy and the Senior Deputy High Representative.
- Addressing the **OSCE Permanent Council in Vienna**, the High Representative, Wolfgang **Petritsch**, and the Head of the OSCE Mission to BiH, Robert Beecroft, say that in the past six years the International community, together with local authorities, has accomplished a substantial amount and brought the country closer to Europe. They both stress, however, that the BiH authorities must now take things into their own hands. ([PR: HR addresses OSCE Permanent Council](#) + [HR's Speech](#) + [EU statement](#) – October 18, 2001)
- At a press conference in Sarajevo, the Federation Deputy Prime Minister and Minister of Finance, Nikola **Grabovac**, says the Federation Government has agreed that the **joint Federation Pension Fund** (PIO) will become operational on January 1, 2002. He also informs the press that the Government has named Bozo Misura provisional director of the new Fund and elected members of the new Board of Directors.

October 19:

- The **BiH/Croatia Interstate Commission for Borders** completes its two-day meeting in Mostar. The Commission members discussed the arrangement of border relations between the two countries including the opening of the border crossing in the area of Kostajnica and Hrvatska Kostajnica. Tomislav Mihalj, the BiH representative in the Commission, says following the meeting that he hopes the micro-location of the Kostajnica border crossing will be determined very soon. He adds that, in his opinion, there is no need for tension to rise over the issue.
- At a ceremony in Sarajevo, Azra **Hadziahmetovic**, the BiH Minister of Foreign Trade and Economic Relations, and Joseph **Ingram**, the Residential Representative of the World Bank in BiH, sign four agreements on development credits amounting to \$90 million. This relates to financial support for the privatisation process, local initiatives, community development and the reconstruction of the electric power sector.
- The High Representative, Wolfgang **Petritsch**, visits the **German SFOR contingent** stationed at the Rajlovac military base near Sarajevo. The German soldiers' commander, General Bernd Kiesheyer, informs Petritsch about the contingent's capabilities and tasks.

October 20:

- The High Representative, Wolfgang **Petritsch**, tells Saturday's Dnevni Avaz that, as soon as the implementation of the CIPS (Citizen's Identification Protection System) project begins, he will personally urge Western countries to begin serious negotiations on the visa regime liberalization with the BiH authorities. "As soon as the implementation of the CIPS project begins, I will personally advocate and lobby with countries -signatories of Schengen Agreement to start

serious talks with BiH authorities about easing the visa regime,” said Petritsch. He, however, noted that his voice will be stronger the very moment BiH shows that it has a credible system of issuing personal documents to BiH citizens and which follows world standards.

- BiH Council of Ministers Chairman Zlatko Lagumdžija, Head of the BiH Coordination Team for Fighting against Terrorism Ivica Misic and BiH Deputy Minister for Human Rights and Refugees Vladislav Vladicic attend in Brussels a **conference of ministers of the European countries dedicated to joint efforts in combating international terrorism**. In his address, Lagumdžija emphasises that terrorism does not have a religion or a nation, and that terrorists live throughout Europe.

October 21:

- FRY General accused of war crimes committed in Dubrovnik in 1991 surrenders to The Hague Tribunal. Pavle **Strugar** is the first officer of the Former JNA (Yugoslav People's Army) who surrendered to The Hague.
- BiH Council of Ministers Chairman Zlatko **Lagumdžija** announces that five persons were apprehended following the temporary closure of the US and British Embassies to BiH. At a press conference in Sarajevo, Lagumdžija says that the apprehensions and the subsequent investigation into the links of these five persons with international terrorism should remove reasons for the temporary closure of the embassies.

October 22:

- The **US and British embassies** in Bosnia reopen following a temporary shutdown due to security threats.
- Bosniak and BiH Croat news agencies, both established during the 1992-95 war, merged after years of division. The joint news agency, grouping the Bosniak BH Press and the Croat Habena, will come under the joint authority of

the BiH Federation Government and is to be called **FENA**.

- Republika Srpska Prime Minister Mladen **Ivanic** visits Mostar to meet with Mostar Mayor Neven Tomic, his deputy Hamdija Jahic, Mostar City Council Chairman Milan Jovicic, representatives of the Serb Civic Council and officials of the Serb Orthodox Church. Ivanic announces that the RS Government will soon open an office in Mostar to help Serbs seeking to return to the town.
- Slovene car seat cover producer **Prevent** announces it has bought a 42-percent stake in the Sarajevo-based car manufacturer Volkswagen Sarajevo. The contract worth one million Euros (900,000 dollars) was signed on 17 October.
- Approximately 12,000 **Republika Srpska health workers** begin a general strike to demand payment of wage arrears and new contracts. Workers ask for an immediate payment of one month's late salary and guarantees that three further months' outstanding wages will be paid in the future. They also ask for all necessary supplies for their work to be made available and that the RS health fund completes a report into its work and makes the findings public.

October 23:

- The High Representative, Wolfgang **Petritsch**, addresses a letter to the ministers for Foreign Affairs of the major donor countries, asking them for financial assistance for the process of return in BiH. Characterising the return process as a "success story", Petritsch stresses that additional financial means are needed to ensure the sustainability of returns as well as further progress in this sphere. In Sarajevo Dnevni Avaz, OHR spokesperson Alexandra Stiglmayer explains that the letter was sent in order to mobilize funds that have remained unspent in this year's budgets, and alert donors to next year's requirements.

- At a press conference in Banja Luka, **OHR** Spokesperson Sonja Pastuovic states that the OHR is not satisfied with the decision of the **Bijeljina** authorities and the Republika Srpska Urban Planning Ministry not to issue a permit for reconstruction of **five mosques** in Bijeljina. Pastuovic adds that the Human Rights Chamber decision according to which these mosques are to be rebuilt was final and binding.
- At a meeting in Sarajevo, Chairman of the BiH Council of Ministers Zlatko **Lagumdžija** informed the Head of the World Bank's Mission to BiH Joseph **Ingram**, Principal Deputy High Representative Donald Hays and Charge d'Affairs of the European Commission's Delegation to BiH Renzo Davidi about the work of the Coordination Board for Economic Development and European Integration, which had been established on October 11 in Sarajevo.
- Zenica Canton Court Investigating Judge Hilmo Ahmetovic tells Oslobodjenje that, for the second time, not one of the **15 Zepce Croats** accused of war crimes committed against Serbs and Bosniaks in the area has appeared before the Court. According to Ahmetovic, further legal measures will now be taken in order to bring the accused before the Court. In a statement given to the newspaper, Head of the OHR Press Office Alexandra Stiglmeier denies media speculation that High Representative Wolfgang Petritsch had already promised certain BiH Federation senior officials that he would transfer the proceeding to some other cantonal court in the Entity.
- Approximately 250 citizens block **Zepce Police Station** protesting the October 23 attempt to arrest two of the 15 Zepce Croats accused of war crimes. The order for the arrest of Perica Jukic and Ivo Lozancic was issued by the Zenica Cantonal Court since not a single Zepce Group member had appeared before the Court for a hearing.
- A round-table discussion on the implementation of the **BiH Constitutional Court's decision** on the equal constitutional status of all three peoples throughout

BiH takes place in Sarajevo. The event, organized by the BiH Federation House of Peoples, is attended by domestic and international legal experts and politicians. A majority of the participants emphasize that the protection of vital national interests in BiH can be achieved only through the existence of the Houses of Peoples in the both Entities.

- At a conference on property law implementation in Teslic, Republika Srpska Prime Minister Mladen **Ivanic** says that the amendment and harmonization of property laws in both Entities is one of the crucial pre-conditions for resolving the problems of refugees, displaced persons and returnees.
- High Representative Wolfgang **Petritsch** visits the offices of the BiH Foreign Investment Promotion Agency (**FIPA**), where he discusses the current investment climate with the agency's Director Mirza Hajric. Petritsch and Hajric travel on to Visoko where they visits the premises of Prevent Sarajevo Ltd. ([PR: HR stresses role of FIPA – October 23, 2001](#))
- Three Bosnian Croats convicted by The Hague war crimes tribunal of taking part in an ethnic purge in a central Bosnian village more than eight years ago have their sentences quashed by a UN appeals court. Zoran, Mirjan and Vlatko **Kupreskic** were found not guilty of crimes against humanity for the killings of more than 100 Bosniaks, by five judges in the UN tribunal's appeals chamber, and are to be released immediately from detention in The Hague. All the men were convicted of crimes related to the April 16, 1993 massacre of more than 100 Bosniak civilians in the village of Ahmici, which marked the start of the Croat-Bosniak war in Bosnia.

October 24:

- At a special session in Sarajevo, both Houses of the BiH

Federation Parliament adopt the **Law on BiH Federation Television** in the version imposed by the High Representative, Wolfgang Petritsch, in September 1999.

- At a ceremony in Sarajevo, the Association of Citizens-Returnees to the Sarajevo Canton hands **Golden Palms** to Member of the BiH Presidency Beriz Belkic, Morris Power of the Office of the High Representative in BiH, and the public company Television Sarajevo for their outstanding contribution to the sustainable return process.

October 25:

- Both Houses of the BiH Parliamentary Assembly adopt a set of five laws related to the **CIPS** project, which will be crucial in bringing the country closer to European integration. The laws on the BiH ID card, central evidence and the exchange of data, residence of BiH citizens, central registration number, and the protection of personal data have been in the parliamentary procedure for three years.
- Federation TV and HRT finalise a contract transferring ownership of HRT transmission assets in Bosnia and Herzegovina to Federation TV.
- At a press conference in Sarajevo, the NATO-led Stabilization Force says it has disrupted links in Bosnia to the **al Qaeda** network of Saudi-born Islamic militant Osama bin Laden. "We do believe that thanks to excellent cooperation between Bosnian officials, **SFOR** and NATO, the links in Bosnia-Herzegovina of the al Qaeda terrorist network have been disrupted," says spokesman Daryl Morrell.

October 26:

- The **Government of Croatia** and the **Office of the High Representative** in Bosnia and Herzegovina welcome the launch of the new Federation Television scheduled for Saturday, 27 October 2001. [\(PR: Joint statement on Fed](#)

TV Launch – October 26, 2001)

- The **BiH Presidency** and senior officials from the two **Entities** hold a coordination meeting in Sarajevo to discuss progress in the implementation of constitutional changes, the implementation of the package of laws regulating the CIPS [Citizens' Identification Protection System] programme and a budget revision for joint institutions for this year.
- Around 2,500 Croat residents of **Zepce** and surrounding areas gather in the town centre for a protest against the attempts of the Federation Ministry of Interior to detain 15 Croat officials who were charged with committing war crimes against Bosniaks in this area. The demonstrators demand that the legal proceeding against the so-called Zepce Group be suspended and ask for the dismissal of the Cantonal Court in Zenica, claiming that this court is unfit to try the case because of its mono-ethnic composition. Zepce Croats also appeal to the High Representative to transfer the case elsewhere, i.e., to a transparently impartial court. The protest is organised by the Board for the Protection of Croats in Zepce.

October 27:

1. Federation Television is launched in Sarajevo on two channels. It is a public Entity broadcaster for Federation citizens and part of the future public broadcasting system for the entire country. The High Representative, Wolfgang Petritsch, addresses a ceremony on the television premises. ([PR: HR address at the Fed TV Launch – October 29, 2001](#))

October 29:

- The Council of Europe's Parliamentary Assembly Committee for Legal Affairs and Human Rights recommends BiH for

membership in the **Council of Europe**.

- At a ceremony to award Masters Diplomas in the field of Democracy and Human Rights in Southeast Europe to students of Sarajevo University, the High Representative, Wolfgang **Petritsch**, says that too often, human rights are viewed as a desirable luxury, instead of being seen as one of the main pillars of a democratic society. ([PR: HR's speech at the ceremony to award Master Diplomas – October 29, 2001](#))
- At an extraordinary session, the **RS National Assembly** concludes that it is opposed to the “one-sided and unconstitutional redistribution of authority between the BiH state and Entity institutions, and expects RS representatives in the joint bodies to launch an initiative for the protection of RS interests.” Insofar as the controversial Defense Policy document is concerned, the Assembly accuses Serb member of the BiH Presidency, Zivko Radisic, of failing to inform the RS public about the document.
- The **Joint Commission for Borders between Croatia and BiH** considers the site of the future border-crossing between Hrvatska and Bosanska Kostajnica. The border issue between Croatia and BiH has been contentious for six years, with Croatia arguing that 42 hectares of land on the right bank of the Una river have not yet been restored to it. The final agreement on this issue should be signed on November 8 in Slavonski Brod.
- **Catholic priests from Zepce** send an open letter to Wolfgang Petritsch regarding the process against the 15 Zepce Croats. “We want to say that the new circumstances could light an unwanted flame and get out of control”, says the letter of the Zepce priests in which they also thank Petritsch and the International Community for everything that has been done for the preservation of peace and justice.

October 30:

- In Brussels, the High Representative, Wolfgang **Petritsch**, chairs a meeting of the Peace Implementation Council's Steering Board at Political Directors level, which is also attended by representatives of the World Bank, the IMF and BiH's Central Bank as well as SFOR, OSCE, UNMIBH and UNHCR. The Steering Board discusses steps to be taken in the coming year to move economic reform and recovery in BiH forward. The Steering Board termed the economic transition process in BiH "less than satisfying" and again urged BiH authorities to increase the tempo of implementation of the economic reform agenda, which is not only imperative for higher investment and employment levels but is indispensable if BiH does not want to fall even further behind its neighbors in the EU Stabilization and Association Process. ([PR: PIC SB Communique – October 30, 2001](#))

October 31:

- At a press conference in Sarajevo, **OHR** Spokesman Kevin Sullivan terms the conclusions reached by the **RS National Assembly** on Tuesday "problematic." "The Steering Board has now on several occasions voiced its discontent with the Republika Srpska delegates' behaviour," he says. "This document is a disappointment."
- The BiH Presidency appoints Munir **Alibabic** as the new head of the Bosniak intelligence agency AID, while naming Ivica Vukasic the Director of SNS.
- In a press statement, the **OHR Anti-Fraud Department** says that the Entity budgets have suffered losses of hundreds of millions DM because of corruption and dubious and illegal handling of funds. ([PR: AFU on efforts to tackle corruption – October 31, 2001](#))

ECONOMIC STATISTICS

BiH Economic Update

BiH Economic Data January-September 2001

Source: FBiH and RS Statistical Offices

Indicator	Federation of BiH	Republika Srpska	BIH (OHR estimate)
GDP nominal 2000	6,698 billion KM	2,463 billion KM	9,161 billion KM
GDP nominal 1999	6,141 billion KM	2,180 billion KM	8,321 billion KM
Nominal increase 1999-2000	+ 9,0%	+ 13,0%	+10,0%
Real increase 1999-2000 (minus inflation)	+7,8%	-0,6%	+5,5%
Index of Industrial Production 09/01(FBiH) 07/01 (RS) compared to 2000 average	+10,4% +14,3%	-13,1% -10,1%	+3% +6,1%
09/01 (FBiH) 07/01 (RS) compared to 09/00 (FBiH) 07/00 (RS)			
Retail Price Index 09/01(07/01 RS) compared to 2000 average	+1,7% + 2,3%	+5,9% +8,9%	N/A N/A
01-09/01 compared to 01-09/00 (07 RS)			
Average Net Salary 07/01 07/01compared to 2000 average	439 KM +6,5%	303 KM +10,4%	390 KM +7,2%
Number of Employed 05/01	406,783 persons	227,740 persons	634,523
Number of Registered Unemployed 05/01	263,228 persons	154,236 persons	417,464
Number of pensioners in 05/01	280,533 persons	179,073 persons	459,606
Average pension in 05/01	170 KM	105 KM	145 KM

Imports 01-09/01 (FbiH 01-08/01)	3,201 billion KM	1,228 billion KM	4,429 billion KM
Exports 01-09/01 (FbiH 01-08/01)	1,169 billion KM	0,451 billion KM	1,620 billion KM
Trade deficit – January to August/September 2001	2,032 billion KM	0,777 billion KM	2,809 billion KM
Import/Export coverage	36,5%	36,7%	36,6%

RETURN STATISTICS

See Link to the UNHCR Mission to BiH web page at www.unhcr.ba or see the latest statistics for September on the Adobe Acrobat [file](#).

November

SUMMARY

Diplomatic efforts by the local authorities and the High Representative, Wolfgang Petritsch, aimed at promoting BiH in the world and ensuring continued assistance to the country resumed in November. At the annual Summit of the UN General Assembly held in New York on November 9, a BiH delegation headed by the Chairman of the BiH Council of Ministers, Zlatko Lagumdžija, worked on securing a non-permanent seat for BiH on the UN Security Council. Demonstrating the commitment of BiH to the international fight against terrorism, Lagumdžija also signed, during the Summit, the International Convention on the Prevention of Financing of Terrorism, and informed the General Assembly about the activities of the country's domestic authorities in this respect. In addition, representatives of BiH headed by the BiH Minister of Foreign Trade and Economic Relations, Azra Hadžiahmetović, traveled to Qatar's capital Doha in November to take part in the Fourth World Trade Organisation (WTO) Conference. Hadžiahmetović and her colleagues lobbied for BiH membership in this organisation, which, they believe, will be secured by the end of 2002.

November was also a busy month for the High Representative, Wolfgang Petritsch. Between November 13 and November 18, he held a number of high-level meetings in New York and Washington D.C. with senior US officials, including the Deputy US Secretary of State, Richard Armitage, and heads of the world's most important financial institutions, the IMF and the World Bank. The purpose of this trip by the High Representative was to inform Bosnia and Herzegovina's international partners about the status of peace implementation in BiH, the streamlining exercise conducted by international organisations operating in BiH and, most importantly, to ensure continued international political and economic engagement with the peace process in BiH. Deputy Secretary Armitage assured the High Representative that the United States remains fully committed to Bosnia and Herzegovina.

During meetings with senior representatives of the IMF and the World Bank in Washington, Petritsch briefed his interlocutors on the current status of economic reform in BiH and noted that real partnership between the domestic authorities and the International Community is developing in a positive spirit. The representatives of the financial institutions underlined the necessity that the BiH authorities assume real ownership of the economic reform program and take, on their own initiative, the sort of hard but necessary decisions that will allow reform to take root and the economic situation, which Christiaan Poortman, the World Bank's country director for BiH, characterised as alarming, to improve. They noted that a real partnership between the domestic authorities and the International Community brings with it the obligation to fulfil commitments and demanded an acceleration of the tempo of economic reform. The High Representative also mentioned with concern that RS delegates had failed to ensure the adoption of important State-level economic legislation.

On several occasions in November, the High Representative

warned the RS authorities, in particular the SDS, to stop obstructing the adoption of important State-level legislation – close to 40 laws – and urged them to start actively participating in State-building efforts. In an interview with Reuters, Petritsch stressed that RS politicians need to stop blocking crucial reforms or they will face consequences. “The RS as a poor island cannot survive...cannot become a partner in Europe,” Petritsch said.

On November 6, the High Representative amended the Law on Banks in the Federation, allowing provisional administrators of banks to make pay-outs up to 5,000 KM to depositors before they complete their final reports. The Federation Banking Agency said that approximately 65,000 small depositors in this Entity will be affected by this decision. The imposition of this law also enabled the Provisional Administrator in Hercegovacka Banka, Toby Robinson, to start paying, in December, this bank's depositors whose savings were frozen after the establishment of the provisional administration in April.

The month of November also saw the attendance of a session of the Federation House of Representatives by HDZ representatives and promises that the HDZ would start participating in the Federation institutions.

Vigorous diplomatic activity aimed at improving relations between the countries of former Yugoslavia, most notably, between BiH and its neighbours – the Republic of Croatia and the Federal Republic of Yugoslavia – continued in November. At the beginning of the month, representatives of the State institutions in BiH met with parliamentary delegations from Croatia and Yugoslavia with whom they discussed some of the outstanding issues between their respective countries, including the return of refugees. Just a few days later, regional experts from BiH, Croatia and Yugoslavia met in Sarajevo at a regional conference on missing persons and discussed mutual co-operation in this field with the aim of

making the search for the missing more effective. On November 18, the International Commission for Missing Persons (ICMP) promoted a new DNA testing system which is expected to accelerate dramatically the process of identification of remains exhumed from mass graves across BiH.

Finally, after nearly ten years of diplomatic blackout, Yugoslavia and BiH exchanged ambassadors, a move regarded by many as signifying the beginning of normalisation of relations between the two countries and the stabilisation of the entire region.

CHRONOLOGY

November 1:

- After the October 31 appointment of the new heads of the Bosniak and Croat intelligence services, AID and SNS, Sarajevo media and several senior officials in the ruling Alliance, most notably SDP (Social Democratic Party) Vice-President Ivo Komsic, argue that such a move further strengthens the parallel structures in the Federation and does little to promote a genuine integration of institutions in this Entity. Members of the BiH Presidency stress, however, that the appointments were fully legal and even necessary to carry on the process of integration of the two existing intelligence agency into a single Federation Intelligence Agency.

November 4:

- During a visit to the villages of Susnjari and Poljare in Bosanska Posavina region, the High Representative, Wolfgang Petritsch, warns the RS authorities that the return rate of Croats to this area is at "a scandalous level" and urges local leaders to put more effort into

encouraging minority returns to the two villages.

- In the evening, the High Representative meets with RS Prime Minister Ivanic in Banja Luka. The High Representative expresses his concerns with regard to the SDS (Serb Democratic Party) and discusses economic reforms with the RS Prime Minister.
- Croatian Parliamentary delegation headed by the Croatian Assembly speaker, Zlatko Tomcic, arrives in Sarajevo for a three-day official visit to BiH. Addressing journalists gathered at Sarajevo airport, Tomcic says that the return of refugees and specific obligations of the two countries delineated in the Dayton Peace Agreement would be the main focus of the Parliamentary Delegation's discussions in BiH. During their visit, the Croatian parliamentarians met with the members of the BiH Presidency, representatives of the Council of Ministers and the BiH Parliamentary Assembly, as well as with the High Representative in BiH, Wolfgang Petritsch.

November 5:

- After a meeting with RS President Mirko Sarovic and his deputy Dragan Cavic in Banja Luka, the High Representative criticises the RS authorities, in particular the ruling SDS (Serb Democratic Party), for their lack of support for the work of the State institutions. "The RS as a poor island cannot survive...cannot become a partner in Europe," he says in an interview with AFP. Petritsch stresses that he is particularly dissatisfied over continuing obstruction of SDS representatives in State-building efforts.
- During his meeting with RSNA Speaker Dragan Kalinic, the High Representative hands him a list of 37 State-level laws, among them four EU Road Map requirements, the passage of which RS delegates have blocked, and demands that Kalinic use his influence to ensure their adoption. Later on, the High Representative also meets with

Milorad Dodik, the SNSD President and former RS Prime Minister.

- RS authorities issue a proposed indictment of the former member of the BiH Presidency, Alija Izetbegovic, charging him with genocide, war crimes, and crimes against civilians and prisoners of war, as well as with destruction of religious and historical monuments. RS Public Prosecutor Vojin Dimitrijevic informs the press that the proposed indictment is being forwarded to the ICTY (International Criminal Tribunal for former Yugoslavia) for review. The Tribunal is to decide whether the evidence is sufficient to press formal charges. While most officials in the RS welcome the move, the Federation public and most politicians are nearly unanimous in labelling the decision of the RS government absurd and unfair, aimed at drawing attention away from crimes committed by Serb forces.

November 6:

- In an interview with the Oscar C TV station in Mostar, the High Representative, Wolfgang Petritsch, announces preliminary results of the investigation into the Hercegovacka Banka financial operations. Petritsch says the findings of the audit team show that a few used the Bank to enrich themselves at the expense of the legitimate small deposit holders. He says most of the shareholders bought the shares of the Bank, whose founding capital put forward in 1998 by municipalities and Cantons was 20 mio. KM, with loans they took from the Bank. Until the introduction of the Provisional Administration, only 0.5 mio. KM of the 20 mio. KM were paid with real money. The High Representative cites the example of Antonio Trade, which took a loan of 2 mio. KM from Hercegovina Osiguranje on 7 July 2000, the same day bought Hercegovacka Banka shares worth 2 mio. KM, and then, on 28 December 2000, took a 2 mio. KM loan from

Hercegovacka Banka to pay back Hercegovina Osiguranje the next day. That loan of Hercegovacka Banka was never repaid. The High Representative also stresses that the Bank gave out as loans 88 mio. KM, which represented 80% of the deposited money in the Bank. He says that Banks usually do not give out as loans more than 15% of the deposited money.

- The High Representative issues a Decision amending the Law on Banks in the Federation, allowing provisional administrators of banks to make pay-outs up to 5,000 KM to depositors before completion of the provisional administrator's final report. ([Press Release: High Representative issues Decision – Nov 7, 2001](#)) The Federation Banking Agency welcomes the move of the High Representative, saying it is an important step forward in protecting the interests of small depositors.
- The High Representative meets with members of the Croatian parliamentary delegation visiting BiH to discuss relations between the two countries as well as the position of Croats in BiH.
- BiH Council of Ministers decides that citizens of 38 listed countries, mostly in Western Europe, will not need visas to enter or transit BiH, while a visa regime will be applied to all other countries. This decision also affected a number of Arabic countries whose citizens previously did not require visas to enter BiH.
- Member of the BiH Presidency Jozo Krizanovic addresses the regional summit of Central and Southeast European countries on the global fight against terrorism in Warsaw.
- In a press release, international agencies involved in the Property Law Implementation Plan – OHR, OSCE, UNHCR, UNMIBH, and CRPC – announce that the overall implementation rate in September rose to 34 %. However they express concern about tremendously bad results achieved in this area in eastern RS, in particular in Sokolac, Foca and Srebrenica. ([Press Release: PLIP](#)

November 7:

- Spokesman of the Provisional Administration of Hercegovacka Banka, Johan Verheyden, announces further details of the preliminary results of the investigation of the bank's financial operations. Speaking at a press conference in Mostar, Verheyden says that there is a general impression that a small group of individuals had been using Hercegovacka Banka to advance their own personal interests.

November 8:

- The High Representative issues a Decision mandating judges in BiH to exercise judicial discretion when deciding on detention of individuals charged with serious offences, during criminal proceedings. In a press release, the OHR notes that this move will bring the Federation and the RS Criminal Procedure Codes into line with European human rights conventions. ([Press Release: High Representative develops strategy – November 8, 2001\)](#))
- In a press release, the Federation Banking Agency announces that approximately 65,000 depositors of banks under provisional administration will be able to receive a deposit of up to 5,000 KM thanks to the November 6 Decision by the High Representative.
- During a day-long official visit to BiH, members of a parliamentary delegation of the Federal Republic of Yugoslavia (FRY) meet with their BiH counterparts, representatives of the BiH Council of Ministers and the High Representative for BiH, Wolfgang Petritsch. The main topics of the meetings are the relations between the two countries and FRY responsibilities delineated in the Dayton Peace Agreement.
- At a regular session, the Federation Parliament's House

of Representatives adopts the initial version of the Law on the creation of a single intelligence agency in the Federation. Deputies, however, stress that the creation of an Entity intelligence service should only be an interim solution, or a stepping stone in the process of establishing a BiH State Intelligence Agency.

- Twin brothers and indicted war crime suspects Predrag and Nenad Banovic are arrested in Belgrade and immediately transferred to The Hague Tribunal. The two are charged with crimes against humanity and violations of the Geneva Convention and of the laws and customs of war.

November 9:

- Speaking at an annual Summit of the UN General Assembly in New York, the Chairman of the BiH Council of Ministers, Zlatko Lagumdzija, stresses that BiH has demonstrated firm commitment to the fight against international terrorism and proposes that military intervention in Afghanistan be accompanied by a program of socio-economic development. Among other things, the BiH delegation in New York focused on securing a non-permanent seat for BiH on the UN Security Council.
- In a press release, BiH Minister of Foreign Trade and Economic Relations Azra Hadziahmetovic informs the public that a BiH Delegation participating in the Forth World Trade Organisation (WTO) conference in Qatar's capital Doha will lobby for the membership of BiH in this organisation, which could be expected by the end of 2002.

November 10:

- Regional experts from Bosnia and Herzegovina, Federal Republic of Yugoslavia and the Republic of Croatia meet in Sarajevo at a regional Conference on missing persons and discuss mutual co-operation and ways in which the

search for the missing could be made more effective.

- In a press statement, the Presidency of the HDZ (Croat Democratic Union) asks that one channel of the recently created Federation Television be given to Croats and be specifically designed to “satisfy the linguistic and cultural needs of the Croat people living in BiH.” Most Sarajevo media and the Chairman of the Federation TV Council dismiss this demand of the HDZ as mere nationalist rhetoric aimed at deepening the disintegration of society in BiH.
- In a press release, Amnesty International expresses its concern over the noticeable increase in violent attacks against members of minority groups returning to the Republika Srpska. “These attacks – most of which are believed to have been deliberately organised – undermine the entire return process,” Amnesty notes, adding that such violence also reinforces fears amongst vulnerable returnee communities already traumatised by the war.
- In an interview with Split’s Slobodna Dalmacija, spokesman for the Provisional Administration in Hercegovacka Banka Johan Verheyden announces that preliminary results of the investigation into the bank have also revealed some 1,000 illegal transactions made by this bank after April 6, when the Provisional Administration was imposed by the High Representative.

November 11:

- In an [article](#) written for Banja Luka’s Reporter magazine, the High Representative, Wolfgang Petritsch, stresses that his recent visit to the RS was just a warning shot to Entity authorities obstructing the creation of a sustainable BiH. “Now, the ball is in the court of the RS leadership, and in particular the SDS,” Petritsch stressed.

November 12:

- At a summit of the UN General Assembly in New York, the Chairman of the BiH Council of Ministers, Zlatko Lagumdžija, signs the International Convention on prevention of Financing of Terrorism, a move deemed by many to represent a clear commitment by BiH to fight against international terrorism.
- Speaking on Banja Luka-based Alternativna Televizija, RS Deputy Justice Minister Mladjan Mandić says that the FRY should not extradite RS citizens incited for war crimes to The Hague, but rather return them to this Entity, which in turn should decide on how to proceed.
- Zagreb's daily Vecernji List starts publishing a special edition for BiH, which will, in the words of its editor Ruzica Cigler, have a strong focus on domestic political issues of Bosnia and Herzegovina.

November 13:

- The High Representative starts a five-day visit to New York and Washington D.C. to lobby for continued support for the peace process in BiH. During the UN General Assembly's annual meeting at the level of foreign ministers, Wolfgang Petritsch meets with UN Under-Secretary for Peacekeeping Operations Jean Marie Guenheno, and Portuguese Minister for Foreign Affairs Jaime Gama. ([Press Release: HR lobbies for – November 13, 2001](#))
- News agencies report that the BiH banking system posted profits for the first time since the war with the total value of savings accounts in the Federation rising by 38 percent since last year.
- BiH Presidency adopts decision to initiate a procedure for the start of negotiations and the signing of an agreement on dual citizenship with the Republic of Croatia and the Federal Republic of Yugoslavia, which should be completed by January 1, 2002 – the deadline

set in the Citizenship Law.

- Three Bosnian Serbs, Dusko Sikirica, Dragan Kolundzija, and Damir Dosen, who admitted running the notorious Karaterm prison camp, where many Bosniaks and Croats were tortured during the war in BiH, are sentenced to 15, three and five years in prison respectively by the ICTY (International Criminal Tribunal for former Yugoslavia).
- At a regular press conference in Sarajevo, OHR spokesman Kevin Sullivan announces that the BiH Human Rights Chamber has withdrawn the provisional measures suspending all construction in Kotorsko near Doboј, adding that the OHR is also ready to lift its own ban on certain portions of the Kotorsko site pending the final decision of the Chamber and after the Doboј authorities resolve outstanding issues relating to the original waiver request.

November 14:

- The High Representative, Wolfgang Petritsch, continues a series of high-level meetings in New York designed to sustain the engagement of foreign governments and international agencies in BiH. During talks with the Spanish Foreign Minister, Josep Pique, Petritsch notes the progress in the new partnership between the International Community and local authorities, as well as a significant breakthrough in refugee return since the year 2000. [\(Press Release: HR discusses Europeanization and Streamlining – November 14, 2001\)](#)

November 15:

- The High Representative meets in Washington with representatives of the World Bank and the IMF (International Monetary Fund) and briefs them on the status of economic reform in BiH. In the light of decreasing donor funds, officials underline the critical

necessity that the BiH authorities assume real ownership of the economic reform program. ([Press Release: Donors demand that BiH authorities take real ownership – November 16, 2001](#))

- In an [interview](#) with Reuters news agency, RS Prime Minister, Mladen Ivanic, says that responsible authorities in the RS have started the search for indicted war criminals, including Ratko Mladic and Radovan Karadzic.
- Quoting the findings of a poll conducted by the Partner Agency, AFP news agency reports that over 80 percent of RS residents are against the extradition of the former Bosnian Serb leader and perhaps the most (in)famous indicted war criminal at large, Radovan Karadzic. Only 5.6 percent of the polled citizens said Karadzic should be taken to the ICTY.
- At a regular session, the BiH Council of Ministers adopts a statement accepting terms of the BiH accession to the Council of Europe.
- A smaller conflict between two students, which started the previous day, evolves into a potentially serious incident, when a group of 220 high-school students of Croat nationality in Stolac gathers in front of the school building shouting insults at their Bosniak counterparts. The incident takes place only two days after a group of 70 Bosniak returnee children began attending classes at the Stolac high school.
- Speaking at a forum “Constitutional and legal position of BiH Croats in the process of constitutional change,” the Vice President of the HDZ, Ivo Andric Luzanski (unrecognised by the International Community), announces that the HDZ will officially return to the State and Federation institutions.

November 16:

- In an [interview](#) with SENSE news agency, Petritsch says

that he has been informed that the World Bank and the European Union will put on hold a donors conference for BiH, because of the failure of the local authorities to fulfil 18 conditions set in the EU Road Map. ([Press Release: Donors Demand – November 16, 2001](#))

- Concluding a week-long series of high-level talks in the United States, the High Representative, Wolfgang Petritsch, meets with the US Deputy Secretary of State, Richard Armitage, in Washington. The two officials discuss the current status of the peace process in BiH and the US role in the region following the September 11 attacks against the US, as well as the streamlining exercise being conducted by international civilian organisations in BiH. Armitage assures the High Representative that the United States continues to be fully committed to BiH. ([Press Release: High Representative meets US – November 17, 2001](#))
- The High Representative, Wolfgang Petritsch, appoints the four national members of the seven-member BiH Election Commission of BiH to ensure that the general elections in BiH take place as planned by October 2002. With these appointments, the Election Commission line-up is complete, and it can start working. On 27 September 2001, the High Representative had appointed the three international members of the Election Commission (the Head and Deputy Head of the OSCE Mission to BiH or their designates, and the Senior Deputy High Representative or his or her designate). ([Press Release: High Representative appoints – November 16, 2001](#))
- In an [interview](#) with Reuters news agency, the High Representative, Wolfgang Petritsch, warns RS politicians that they need to stop blocking crucial economic reforms, or will face the consequences. Following his meeting with US officials in Washington D.C., Petritsch stresses that the SDS (Serb Democratic Party), which has a great deal of influence in both the executive and legislative branch in the Entity, needs to ensure that

some 30 laws aimed at economic reform are passed within a few weeks.

November 17:

- Pope John Paul II receives at the Vatican the members of the BiH Presidency, Jozo Krizanovic, Beriz Belkic, and Zivko Radisic, and assures them that the Holy See fully supports the admission of BiH into the Council of Europe and the World Trade Organisation.
- Police in the RS town of Pale confirm that a 79-year old Bosniak returnee to this town, Seid Mutapcic, was found dead in his home the previous day. Ministry of Interior officials confirm that Mutapcic was hacked to death by an unknown assailant and do not exclude the possibility that the incident was ethnically motivated. RS authorities strongly condemn the incident.

November 18:

- A new DNA-testing system is, for the first time, used in BiH in an attempt to identify two teenagers killed in BiH during the war. The system, developed and used by experts at the International Commission for Missing Persons (ICMP), is expected to accelerate dramatically the process of identification of remains exhumed from mass graves across BiH.

November 19:

- Commenting on the recent statement of the High Representative in which he criticised local authorities because of their failure to pass necessary laws in the sphere of economic reform, and which resulted in the postponement of the donors conference on BiH, BiH Minister of Foreign Trade, Azra Hadziahmetovic, stresses that most of these laws are already in final Parliamentary procedure and will be adopted within one month. The other conditions, she says, are within the

competence of Entity authorities and could be passed within two months.

November 20:

- In an [editorial](#) written for *The New York Times*, the High Representative, Wolfgang Petritsch, warns against the scepticism towards Islam which followed the September 11 terrorist attacks on the US. Petritsch stresses that the influence of the fundamentalist Islam in the Balkans has been weak and urges Europe to integrate BiH into its political, economic and social structures. Most political parties and the public from the Federation welcome the article, commending the High Representative's efforts to "overcome a gap between the West and the Muslims after the September 11th attacks."
- In an [open letter to the citizens of BiH](#) on the occasion of the sixth anniversary of the signing of the Dayton Peace Agreement, the High Representative stresses that BiH is on the way to becoming a "normal" European country with a responsible leadership that wants to make this leap forward as quickly as possible.
- Upon signing the so-called Letter of Intent, the BiH leadership pledges to fulfil a number of conditions which would align the country with European standards after it becomes a member of the Council of Europe in 2002. The letter signed by the members of the BiH Presidency, speakers of both chambers of the BiH Parliament, and the Chairman of the Council of Ministers, outlines over thirty conditions that BiH is to fulfil after it joins the organisation.
- General Secretary of the HDZ (Croat Democratic Union), Josip Merdzo, confirms at a press conference in Mostar that party representatives will return to the Federation institutions and take part in the next session of the Federation Parliament.

November 21:

- The High Representative, Wolfgang Petritsch, meets with a group of Croat deputies in the BiH Parliament, including Mariofil Ljubic, Miro Grabovac-Titan, Zdenko Vukic and Marko Amidzic. OHR says in a [press release](#) that the four HDZ representatives have participated constructively in the work of the BiH Parliament's House of Representatives in the past. During the meeting, the High Representative and Croat delegates discuss issues of concern to Croat constituents and stress the importance of working within the constitutional and legal framework of BiH
- The High Representative holds a second session of the Civic Forum at his home in Sarajevo and discusses important economic issues with prominent businesspeople and economic experts from both Entities in BiH. ([Press Release: Second session of the civic forum – November 22, 2001](#))
- Banja Luka dailies report that a delegation made up of senior RS officials, including Prime Minister Mladen Ivanic, President Mirko Sarovic, and RS National Assembly Speaker Dragan Kalinic, arrived in Moscow for a visit of several days to the Russian Federation. BiH Foreign Minister Zlatko Lagumdzija notes that his Ministry has not received any official notice of this visit from the RS authorities and warns that only State, and not Entity, delegations can negotiate bilateral agreements. Media speculate that the RS delegation experienced a complete fiasco, as it failed to meet with any senior officials in the Russian Federation.
- Media report that former BiH President Alija Izetbegovic was chosen as Islamic Personality of 2001 by the Presidential Palace of the United Arab Emirates in Dubai. The international award is to be officially presented to Izetbegovic on December 5.
- An indicted war criminal and a former Croat police

officer, Pasko Ljubicic, is extradited to The Hague Tribunal by the Republic of Croatia. Ljubicic was charged with planning and organising the massacre of about 100 Bosniaks in two villages of Central Bosnia between 1992 and 1993.

November 22:

- During a visit to Mostar, the Senior Deputy High Representative, Matthias Sonn, expresses his support for the so-called Mostar reintegration plan, promoted earlier by the city's mayor, Neven Tomic, and his deputy, Hamdija Jahic. Sonn stresses that the International Community has had enough politicisation of important issues coming from both sides of the Neretva River and would like to see more concrete steps towards the genuine re-integration of Mostar.

November 23:

- The ICTY's Judge Richard May confirms an indictment against Slobodan Milosevic, charging the accused with 29 counts of crimes committed between 1992 and 1995 in Bosnia and Herzegovina. The indictment, which includes genocide and complicity to commit genocide, was submitted to Chambers by the Prosecutor of the ICTY, Carla Del Ponte, on 12 November 2001.
- At a reception in honour of BiH Day of Statehood, to be observed on November 25, the High Representative, Wolfgang Petritsch, calls for the speedy adoption of the Law on BiH Holidays. He stresses that this Law would be a symbolic and an important future step in strengthening the BiH State. ([Press Release: High Representative on State Holiday – November 23, 2001](#))

November 24:

- In a statement for SRNA news agency, BiH Minister of Civil Affairs and Communications Svetozar Mihajlovic

notes that the German Siemens company was the only company to respond to the tender for the CIPS (Citizens' Identity Protection System) project. The project is designed to introduce order to the administrative chaos which characterises the personal data system in BiH.

November 25:

- RS liaison officer to the BiH Human Rights Chamber, Stevan Savic, tells Oslobodjenje that the RS government has decided to pay compensation to the wife of Bosnian Colonel Avdo Palic. Colonel Palic was abducted from Zepa by Serb forces in 1995. The Human Rights Chamber earlier ordered the RS government to pay compensation totalling 65,000 KM, but only 15,000 are paid to Mrs Palic.

November 27:

- The Hague Tribunal Chief Prosecutor, Carla Del Ponte warns the UN Security Council that authorities in Belgrade and Banja Luka are continuing to obstruct efforts of the ICTY to bring to justice all persons indicted for war crimes committed in Croatia, BiH and Kosovo. Speaking about the situation in BiH, Del Ponte assesses as most problematic the lack of co-operation between the Tribunal and the Republika Srpska, while commending the efforts of Federation authorities in this regard.
- Yugoslav diplomat Stanimir Vukicevic officially assumes the post of the first FRY ambassador to BiH after nearly ten years of virtual non-existence of any diplomatic ties between the two countries.

November 28:

- The High Representative, Wolfgang Petritsch, meets with BiH Minister of Refugees and Human Rights Kresimir Zubak, Federation Minister of Urban Planning Ramiz Mehmedagic, and acting Federation Minister of Social

Affairs Fikret Ferhatovic to discuss necessary changes to the property laws in the Entities. Petritsch urges the Entity representatives to agree on proposed amendments and ensure the full right of refugees and displaced persons to return freely to their places of pre-war residence. ([Press Release: High Representative discusses Property Issues– November 28, 2001](#))

- At a regular session, the Federation Parliament's House of Representatives confirms the appointment of Ramo Maslesa to the post of Entity Minister of the Interior. The post had been vacant since the previous minister, Muhamed Besic, resigned in October.
- After more than seven months of refusing to participate in the work of the Federation institutions, representatives of the HDZ attend a regular session of the Federation Parliament's House of Representatives.

November 29:

- After a consultative meeting, the Chairman of the BiH Council of Ministers, Zlatko Lagumdzija, and the High Representative, Wolfgang Petritsch, stress that the implementation of the Constitutional Court's decision on the constituent status of all peoples on the territory of BiH urgently needs to be implemented.
- The High Representative, Wolfgang Petritsch, meets in Sarajevo with the Special Co-ordinator of the Stability Pact for Southeast Europe, Bodo Hombach. After the meeting, Hombach stresses that BiH is on the "right path to Europe".

November 30:

- The High Representative, Wolfgang Petritsch, issues a Decision declaring in writing his 6 October 2000 Decision on Zepce as final and binding. The original Decision envisaged the abolishment of illegal parallel structures in the municipality, its integration in the

Zenica-Doboj Canton, and slight changes of the municipal boundaries. ([Press Release: High Representative Confirms Final Zepce Decision – November 30, 2001](#))

- The High Representative, Wolfgang Petritsch, appoints four national and three international members of the Council of the Communications Regulatory Agency (CRA), whose role will be to give guidance to the CRA on issues of broadcasting and telecommunications policy. ([Press Release: High Representative appoints members of the CRA Council – November 30, 2001](#))

ECONOMIC DATA

BiH Economic Update

BiH Economic Data January-September 2001

Source: F BiH and RS Statistical Offices

Indicator	Federation of BiH	Republika Srpska	BiH (OHR estimate)
GDP nominal 2000	6,698	2,463	9,161
GDP nominal 1999	billion KM	billion KM	billion KM
Nominal increase 1999-2000	6,141	2,180	8,321
	billion KM	billion KM	billion KM
Real increase 1999-2000	+ 9,0%	+ 13,0%	+10,0%
(minus inflation)	+7,8%	-0,6%	+5,5%
Index of Industrial Production	+10,4%	-13,1%	+3%
09/01(FBiH) 07/01 (RS)	+14,3%	-10,1%	+6,1%
compared to 2000 average			
09/01 (FBiH) 07/01 (RS)			
compared to 09/00 (FBiH)			
07/00 (RS)			

Retail Price Index 09/01(07/01 RS) compared to 2000 average 01-09/01 compared to 01-09/00 (07 RS)	+1,7% + 2,3%	+5,9% +8,9%	N/A N/A
Average Net Salary 07/01 07/01compared to 2000 average	439 KM +6,5%	303 KM +10,4%	390 KM +7,2%
Number of Employed 05/01 Number of Registered Unemployed 05/01	406,783 persons 263,228 persons	227,740 persons 154,236 persons	634,523 417,464
Number of pensioners in 05/01 Average pension in 05/01	280,533 persons 170 KM	179,073 persons 105 KM	459,606 145 KM
Imports 01-09/01 (FbiH 01-08/01) Exports 01-09/01 (FbiH 01-08/01) Trade deficit – January to August/September 2001 Import/Export coverage	3,201 billion KM 1,169 billion KM 2,032 billion KM 36,5%	1,228 billion KM 0,451 billion KM 0,777 billion KM 36,7%	4,429 billion KM 1,620 billion KM 2,809 billion KM 36,6%

RETURN STATISTICS

See link to the UNHCR Mission to BiH web page at www.unhcr.ba.

December

SUMMARY

December is marked by a PIC Steering Board meeting at

political directors' level, at which OHR's proposal on streamlining the International Community's presence in BiH is accepted, and intensified discussions on the implementation of the BiH Constitutional Court's decision on the constituent status of peoples throughout the territory of BiH. Other highlights include a further international push for acceleration of property law implementation, enhanced co-operation between Bosnia and Herzegovina and its neighbours, and the start of payouts to small depositors with Hercegovacka Banka.

At their two-day meeting on December 5 and 6 in Brussels, the political directors of the Steering Board of the Peace Implementation Council endorse the OHR proposal on streamlining the International Community's presence in BiH. This concept is based on four inter-agency policy co-ordination task forces (Return and Reconstruction; Economic Reform; Institution Building; Rule of Law) to be complemented by a cabinet of lead agencies chaired by the High Representative. The Steering Board asks the High Representative to present a more detailed action plan as well as options for a police follow-on mission – to replace UNMIBH's IPTF whose mandate is ending in 2002 – at the next Steering Board meeting at the level of political directors.

"The Steering Board acknowledged that a continued, but recalibrated IC presence remains crucial to complete the objectives necessary to achieve the common vision of the International Community and the BiH authorities about ownership: a self sustainable BiH, serving its citizens, meeting its international obligations, and integrating into Europe," reads the Steering Board Communiqué. The Steering Board "confirmed that the High Representative will continue to be provided with appropriate structures and independent advice to perform his role as foreseen in Annex 10 and subsequent PIC declarations."

On December 4, the High Representative issues a package of

thirteen Decisions comprehensively amending the property laws of both Entities. In a statement for the press, the OHR says that changes are urgently needed as the pace of property law implementation has stalled over recent months. The imposed amendments will reduce the possibility of manipulation and delay, allow for the speedier eviction of multiple occupants, and restrict the right to alternative accommodation.

As part of the High Representative's efforts to facilitate the implementation of the Constitutional Court's decision on the constituent status of peoples throughout the territory of BiH, the High Representative holds talks with representatives of the Alliance and the RS leadership. He urges them to make this endeavour "an exercise in ownership and responsibility", adding that the main political parties representing the two Entities as well as all three peoples and citizens must start looking together for a solution. The High Representative also welcomes the SDP proposal to reduce the layers of government as part of the constitutional reform process in the Entities. While the Federation Government is still refusing to send the amendments drafted by the Federation Constitutional Commission to the Federation Parliament, the RS National Assembly starts discussions on December 26. Serb and Bosniak deputies express opposite views on issues such as official languages and representation. The RSNA decides to hold a public debate, which will last until February 15.

On December 8, the Provisional Administration of Hercegovacka Banka in Mostar starts making payments of up to 5,000 KM to the bank's legitimate depositors, in Livno, Kupres and Zepce, in line with the High Representative's Decision of November 6 allowing provisional bank administrators in the Federation to make payouts to small-deposit holders before they complete their final reports. The Hercegovacka Banka payouts are made under tight security provided by SFOR, local police, special police and the IPTF.

December is also marked by further activities aimed at improving regional co-operation. On December 11, authorized state officials of BiH and the Republic of Croatia sign several accords, including an agreement on the return of refugees, and three protocols regarding the border between the two countries. At a session of the Inter-State council later on, the two States discuss joint infrastructure projects. A week later, a BiH Parliamentary Delegation visits Zagreb.

On December 13, BiH and the FRY sign a free trade agreement in Belgrade as part of their efforts to help repair their shattered economies and prepare the ground for their integration in Europe. On December 18, the inaugural session of the BiH/FRY Inter-State Co-operation Council is held in Sarajevo. The delegations of the two countries, headed by the BiH Presidency and FRY President Vojislav Kostunica, respectively, express satisfaction with the results of their first meeting. Two agreements are signed; on improving and protecting investments, and on customs co-operation and mutual assistance.

As usual, the end of December is a time for looking back at the past year and setting priorities for the coming year. Almost all BiH politicians express optimism about the future, and re-iterate the need to strengthen the State institutions, establish the rule of law, carry out economic reform and intensify partnership with the International Community. The High Representative, too, optimistically states in his New Year's message that "Bosnia and Herzegovina is on the road to becoming a normal European state" and appeals to the elected representatives and citizens of the country "to move forward on this road with confidence into the New Year."

CHRONOLOGY

December 1:

1. Addressing administrators and academics at a conference on the future development of Sarajevo University the High Representative, Wolfgang Petritsch, notes that one of the reasons young people want to leave BiH is the inadequacy of an education system plagued by poor facilities, old-fashioned teaching methods, non-standardised qualifications, and isolation from European research and teaching developments. He calls on BiH education authorities to make reform of the education system a matter of the utmost priority. ([Press Release: HR calls for urgent reform – December 1, 2001](#) / [Speech by the High Representative to a conference on the new positioning of the University of Sarajevo – December 1, 2001](#))

December 3:

- At a high-level meeting in Sarajevo aimed at strengthening the partnership between the International Community and domestic authorities, the High Representative, Wolfgang Petritsch, briefs representatives of the State and Entities on the streamlining exercise of the International Community. The participants also discuss economic reform and other urgent issues. On the side of the domestic authorities, the participants include: BiH Presidency members Beriz Belkic, Jozo Krizanovic and Zivko Radisic, Chairman of the Council of Ministers Zlatko Lagumdzija, Federation Prime Minister Alija Behmen and RS Vice-premier Petar Kunic. Krizanovic assesses as very good the co-operation of the State institutions with the OHR, adding that he is convinced this co-operation will be further strengthened in the coming months.
- Unknown perpetrators take down a part of the fence

surrounding the site of the destroyed Careva Mosque in Stolac. The reconstruction of this Mosque is the subject of a long-standing dispute between Bosniaks and Croats in the town.

December 4:

- The High Representative, Wolfgang Petritsch, issues a package of thirteen Decisions comprehensively amending the property laws of both Entities. In a statement for the press, the OHR says that changes are urgently needed, as the pace of property law implementation has stalled over recent months. The imposed amendments will reduce the possibility of manipulation and delay, allow for the speedier eviction of multiple occupants, and ensure the right of refugees and displaced persons to “freely return to their homes of origin,” as guaranteed by the Dayton Peace Agreement. ([Press Release: Amendments to Property Laws – December 4, 2001](#))

December 5:

- First session of the Judicial Partnership Forum is held, with Judge Rakel Surlien, the Director of the Independent Judicial Commission (IJC), and representatives of the relevant State and Entity ministries, the Entity parliaments, and associations of judges and prosecutors. The discussion covers a wide range of judicial reform issues.
- The Minister of the Interior of the Hercegovina-Neretva Canton, Goran Bilic, dismisses the acting chief of the police administration in Stolac, Davor Vidovic, and his deputy, Smajo Cerkez, due to their failure to deal effectively with a series of recent incidents in this town, including the destruction of a fence surrounding the site of the destroyed Careva Mosque.
- Meeting of the Steering Board of the Peace Implementation Council (PIC) at the level of political

directors begins in Brussels.

December 6:

- At their two-day meeting in Brussels, the political directors of the PIC Steering Board endorse the OHR proposal on streamlining the International Community presence in BiH. This concept is based on four inter-agency policy co-ordination task forces (Return and Reconstruction; Economic Reform; Institution Building; Rule of Law) to be complemented by a cabinet of lead agencies Chaired by the High Representative. The Steering Board asks the High Representative to present a more detailed action plan as well as options for a police follow-on mission – to replace UNMIBH's IPTF, whose mandate is ending in 2002 – at the next Steering Board meeting at the level of political directors. "The Steering Board acknowledged that a continued, but re-calibrated IC presence remains crucial to complete the objectives necessary to achieve the common vision of the International Community and the BiH authorities regarding ownership: a self sustainable BiH, serving its citizens, meeting its international obligations, and integrating into Europe," reads the Steering Board Communiqué. "It confirmed that the High Representative will continue to be provided with appropriate structures and independent advice to perform his role as foreseen in Annex 10 and subsequent PIC declarations." ([OHR Communiqué – December 6, 2001](#))
- The international agencies engaged in the implementation of property laws in BiH (OHR, OSCE, UNHCR, UNMiBH and CRPC) welcome the property law amendments imposed by the High Representative, commit themselves to working closely with domestic housing authorities to ensure the implementation of the amendments, and call on the authorities to provide alternative accommodation. ([Press Release: PLIP welcomes HR Amendments – December 6, 2001](#))

December 7:

- The BiH Human Rights Chamber (HRC) rules that five former officers of the Yugoslav National Army (JNA) who have not been able to repossess apartments in Bosnia and Herzegovina as a result of the application of Article 3a of the Law on Cessation of the Application of the Law on Abandoned Apartments in connection with Article 39e of the Law on the Sale of Apartments with an Occupancy Right (see paragraphs 84 and 90 below) should have the right to repossess their pre-war apartments in BiH. Article 3a came into force on 1 July 1999. Essentially it prevents persons who were in active military service with the JNA on 30 April 1991, who were not citizens of Bosnia and Herzegovina as of that date, and who had not been granted refugee or other equivalent protective status in a country outside of the former Socialist Federal Republic of Yugoslavia ("SFRY") from repossessing apartments in Bosnia and Herzegovina. Additionally, persons who remained in active military service of any armed forces outside the territory of Bosnia and Herzegovina after 14 December 1995 are barred from repossessing apartments in Bosnia and Herzegovina.
- In an interview with SRNA news agency, the Chairman of the BiH Council of Ministers, Zlatko Lagumdžija, welcomes the latest decisions by the PIC Steering Board, saying they coincide with BiH's well-known priorities: strengthening of state institutions, rule of law, return of refugees and economic reforms.

December 8:

- The Provisional Administration of Hercegovacka Banka in Mostar starts making payments of up to 5,000 KM to the bank's legitimate depositors in Livno, Kupres and Zepce. The payouts are made under tight security provided by SFOR, local police, special police and the IPTF.

December 10:

- The Federation Government issues guarantees allowing for the temporary release of Sefer Halilovic, Mehmed Alagic, Enver Hadzihasanovic and Amir Kubura, former senior BiH Armija officers, who have been indicted for war crimes by the War Crimes Tribunal in The Hague and have surrendered voluntarily. Federation Prime Minister Alija Behmen tells journalists that the government would do the same for all other indictees from this Entity, regardless of their ethnic background
- In a statement for Dnevni Avaz, the Federation Prime Minister, Alija Behmen, says that the Federation Government will analyse in detail the latest decision of the BiH Human Rights Chamber on military apartments. The ruling grants five former officers of the Yugoslav National Army (JNA), who have not been able to repossess apartments in Bosnia and Herzegovina as a result of the application of Article 3a of the Law on Cessation of the Application of the Law on Abandoned Apartments, the right to repossess their apartments in the Federation. "I personally believe that the ruling of the HRC is unreasonable, although, as a Prime Minister, I do not have the right to evaluate it," said Behmen.
- At a press conference in Banja Luka, RS Prime Minister Mladen Ivanic reiterates that RS authorities have started searching locations where people named in the War Crimes Tribunal's public indictments are thought to be residing. He announces that any contact with such individuals on the ground will lead to their arrest and extradition to The Hague.
- The Republika Srpska Constitutional Commission fails to agree on proposals for the amendment of the RS Constitution, which would define adequate participation of all constituent peoples in the executive and judicial bodies in the RS. The session is postponed until December 20, by which time additional consultations

should be carried out in an attempt to find a compromise.

- Ante Jelavic, the unrecognised HDZ BiH leader, sends a letter to Srdjan Dizdarevic, the President of the Helsinki Committee for Human Rights in BiH, claiming that the authority of the High Representative to dismiss obstructive local officials contradicts international human rights conventions and declarations.

December 11:

- Slobodan Milosevic refuses to plead to charges of orchestrating genocide by Serb forces in the 1992-95 war in BiH, deriding the indictment as a “supreme absurdity” from the dock of the ICTY in The Hague. The court’s presiding judge, Richard May, enters a “not guilty” plea on behalf of Milosevic, who is confronted with 29 counts of genocide, complicity in genocide, crimes against humanity, and other war crimes against Bosniaks and Croats in BiH.
- Authorized representatives of BiH and the Republic of Croatia sign several accords in Zagreb, including an agreement on the return of refugees and three protocols regarding the border between the two countries. The latter issue still has some disputed points, most notably a crossing in the north-western BiH town of Kostajnica. At a session of the Inter-State Council, a body comprising the Croatian President and a member of the BiH Presidency, which is tasked to discuss a strategy for bilateral relations, the two sides also discuss joint infrastructure projects and the overall situation in the region.
- On the last day of his three-day visit to Moscow, Chairman of the BiH Council of Ministers and Foreign Minister Zlatko Lagumdžija, meets with the country’s Foreign Minister Igor Ivanov. Following the meeting, Ivanov tells the press that “Russia is firmly committed

to the strengthening of BiH as an integral multiethnic state, and we are ready to continue to support the BiH leadership in its efforts to build a democratic state, free of the manifestations of ethnic or religious extremism.”

- The OHR calls on the small depositors of Hercegovacka Banka to make use of the opportunity of withdrawing up to 5,000 KM from their accounts. According to OHR Spokesman Oleg Milisic, the Provisional Administration estimates the number of accounts at the Bank at 35,000, with the vast majority holding less than 5,000 KM.
- The Agencies involved in the Property Law Implementation Plan (PLIP) announce that, as of the end of October, the overall implementation rate of the property laws has risen to 37% in BiH. According to the PLIP Agencies – OHR, OSCE, UNHCR, UN and CRPC – 46% of cases have been solved in the Federation, 27% in Republika Srpska, and 33% in the Brcko District. ([Press Release: PLIP releases latest property law implementation figures – December 11, 2001](#))

December 12:

- In a statement to OSCAR C Television in Mostar, the Spokesman of the Provisional Administration of Hercegovacka Banka, Johan Verheyden, says that several dossiers containing information on fraud and illegal transactions at the bank will be forwarded to the Federation Prosecutor within weeks. “The names of the suspects will be announced after all the documents are submitted to the responsible courts,” Verheyden says.
- The Director of the Independent Judicial Commission, Judge Rakel Surlien, informs the Federation Judges’ Commission, the Federation Prosecutors’ Commission, the Republika Srpska High Judicial Council and the RS High Prosecutorial Council that the IJC is recommending to the Federation and RS assemblies to extend the

Comprehensive Review Process (CRP) for an additional year. The CRP was established to identify and correct shortcomings in the conduct of judges and prosecutors. In her letter, Judge Surlien notes that, while an extension of the existing review process is necessary, the process itself will have to be significantly upgraded if it is to produce measurable improvement in the administration of justice in BiH. ([Press Release: IJC director recommends – December 12, 2001](#))

December 13:

- BiH and FRY sign a free-trade agreement in Belgrade in a step towards reviving economic relations and liberalising the flow of goods in the region.
- At a press conference in Banja Luka, the President of the RSNA's Constitutional Commission, Miroslav Mikes, says that the RS leadership and political parties have been informed of the suggestion for the representation of Bosniaks and Croats in the RS executive and judicial bodies according to the 1991 census. "All sides are familiar with this proposal, all solutions have been discussed, but we need some time for consultations", says Mikes.
- The Hague-based UN War Crimes Tribunal (ICTY) decides to release provisionally four senior Bosniak wartime army officers awaiting trial: Sefer Halilovic, Mehmed Alagic, Enver Hadzihasanovic and Amir Kubura.
- BiH Federation President Karlo Filipovic and Vice-president Safet Halilovic visit Stolac to meet with the municipal leadership, headed by Mayor Zeljko Obradovic. Discussions focus on the current political and security situation in the area following recent incidents. "Together with the municipal and Cantonal institutions, we will do our best to stabilise the situation and ensure relations of mutual confidence between people of all religions and nations living here," Filipovic tells

journalists following the meeting.

- The High Representative, Wolfgang Petritsch, meets a delegation of the BiH and Croatia Football Federations, which informs the High Representative of their joint bid to host the 2008 European Football Championships. The High Representative welcomes the bid as an important example of regional co-operation. ([Press Release: HR supports BiH & Croatia bid – December 13, 2001](#))

December 14:

- At a session in Sarajevo, the BiH Election Commission adopts its budget for the next year, when general elections are to be held. The budget totals 11,767, 233 KM.
- The BiH State Border Service officially takes control over the Banja Luka Mahovljani Airport from the RS Interior Ministry.
- The OHR, in conjunction with Gesellschaft für Technische Zusammenarbeit (GTZ), convenes the first of a series of seminars for senior administration officials on the introduction of the Value Added Tax (VAT) in BiH. ([Press Release: Experts' seminar examines introduction of VAT – December 15, 2001](#))
- Sefer Halilovic, the wartime commander of the BiH Army and recently the Federation Minister for Social Welfare, Refugees and Displaced Persons, who is indicted on war crimes charges by the Tribunal in The Hague, is granted temporary release and arrives in Sarajevo. He is welcomed by several hundred supporters.
- In an interview with Dnevni Avaz, the High Representative, Wolfgang Petritsch, says he wants the decision of the BiH Chamber for Human Rights on the rebuilding of the Ferhadija Mosque in Banja Luka to be fully implemented. "The RS authorities do not want to learn one thing: obstructions are absolutely counter-productive, they may postpone, but will not prevent

something from taking place,” said Petritsch. He also mentions that he has been asked to complete the work of the Constitutional Commissions on the amendment of the Entity Constitutions many times, “but they must complete their work on their own. I have created the basic conditions for implementation of the BiH Constitutional Court’s decision (on the constituent status of peoples throughout the territory of BiH), and I will wait a few more weeks for something concrete to happen.”

- The War Crimes Tribunal for the former Yugoslavia publicises the indictment of Vinko Pandurevic, a former commander of the VRS “Zvornik Brigade”, who is charged with genocide for his alleged role in the 1995 Srebrenica massacre of thousands of Bosniaks. The indictment against Vinko Pandurevic was originally approved in 1998, but is only now publicly released. Pandurevic remains at large.
- The High Representative, Wolfgang Petritsch, streamlines the OHR presence in the Central Bosnia Canton (Canton 6) by appointing his Special Envoy for Bugojno, Gornji Vakuf-Uskoplje and Prozor-Rama, Ulrich Bucher, Head of Office of the integrated OHR Office in Travnik, which will also host the RRTF. ([Press Release: Streamlining of OHR operations – December 14, 2001](#))

December 17:

- Jerker Torngren, Chief Executive Officer of the Communications Regulatory Agency ([CRA](#)), indicates to the High Representative that he will not seek renewal of his contract. Torngren has headed the CRA since its establishment on March 2, 2001.
- The High Representative, Wolfgang Petritsch, accepts the resignation of the CRA CEO Jerker Torngren, effective from the end of the year, and asks his deputy David Betts to head the agency until a permanent successor is selected next year. ([Press Release: Torngren Resignation](#))

[– December 18, 2001\)](#)

- A delegation of the BiH Parliamentary Assembly, led by the Speaker of the BiH House of Representatives, Zeljko Mirjanic, and the Speaker of the BiH House of Peoples, Sejfidin Tokic, visits Zagreb. With their Croatian counterparts, they agree to hold such meetings four times each year in order to strengthen co-operation between the two states. The BiH delegation also meets with Croatian Prime Minister Ivica Racan and Croatian Deputy Foreign Minister Vesna Cvjetkovic-Kurelec.
- At Sarajevo Airport, hundreds of family members, friends and former soldiers welcome home Mehmed Alagic, Enver Hadzihasanovic and Amir Kubura, three Bosniak wartime army officers indicted for war crimes and provisionally released by the Tribunal in The Hague.

December 18:

- The inaugural session of the BiH/FRY Inter-state Co-operation Council, headed by the BiH Presidency and FRY President Vojislav Kostunica, is held in Sarajevo. The two countries sign agreements on the protection of investments, and on customs co-operation and mutual assistance. At his meeting with Kostunica, High Representative Wolfgang Petritsch says, "President Kostunica emphasised that FRY supported an integrated BiH, which is very important for future relations in the region." At a separate meeting, BiH Foreign Minister Zlatko Lagumdzija and his Yugoslav counterpart Goran Svilanovic agree to start talks on consular issues in January next year.
- At a NATO Defence Minister's meeting in Brussels, U.S. Defence Secretary Donald Rumsfeld calls for a reduction of the 18,000 NATO-led SFOR troops in BiH by at least 6,000 by next year. Washington is currently fielding some 3,100 SFOR troops.
- In a statement for Nezavisne Novine, RS Prime Minister

Mladen Ivanic says that the RS Government should become multi-ethnic, but not in line with the 1991 Census. "Insisting on the 1991 Census would only create an unrealistic image and remind people of the system that existed before the war, when only a formal representation of peoples was in place in BiH," Ivanic says.

- OSCE and OHR express their disappointment with the Federation Parliament's failure to pass the draft Defamation Law last week. "The Defamation Law was passed in the Republika Srpska last July as drafted, and now there is an inconsistent situation in the Federation," says OSCE Spokesperson Urdur Gonnarsdottir at the regular international press conference in Sarajevo. "We understand that there were no new arguments made against its passage, but that crucial members were not present at the time the vote took place. This situation will create a further backlog of cases." Head of the OHR Press Office, Alexandra Stiglmeier, adds that OHR urges the Federation Parliament speedily to adopt this law.

December 19:

- The High Representative, Wolfgang Petritsch, meets with senior representatives of the Alliance for Change to discuss constitutional reforms in both Entities. Both sides leave the meeting unsatisfied. The Bosniak member of the BiH Presidency, Beriz Belkic, tells journalists following the meeting that Petritsch still seems to intend to make compromises, which is a policy that would not achieve the desired results. "Petritsch did not say anything about whether he would use his powers," Belkic is quoted as saying in Oslobođenje. The High Representative tells Dnevni Avaz two days later that the Alliance, instead of directing their demands to him, should start talking to the authorities in Banja Luka. "This has to start happening," he says. "The politicians

here cannot rely on the OHR all the time, nor is this in line with the Alliance's proclamations of ownership."

- The BiH Presidency members Jozo Krizanovic, Beriz Belkic and Zivko Radisic and the High Representative, Wolfgang Petritsch, visit the BiH Public Broadcasting Service (PBS BiH) and express their support for the project.
- The High Representative, Wolfgang Petritsch, appoints Mr. Jean-Pierre Berçot from France Deputy High Representative and Head of the OHR Mostar Office. ([Press Release: HR appoints new Head of OHR South – December 19, 2001](#))

December 20:

- The High Representative, Wolfgang Petritsch, visits Banja Luka to discuss the implementation of the BiH Constitutional Court's decision on the constituent status of BiH's peoples in both Entities with RS Prime Minister Mladen Ivanic and the SDS leadership. At a press conference following his meeting with the Prime Minister, the High Representative calls for the proposed amendments drafted by the RS Constitutional Commission to be sent to parliament for discussion and adoption. He stresses that he expects the implementation of the Constitutional Court's decision to be an exercise in ownership and local responsibility, adding that the multi-ethnic character of the RS must be reflected in its Constitution and that the reform should encourage return. Prime Minister Ivanic states that he will organise inter-Entity political party talks to find a solution to the implementation. In the evening, Petritsch meets with RS President Mirko Sarovic, Vice-president Dragan Cavic and RS National Assembly Speaker Dragan Kalinic, all three of whom are senior SDS officials.
- 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 holds the third Civic Forum, at the OHR Office in Banja Luka. It is the first Civic Forum to be held in Republika Srpska. The High Representative concludes that the issues raised by his nine guests are very similar to those he has heard in Sarajevo. "There is less division between the two Entities than a first glance – or politicians – would suggest," the High Representative says. "This encourages me to be tougher on people who preach division." ([Press Release: Civic Forum in BL – December 21, 2001](#))

- The newly-established single police administration in Mostar, which will be mandated for all six municipalities and the Central Zone, starts to work. The Interior Minister of the Herzegovina-Neretva Canton Interior, Goran Bilic, tells journalists that the new administration will have four police stations.
- Sefer Halilovic, retired BiH Army general and war crimes suspect, tells Oslobodjenje he will resume his duties as the Federation Minister for Social Welfare, Refugees and Displaced Persons early in January next year. In a statement for the same newspaper, Alija Behmen, the Federation Prime Minister, says that Halilovic and he did not reach any concrete agreement on the issue during their Tuesday meeting in Sarajevo. "It is up to Halilovic to decide whether he will resume his ministerial duties since there are no legal obstacles to this," Behmen says.
- The Senior Deputy High Representative, Matthias Sonn, calls on BiH citizens to stand up for their rights when politicians and officials fail to do their jobs properly. The SDHR delivers a speech to students at the Second Gymnasium in Sarajevo on the role of authority and citizens in a democratic society, which is part of a series of external lectures in a course on Education for Democracy and Human Rights. ([Press Release: SDHR Sonn calls on citizens – December 20, 2001](#))

- “The danger of terrorism does not come from the fact that Muslims live in BiH, but that the state has yet to be built and it therefore does not yet function as some others,” the High Representative, Wolfgang Petritsch, says in an [interview](#) with the German Sueddeutsche Zeitung.

December 21:

- The BiH House of Peoples interrupts its session in Sarajevo after the delegates from the RS vote against the draft law on the use of funds received from succession. The Speaker of the House, Sejfudin Tokic, adjourns the session for the following Monday, by which time the Collegium is to harmonise the positions on the draft law, which was adopted in its current version by the BiH House of Representatives at the end of last month.
- A decision recently made by Stolac Mayor Zeljko Obradovic to suspend the reconstruction of Careva Mosque is considered a fresh provocation by 3,700 Bosniak returnees. In a letter reacting to the move, the Stolac Islamic Community states that all constitutional and legal foundations for the reconstruction of the mosque are in place.
- “If you make progress in eliminating ethnic and religious prejudices, you will also take a crucial step towards change in your country,” the High Representative, Wolfgang Petritsch, writes in his [New Year’s message published in the schoolchildren’s magazine “5 plus.”](#) The High Representative underscores the fact that the future of BiH is in the hands of its youngest citizens. He agrees that BiH has its share of problems; its schoolteachers are often too busy, and the textbooks and supplementary contents provide only basic information. “But,” the High Representative writes, “to live life means facing up to challenges and not avoiding

them, it means overcoming obstacles and not complaining about them”.

December 23:

- Commenting on the SDS Congress scheduled for December 24, the High Representative tells Dnevni Avaz that he sees it “as a chance for the party to make essential changes and prove it can be considered a partner in the implementation of the Dayton agreement. The SDS must stop being an ethnically exclusive party, and must open itself to citizens of other nationalities. It must realise that the RS is a part of BiH, and co-operate at the State level. It has to face its past and break with it.”

December 24:

- The members of the Serb caucus in the BiH House of Peoples vote against the draft law on the use of the succession funds. At an extraordinary press conference in Sarajevo, Zlatko Lagumdžija, the Chairman of the BiH Council of Ministers, says the Council will re-introduce the draft law into parliamentary procedure in two days, with an amendment stipulating the Council of Ministers’ obligation to inform the BiH Parliament twice a year how the funds have been used. The High Representative, Wolfgang Petritsch, expresses his concern over the obstructionist behaviour of Serb delegates in the BiH House of Peoples and their refusal to pass the law, which jeopardises the functioning of many important State-level institutions. ([Press Release: HoP failure to adopt the law on Succession – December 24, 2001](#))
- The High Representative, Wolfgang Petritsch, tells Dnevni Avaz that, although it seems there are no legal obstacles to Sefer Halilović’s re-assuming his ministerial post, he recommends that the BiH Federation Government carefully consider the issue. “It is not in

accordance with European standards for a person indicted for war crimes to perform ministerial duties,” Petritsch says. Petritsch also warns that the Federation Government “must take into account how those who are victims of the crimes Halilovic is suspected of would see his re-appointment.”

- At a press conference in Banja Luka, RS Prime Minister Mladen Ivanic announces that the RS Government should become more multi-ethnic next year and that the number of ministries should be reduced from the current 21 to 15. Speaking about priorities for the coming year, Ivanic says they include adoption of the amendments to the RS Constitution in accordance with the BiH Constitutional Court’s decision on the equal status of all peoples across BiH. He says he will initiate a meeting of BiH’s key politicians in January to discuss and agree on the issue without the mediation of the International Community. “Otherwise the international institutions are likely to impose a solution,” says Ivanic. “This would mean that BiH is not capable of finding its own solution, and that would be a tragic message.”
- The Serb Democratic Party (SDS) holds its congress in Banja Luka. The delegates amend the party statute, banning persons indicted for war crimes by the Tribunal in the Hague – including SDS founders Radovan Karadzic and Momcilo Krajisnik – from party membership.

December 25:

- The SDA Presidency decides to launch an initiative to change the BiH Constitution. “We will request that the State regains the name Republic of BiH. We will also request that the authority of the State be expanded and that the powers of the Entities be reduced,” SDS President Sulejman Tihic tells journalists following the session.

- The Association of RS Pensioners protests against the failure of the BiH House of Peoples to adopt the law on the use of succession funds as they would be paid overdue pensions with the funds. "We fiercely condemn the behaviour of delegate Nikola Spiric, which is not in the interests of either pensioners or the RS," the Association states in a press release.

December 26:

- At a press conference held in Sarajevo, the Speaker of the BiH House of Peoples, Sejfidin Tokic, says that the House, in the first nine months of the year, has passed 41 laws and 53 decisions, agreements or resolutions, which is more than this House had done in any of its previous electoral compositions. Tokic views the failure to implement the Constitutional Court's constituent peoples decision the greatest political failure in this year.
- The RSNA starts discussions on the proposed amendments to the RS Constitution. Deputy Speaker of the Assembly and SDA President Sulejman Tihic says at the session the RS cannot survive in its current set up.

December 27:

- During the continuation of the RSNA session, Serb and Bosniak deputies express diametrically opposite positions on issues such as official languages and representation of the constituent peoples in the authorities at all levels. The RSNA decides to present the proposed amendments to the public. The public debate, to be organised by the Constitutional Commission and the RS government, is to last until February 15.
- The RSNA's Deputy Speaker and SDA BiH President, Sulejman Tihic, accuses a bodyguard of the RSNA Speaker, Dragan Kalinic, of raising his gun at him during a recess of the parliamentary session.

- The Chair of the Council of Ministers, Zlatko Lagumdžija, assesses the work of the current Council of Ministers over the past ten months as successful. At a press conference in Sarajevo, he says that the CoM has held 51 sessions, discussed 879 issues and adopted 52 laws. "What is particularly important for us is not just the quantity, but also a quality of our work, which is much greater than during previous mandates," Lagumdžija says.
- At the session that took place before the press conference, the Council of Ministers adopts a new draft law on the use of succession funds, which includes provisions defining parliamentary control over the use of the funds. The new draft is immediately sent to urgent parliamentary procedure in both Houses of BiH Parliament.
- A ceremony is held in Sarajevo to mark the regular rotation of the office of Federation President. Safet Halilović replaces Karlo Filipović, who becomes Vice-President.
- At a New Year's press conference in Sarajevo, Federation Prime Minister Alija Behmen and his Deputy Nikola Grabovac assess that the government has successfully carried out a series of reforms during the past year. They say they have managed to do so despite an HDZ attempt to establish "Croat self-rule" and the fact that the Federation government has not received any international assistance. According to Behmen and Grabovac, industrial production increased by 12.7 percent in the Federation and exports increased by more than 26 percent. Behmen also emphasises that the government has succeeded in abolishing parallel financial and administrative structures.

December 28:

- RS Prime Minister Mladen Ivanic tells journalists

following the three-day RSNA session that talks with the Bosniak members of the RS Constitutional Commission on the provisions related to financial support for refugees in the RS draft budget for 2002 have failed. Ivanic adds that the High Representative will be called on to arbitrate in this dispute. Since the four Bosniak members of the Constitutional Commission vetoed the adoption of the budget, at the session of the RS Constitutional Commission on December 21, the RSNA passes a decision on temporary financing.

- At its session in Sarajevo, the BiH House of Representatives does not, as planned, discuss the new draft law on the use of succession funds prepared by the Council of Ministers. The Council withdraws the draft following an initiative by a deputy in the BiH House of Peoples, Ivo Divkovic, who introduced another amended law into the parliamentary procedure and asked for the House of Peoples to consider this first.

December 29:

- At the SDA's New Year's press conference, SDA President Sulejman Tihic announces that the SDA will advocate the abolition of the Entities if Serb political parties continue to obstruct the State institutions and support the RS as an exclusively Serb Entity.

December 31:

- In his [New Year's address to the citizens of BiH](#), the High Representative states that "Bosnia and Herzegovina is on the road to becoming a normal European state" and appeals to them "to move forward on this road with confidence into the New Year."
- In Dnevni Avaz's traditional New Year's poll, the Head of the OHR Anti-Corruption Department, Manfred Dauster, is declared International Personality of the Year together with the BiH Central Bank Governor, Peter

Nicholl. The daily writes that Dauster has significantly contributed to the countrywide fight against corruption.

- The BiH Federation Government agrees on a draft budget for 2002 and a draft law on its execution. According to the proposal, the 2002 budget will total 1.335 billion KM, which is an 11% increase in relation to the revised 2001 budget.
- At a press conference in Sarajevo, the Sarajevo Cantonal Court Judge Davorin Jukic announces that Goran Vasic has been sentenced to four and a half years in jail for war crimes committed against civilians and prisoners of war in the period from September to December 1992 in the Sarajevo region. By the same ruling, Vasic has been acquitted of the charge of killing wartime Republic of BiH Deputy Prime Minister Hakija Turajlic, who was shot on January 8, 1993 near Sarajevo Airport. Since Vasic has been in custody since February 6th, 1998, the Court decides to release him immediately.

ECONOMIC STATISTICS

BiH Economic Update

BiH Economic Data January-November 2001

Source: FBiH and RS Statistical Offices

Indicator	Federation of BiH	Republika Srpska	BIH (OHR estimate)
GDP nominal 2000	6,698	2,463 billion	9,161
GDP nominal 1999	billion KM	KM	billion KM
Nominal increase 1999-2000	6,141 billion KM	2,180 billion KM	8,321 billion KM
Real increase 1999-2000 (minus inflation)	+ 9,0% +7,8%	+ 13,0% -0,6%	+10,0% +5,5%

Index of Industrial Production 11/01(FBiH) 11/01 (RS) compared to 2000 average 09/01 (FBiH) 11/01 (RS) compared to 09/00 (FBiH) 11/00 (RS)	+12,5% +14,3%	-11,3% -18,8%	+4.5% +3,3%
Retail Price Index 11/01(12/01 RS) compared to 2000 average 01-09/01 compared to 01-09/00 (12 RS)	+1,7% + 2,3%	+9,1% +6,5%	N/A N/A
Average Net Salary 10/01 (RS 11/01) Compared to 2000 average	458,52 KM +6,5%	312 KM +13,9%	405,6 KM +9,21%
Number of Employed 10/01 Number of Registered Unemployed 10/01 (RS 09/01)	406.269 persons 270.334 persons	227.740 persons 153.231persons	634.009 423.565
Number of pensioners in 10/01 (RS 09/01) Average pension in 10/01	279.359 persons 170 KM	179.835persons 105 KM	459.194 persons 145 KM
Imports 01-09/01 (FbiH 01-10/01) Exports 01-09/01 (FbiH 01-10/01) Trade deficit – January to October 2001 Import/Export coverage	4,157 billion KM 1,492 billion KM 2,665 billion KM 35,9%	1,228 billion KM 0,451 billion KM 0,777 billion KM 36,7%	5,385 billion KM 1,943 billion KM 3,442 billion KM 36,1%

RETURN STATISTICS

See link to the UNHCR Mission to BiH web page at www.unhcr.ba
or see the latest statistics for November on the [pdf file](#).

Please also consult the OHR's chronology for :

[2002](#) [2001](#) [2000](#) [1999](#) [1998](#) [1997](#) [1996](#) and [1995](#)

[Jan](#) | [Feb](#) | [Mar](#) | [Apr](#) | [May](#) | [Jun](#) | [Jul](#) | [Aug](#) | [Sep](#) | [Oct](#) | [Nov](#) | [Dec](#)