

OHR BiH Media Round-up, 14/4/2006

Latest radio news broadcast at 12.00 on 14 April

RADIO HERCEG-BOSNA (12,00 hrs)	BH Radio 1 (12,00 hrs)	RTRS (12,00 hrs)
Feature on Easter	Oil prices in FBiH increased	Savers announce suit vrs BiH CoM
FBiH: Fuel prices to go up	Ombudsmen: assess FERKs decision	OHR to engage in 2 nd phase of cc
Savers to file lawsuit with BiH CC	Depositors to address BiH CC	USA on Gaza Report

TV news broadcast on 13 April

RADIO HERCEG-BOSNA (18,00 hrs)	TV PINK (18,00 hrs)	BHT 1 (19,00 hrs)
BiH Court confirms 3 indictments	Tihic meets Del Ponte	CoB confirms terrorism indictments
Tihic meets Carla del Ponte	Ljubicic case forwarded to BIH	HoR on old foreign currency savings
BiH HoR and HoP in session	Round table on ICTY indictees	Funds for alleviating VAT effects
FBiH Government in session	RS NA session	Charges for the role in Srebr. crime

NTV Hayat (19,00 hrs)	FTV (19,30 hrs)	RTRS (19,30 hrs)
FBiH Govt on negative VAT effects	CoB confirms terrorism indictments	BiH Court confirms 3 indictments
BiH HoR on foreign currency savings	Junuzi fled from the prison in Zenica	RS NA session

Report on the RS Govt's vehicles	HoR on old foreign currency savings	Tihic meets Del Ponte
Feature story on Gladovici returnees	HoP on Council of National Minorities	Hellman on ICTY mandate

Oslobodjenje	Pensions for April to include benefits for first three months
Dnevni Avaz	Social welfare to be included in pension for April
Dnevni List	Killed a girl and shot himself in the head (crimes case in Zagreb)
Vecernji List	Croatian policy is disgraceful (Croatian priest don Grubisic criticizes Croatian authorities)
Slobodna Dalmacija	Financial Police is selectively picking 'victims' (FBiH Finance Minister Vrankic interview)
Nezavisne Novine	BAM 100 this year (<i>old foreign currency settlement</i>)
Glas Srpske	Bags are not sisters
EuroBlic	No trace of Karadzic and Mladic in BiH
Vecernje novosti	Features Serbian related topics

LATEST NEWS OF TODAY

<p>BiH Association for return of old foreign currency: Law on savings is illegal, announce legal action with BiH CC</p>	<p>BH Radio1, RHB– Following the adoption of the Law on foreign currency savings by the BiH House of Representatives on Thursday, the President of Steering Board of Association of citizens for return of old foreign currency savings, Svetozar Nisic, stated the Law was adopted in order to save the BiH Council of Ministers. He says the Association will file a lawsuit with the BiH Constitutional Court (CC) because the Law is illegal, because the BiH CC had stated the interest rates were not to be written off and that there would be no verification (of savings).</p>
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Crime issues

<p>BiH presidency chair Tihic meets ICTY chief prosecutor Del Ponte; Tihic deems BiH would have to do more than express readiness to cooperate w/ICTY</p>	<p>FTV– In official visit to the Netherlands, BiH Presidency Chair Sulejman Tihic held talks with the Chief ICTY Prosecutor Carla Del Ponte. Del Ponte expressed optimism regarding the arrest of persons indicted for war crimes, but added she expects closer cooperation with domestic intelligence structures. In a short telephone statement for FTV, Tihic said that the apprehension of Radovan Karadzic would be the issue that RS and BiH security structures would soon have to solve. <i>“It will not be enough only to repeat that we are ready to fully cooperate with The Hague Tribunal. I think that we would be given a deadline to arrest persons indicted for war crimes, especially Radovan Karadzic”</i>, concluded Tihic. RTRS – Tihic added that he underlined a determination of new RS Prime Minister Milorad Dodik to complete this issue. He also stated that Del Ponte mentioned that she has promises from SCG that Ratko Mladic will be arrested by end of 2006 thus meaning that pressure will be increased towards RS and BIH. Dnevni List, pg 4 ‘Del Ponte coming to our country soon’, by <u>Danijela Kozina</u> – Tihic told DL that del Ponte announced she would be soon visiting BiH to check on progress related to arrest of war crimes suspects. The exact date has not been confirmed. RHB, PINK, BHT1, Hayat, Oslobodjenje pg 3 ‘Del Ponte expects better cooperation with BiH’, mentioned on cover <u>not signed</u>, Nezavisne Novine pg 3 ‘Del Ponte expects better cooperation’ by <u>Agencies</u> – also covered.</p>
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<p>BiH presidency chair Tihic: SIPA has to do more on PIFWCs arrests, so far it has done very little</p>	<p>Dnevni Avaz pg 4 'The Hague expects data on Karadzic from BiH', mentioned on cover 'Tribunal asks data on Karadzic from BiH' <u>by A.Malagic</u>— After the meeting with ICTY Chief Prosecutor Carla Del Ponte, BiH Presidency Chair Sulejman Tihic said he told Del Ponte that BiH would do everything it could to have Radovan Karadzic arrested by end of the year. Tihic commented that RS Prime Minister Milorad Dodik announced establishment of the special unit with a task to arrest and investigate war crimes, but Tihic emphasized this is also a responsibility of SIPA and BiH Intelligence Agency [OSA]. <i>"The results can be achieved only through coordination of the these institutions and cooperation with intelligence services of other countries. SIPA has to do more on arrests of war criminals. It has done very little so far,"</i> said Tihic. In statement to daily, Tihic said ICTY is not fully satisfied with the BiH's cooperation. <i>"As long as the cooperation is not established... ICTY would be asking for all our security services to give maximum effort and have result instead of current promises"</i> said Tihic.</p>
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<p>RSNA adopts RS Govt report on cooper/ with ICTY</p>	<p>RTRS – At the session held in Banja Luka on Thursday, the RS National Assembly adopted quarterly report on the cooperation between the RS and the ICTY in period 1 October – 31 December 2005. Reports reads Radovan Karadzic, Ratko Mladic and Stojan Zupljanin are not hiding in BiH, and it lists activities by the RS Interior Ministry on locating, arresting or ensuring voluntary surrender of those ICTY indictees. These include surveillance of Karadzic's family, informative interviews with members of the protection unit who at one time served Mladic in Crna Rijeka barracks, raid of premises linked to Zupljanin, and information exchange with Serbian authorities. RS MoI Stanislav Cadjo said there are no negative evaluations for the RS cooperation with ICTY in this period. Muharem Murselovic from SBIH expressed doubt in RS readiness to cooperate with ICTY. BHT1 – SDA was against the report, noting the former RS Govt paid more than 300,000 KM to ICTY suspects who voluntarily surrendered to the Tribunal in 2005. <i>"What is going to happen if ICTY finds them guilty of war crimes and sentence them to a long-term prison? It would be like a reward for crimes committed, and a political message that those people are practically a heroes, instead of war crimes indictees"</i>, argued Sadovic. RTRS – RSNA also adopted initiative by SNSD deputy Stasa Kosarac to form Commission establishing the crimes committed against Sarajevo Serbs. Tarik Sadovic from SDA opposed this initiative and added that the commission should deal with suffering of all Sarajevo citizens. PINK, Hayat, FTV, Nezavisne Novine pg 6 'Report on Public Defendors Office rejected' by <u>V.Popovic</u>, Glas Srpske pg 2 'The Hague sign' by <u>G.D./D.M.</u>, Dnevni List, pg 4 'Indictees are not in RS', <u>not signed Dnevni Avaz</u> pg 9 'How long will tax payers finance ICTY indictees?' by <u>N.D.</u> – also covered.</p>
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<p>RS Govt accepted RS Police Director Andan's resignation</p>	<p>RTRS by <u>Sandra Zrnic</u> – RS Government on Thursday accepted the resignation of now former RS Police Director Dragomir Andan tendered on April 7. The RS Prime Minister Milorad Dodik accepted on April 8 the resignation which according to speculations in media was a result of the letter submitted by the ICTY Chief Prosecutor Calra Del Ponte to Dodik and HR Christian Schwarz-Schilling. According to unofficial information, Del Ponte was not satisfied with Andan's cooperation with ICTY as well as with his war biography and close relation with crime groups FTV– carried RTRS' report. EuroBlic cover pg splash, RSpG 1 'No trace of Karadzic and Mladic in BiH' by <u>Rajna Radosavljevic</u> Glas Srpske pg 2 'Cheque at last in line with Law' by <u>G.Dakic</u> – also report.</p>
<p>SBiH's MP in RSNA criticises former RS Police Director Andan</p>	<p>Oslobodjenje pg 2 'Instead arresting criminals, Andan was making a show with hat on the head', mentioned on cover by <u>O.V.</u>– During the RSNA's discussion on the quarterly report on the cooperation w/ ICTY, the SBiH's Muharem Murselovic criticized behaviour of former RS Police Director Dragomir Andan. <i>"Instead arresting war criminals, with hat on the had Andan was making a show for reporters, during the search for war criminals all over Han-Pijesak, even though he knew that he wouldn't find them there"</i> said Murselovic.</p>

<p>SB: Del Ponte learned about Andan's criminal past and asked for his resignation; she has proofs that he asked for commission to persuade Maldic to surrender</p>	<p>Slobodna Bosna pgs 28-29 'How Dragomir Andan left', mentioned on cover "Police Director was crying...' by Emir Hodzic – SB writes about the resignation by the RS Police Director Dragomir Andan, claiming its source claims that Del Ponte had been fooled by Andan in several previous occasions when he allegedly provided her with wrong information on Ratko Mladic's whereabouts. Furthermore, Del Ponte was shocked when she allegedly learned Andan asked the Serbian Govt for a lot of money to persuade Mladic on surrender. <i>"Drop that spilled the glass"</i> was when she apparently received a CD with indisputable evidences on Andan's involvement in criminal activities. SB sources says Andan took the resignation quit bad to the extent that he even cried when he tendered it. SB claims Adnan illegally purchased two apartments in Belgrade, one being a gift from Momcilo Mandic [currently in detention for charges of Privredna Bank East Sarajevo related crimes], and concludes he would probably be indicted before BiH Court as there is more then one witness willing to testify against him.</p>
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<p>Round table on war crimes, NATO's Gregorian announces meeting with RS PM Dodik, welcomes Andan's resignation</p>	<p>Oslobodjenje pg 3 'Gregorian announced that he would soon talk to Dodik about Karadzic' by A.P.– Following the round table on war crimes' issues held in Sarajevo, Political Advisor to NATO HQ in Sarajevo Raffi Gregorian announced that he and NATO HQ Commander General Louis Weber would meet the RS Prime Minister Milorad Dodik in Banja Luka on April 26 to discuss the issue of remaining war crimes' indictees. Asked if there is improvement in RS cooperation with the ICTY since Dodik came to power, Gregorain said: <i>"We have heard public statements on full support to the ICTY and appointment of new Interior Minister and resignation of current Police Director Dragomir Andan is welcomed"</i>. Dnevni Avaz pg 4 'It is important if BiH would participate the eventual arrest of Mladic' by Onasa, Nezavisne Novine pg 4 'Local authorities should locate Hague fugitives' by SRNA, Glas Srpske pg 2 'From words to deeds' by Z.D. – also reported.</p>
<p>SB: On demand of ICTY Chief Prosecutor Del Ponte, RS PM Dodik went after ICTY fugitive Stojan Zupljanin, after replacing Zupljanin's close relative from RS MoI</p>	<p>Slobodna Bosna pgs 14-15 'After warning of Del Ponte, Dodik replaced relative of Stojan Zupljanin who was working for RS MoI and then went after Stojan himself!' by S.Sacic – Article reads that following the meeting with the ICTY Chief Prosecutor Carla del Ponte in Banja Luka two weeks ago, the RS Prime Minister Milorad Dodik removed Advisor to the RS Interior Ministry Slobodan Zupljanin, relative of ICTY fugitive Stojan Zupljanin. Del Ponte allegedly said Slobodan was a member of PIFWCs network. SB speculates that RS MoI offered Stojan Zupljanin half a million KM, and Serbian authorities additional half a million, to surrender voluntarily. Stojan allegedly refused this, demanding from the ICTY to provide written guarantees he would be sentenced to not more than 12 years in a Scandinavian prison which Del Ponte rejected.</p>

<p>GS notes it is still uncertain whether OHR would attend commemoration at Donja Gradina</p>	<p>Glas Srpske pg 4 'Schilling still weighing' by <u>D.Majstorovic</u> – Writing about commemoration at Donja Gradina to WW II victims of fascism, daily reminds of actions and statements previous HR, Paddy Ashdown, gave, concluding he failed to fulfil the promise and visit Donja Gradina prior to his departure from BiH. GS carries statements of Bario Brkic, OHR Spokesperson (saying that invitation has come, adding that one of senior officials of OHR will attend this ceremony) and statement of Ljiljana Radetic, OHR Spokesperson, saying there is much time left til Sunday to decide who would attend ceremony.</p>
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Economic issues

BiH HoR passes Law on old foreign currency savings stipulating 13 yrs deadline and settling of debts through bonds; depositors unsatisfied

BHT1 – BiH House of Representatives (HoR) on Thursday adopted the Law on old foreign currency savings, which regulates the procedure and deadlines for settling the obligations towards depositors with such savings in BiH-based banks. Depositors previously said they hoped the BiH HoR would not pass the proposed law, as it timeframe of 13 years for payment but in bonds instead of money. *"We have been waiting for 15 years already, and now they want us to wait for another 13. That is a nonsense"*, said **Ale Lizalovic** from the Association of Old Foreign Currency Savers. According to BiH Council of Ministers' proposal, depositors would receive 100 KM each in 2006, and 1,000 KM each during next three years; the rest of the money would be turned into bonds. *"I think state offered a solution that is pretty close to reality... Now, whether that is fair and satisfactory for those people, well that is altogether different story"*, said SBiH's **Beriz Belkic**. On the other hand BiH Finance/Treasury Minister **Ljerka Maric** believes the solution is good. *"We have trustworthy sources, we have a good timeline, and we have fixed interest rate included; and therefore we think, if only we were able to solve the issues of 'Invest' and 'Ljubljanska' bank clients, that the Law would be perfect"*, said Maric. **FTV**- According to BiH CoM Chair **Adnan Terzic**, there was no alternative to this law, as the BiH Constitutional Court earlier set 'a clear deadline' for legal regulation of this issue. Otherwise, BiH would have to pay the verdicts that court made in favor of depositors, which would most likely mean that salaries of state officials would be reduced by 30%. **RHB, PINK, Hayat, RTRS, Dnevni Avaz** pg 11 'Terzic demanded postponement of non-confidence vote to the Government' by Husein Orahovac **Oslobodjenje** pg 8 "Interest rate on old foreign currency saving after all' by A.Terzic-S.Rozajac, **Nezavisne Novine** cover pg splash 'BAM 100 this year', pg 3 'BAM 100 this year, BAM 1000 next year' by M.Cubro, **Glas Srpske** pg 2 'Deficiencies over tight deadline' by Z.D., **EuroBlic** RSp 3 inset 'Law on old foreign currency savings adopted', **Dnevni List**, pg 5 'Law adopted, savers are complaining', by D. P. Mandić– also carried.

<p>BiH HoP passes Law on old foreign currency savings; instructs CoM to find another source of financing instead of VAT payments</p>	<p>BHT1 late news – BiH House of Peoples passed the Law on old foreign currency savings, which regulates the procedure and the deadlines for settling the obligations towards depositors who had accounts in BiH-based banks. Considering the fact that deadline, set by BiH Constitutional Court, to legally regulate this issue, expires on 17 April; BiH HoP has passed the law with recommendations. Since the Law foresees that entities and Brcko District are responsible for payments, which are to be drawn from VAT payments, BiH HoP advised BiH Council of Ministers to meet with RS and FBiH Governments and in 90 days prepare the amendments to the Law and find another source of financing. Dnevni Avaz pg 11 'Terzic demanded postponement of non-confidence vote to the Government' by <u>Husein Orahovac</u> Oslobodjenje pg 8 "Interest rate on old foreign currency saving after all' by <u>A.Terzic-S.Rozajac</u>– also reported.</p>
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FBiH Govt approves KM25 millions to alleviate negative VAT effects; 18 millions for pensioners

BHT1 – FBiH Government approved allocation of 25 million KM for alleviating negative effects of the Value Added Tax introduction. Out of this sum, 18 million KM are allocated for pensioners receiving with monthly pension less than 200 KM, meaning they would receive additional 10 KM on monthly basis retroactively from Jan 2006. Remaining 6 million KM is intended for social welfare beneficiaries. As the payment of the funds from the Single ITA Account is still blocked, FBiH Minister of Labor and Social Policy **Radovan Vignjevic** was not able to precisely say when would distribution of these means commence. FBiH Government also defined proposal of the law on income tax envisaging a single taxation procedure all citizens in Federation. The Government also forwarded to parliamentary procedure the proposal of the law on the lowest net hourly wage [1.75 KM], which also sets the lowest net salary in FBiH to 308 KM. According to Vignjevic, the exception to this law would be young persons with less than two years of working experience; their lowest net hourly wage would be 1.25 KM. **RHB, Hayat, FTV, Dnevni Avaz** cover splash, pg 3 'Social contribution with April's pension?' by M.Kukan, **Oslobodjenje** cover splash, pgs 4-5 'Social contribution for the first three months with April's pension' by A.Omeragic, inset 'Lowest hourly wage 1,75 KM', **Dnevni List**, pg 2 'Compensations because of VAT together with next pension', by Erna Mackic, **Slobodna Dalmacija**, pg 18 '18 million KMs to pensioners', by Dinko Pasic, **Vecernji List**, pg 2 'Incomes that are 1200 KMs and higher will be taxed', by Eldina Medunjanin – physical persons' incomes that are higher than 1200 KMs per year will be subjected to tax.

<p>Onasa: FBiH CC says Law on Allocation of Public Revenues not damaging for Croat VNI?</p>	<p>FTV – FBiH Constitutional Court has established that FBiH Law on Allocation of Public Revenues does not violate the vital national interest of Croat people in BiH, ONASA news agency learns from ‘reliable sources’. FBiH Constitutional Court will announce this verdict on Wednesday, April 19. The Law was passed by the FBiH Parliament, but the implementation was halted after the Croat Caucus in FBiH House of Peoples launched a procedure to protect the vital national interest. The Caucus claims the Law is harmful for Croats in FBiH, as it foresees direct budgeting of municipalities and not allocation of revenues through Cantons as it was the case until now.</p>
<p>GS critical of HR and ITA SB President because of coefficients for distribution of public revenues</p>	<p>Glas Srpske cover pg splash ‘Bags are not sisters’ by <u>D.V.M.</u> – The article is criticising the HR to BiH, Christian Schwarz Schilling, for the opposite approaches he showed on the issue of ITA distribution coefficients, reminding that during his latest visit to BiH he said <i>“Joly Dixon must know resources must be divided in a just manner and through agreement between RS and F BiH”</i> and later on reached for cudgel represented in Bonn powers and extended Dixon’s mandate to further three months, although aware of the fact Dixon’s decisions resulted in financial loss damage for RS. The article concludes by referring to latest statement by Kemal Causevic, ITA director, who announced the possibility for reduction of taxes and allowances to salaries in F BiH. On this author stresses if anybody thought of compensating that sum from amounts available to RS, he should be reminded that bags of two brothers are not sisters (i.e. they do not share funds).</p>

<p>ITA SB Chair unfreezes ITA single account for state institutions: 125 million KM remain on account / RS PM does not agree with EC proposal that RS should get 29.3% from ITA account</p>	<p>Nezavisne Novine pg 2 'State institutions got blocked money' by <u>D.Risojevic</u> – Daily learns that as of Thursday state can get its money from the single ITA account, since Joly Dixon, ITA SB Chairperson, freed previously frozen resources for the functioning of state institutions. The amount of BAM 30.5 million has been unfrozen and will be directed towards state institutions. According to latest information, there is now BAM 125 million on ITA single account after resources for state institutions were unfrozen. Daily writes about latest proposal of European Commission regarding distribution coefficients, according to which RS should get 29.3% from single account, while RS side persists on 30.5%. On this, Milorad Dodik, RS Premier, stated after Wednesday's meeting with his F BiH counterpart Ahmet Hadzipasic, and F BiH Finance Minister, Dragan Vrankic, that: <i>"We will not accept this, even if blockade extends to eternity."</i> Daily reminds F BiH side persists on application of coefficients on the basis of VAT payers' claims. EuroBlic RSpG 2 'Dixon unfroze payment of budget' by <u>N.B.</u> – carries decision on unfreeze of resources for state institutions, and also RS PM Dodik's statement. Dnevni Avaz pg 2 'Dodik expects response', Dnevni List, pg 4 'Coefficient of 29,3 is unacceptable', <u>not signed</u> – carried Dodik.</p>
<p>SDA demands from ITA to 'stop complicating'</p>	<p>Dnevni Avaz pg 10 'It is dangerous to open package of constitutional changes' by <u>A.M.</u> – At the press conference held on Thursday, SDA Vice President Ibrahim Nadarevic requested from the Indirect Tax Authority Steering Board to stop complicating and stalling the solving of the problem of allocation of funds from the ITA Single account.</p>

<p>ITA SB Chair Dixon : I am considering passing new decision, because it is not fair that taxpayers aren't getting their money back</p>	<p>Slobodna Bosna pgs 26-27 'Those that are accusing me would be better off to think about their taxpayers' by <u>Danka Savic</u> – Explaining a decision to freeze allocation from the single ITA account, the Chair of the ITA Steering Board Chair Joly Dixon said that he was thinking about BiH taxpayers: <i>"I am reconsidering passing new decision, because I deem it is wrong that taxpayers aren't getting their money back, while politicians are hiding behind legal arguments."</i> Commenting initiative by the FBiH Finance Minister and member of ITA SB Dragan Vrankic to amend the Law on ITA placing the Administration under control of the BiH CoM, Dixon said such changes demand further evaluation <i>"as BiH progresses on the way toward European integrations"</i>. Inset 'Dodik and Dzombic have no experience in public finances'- Commenting a lawsuit that RS PM Milorad Dodik announced against him, Dixon said Dodik may not be well informed on certain ITA SB moves. <i>"Aleksandar Dzombic, new RS Finance Minister, didn't have enough time to inform appropriately on previous decision and has no experience in public finances,"</i> said Dixon.</p>
<p>NN op-ed criticises ITA SB President saying citizens are to face consequences of ITA single account freezing</p>	<p>Nezavisne Novine op-ed pg 7 'Revenues' by <u>Predrag Klincov</u> – Wiring about blockade of resources at the ITA joint single account, the author stresses that the citizens, mostly budget beneficiaries, are to face consequences, criticising Joly Dixon, President of ITA Steering Board, to be main culprit for this dispute. The author observes with ironical tone that as situation on this issue becomes more tense, Dixon feels no need to explain anything to anybody. The author further refers to rumours regarding possible reasons why resources were taken from RS and transferred onto F BiH. According to this rumour, F BiH officials at ITA have to do this in order to justify work of ITA, i.e. far more resources were collected through revenues in Sarajevo before ITA was formed, which is not the case with RS.</p>

Cro Secretary for European IntegrationsPejcinovic-Buric: Economy in BiH must be given enough time to adjust to the FTA

Dnevni Avaz pg 9 'Economy must be given enough time to adjust to the Agreement' by T. Lazovic – Croatian Secretary for European Integrations, **Marija Pejcinovic-Buric**, told in a statement to DA that during the talks on the Stabilization and Association with the EU, the BiH negotiating team must ensure long transition period in which the goods of importance for domestic economy would be under customs protections enabling domestic companies to adjust to the free trade arrangement with the EU. She added that Croatian authorities at beginning were very ambitious, believing that period of 6 years was long enough to prepare for this, however now they know they needed more time. Pejcinovic-Buric is currently visiting BiH in an effort to facilitate negotiations BiH SAA team leads with the EU officials by sharing the experience of Croatia. She concludes that the talks between BiH and EU so far were carried out in very positive atmosphere, adding BiH team members are very competent for the job. **Oslobodjenje** pg 7 'Former government though we would be in EU in 2007' by Marina Kavaz-Sirucic – Carries page long interview with Pejcinovic-Buric on Croatian experience in SAA process.

BiH Foreign Minister Ivanic:
New OHR policy of transfer of
power is good, and we will
see investments coming very
soon; police reform must not
turn into political battle

Dnevni Avaz pg 5 'Police reform must not
turn into political battle' by Edina Sarac
– Commenting initiative to create free
trade zone for Western Balkan countries,
BiH Foreign Minister **Mladen Ivanic** told in
an interview for DA said: *"BiH looks very
positively to the idea of this project.
That process is a natural continuation of
already existing bilateral agreements... BiH
will be more attractive for investments
than it is case now. We are very small
market, and if we would be isolated, we
would not be attractive enough as a part
of wider market. BiH can use its
comparative advantages, which are taxation
system with lower tax rate than in the
other regional countries."* He also noted
that financial climate is not as that bad
as the image of the country: *"Some
investors wonders what would happen when
international institutions would not have
such significant role. Therefore I think
that the new OHR policy of transfer of
power is good, and we will see investments
coming very soon. Especially when we sign
Stabilisation and Association Agreement
[SAA]."* Ivanic confirmed that his Ministry
is preparing to host the most important
European journalists, as a part of project
to better BiH image. At the end of the
interview, Ivanic invited all the BiH
institutions to engage in the fulfilling
obligations on the path towards Europe,
stressing that police reform should be an
accordance and not political battle with
imposed solutions.

<p>BiH CoM Chair Terzic met outgoing IMF Head to BiH Doyle and new IMF Head Demekes; Terzic: BiH CoM to reduce taxes to economy</p>	<p>Dnevni Avaz pg 2 'VAT could reduce taxes for economy', Nezavisne Novine pg 2 'Satisfied with results of VAT introduction' by <u>R.C.</u> – BiH Council of Ministers Chair Adnan Terzic on Thursday meet the outgoing Head of the IMF Mission to BiH, Peter Doyle, and the newly appointed Head of Mission, Dimitri G. Demekes. They ascertained that BiH, in defining her economic policies and ensuring the macroeconomic stability, consults and cooperates with the IMF, which has resulted in better economic indicators in BiH. The IMF officials commended the successful introduction of VAT. Terzic informed the Head of IMF Mission in BiH Demekes about the intent of the CoM to take advantage of the eventual boost in VAT revenue to reduce the taxes imposed to the economy for the purpose of creating a more advantageous ambiance for doing business and investing in BiH.</p>
<p>FBIH Minister Vrankic denies reports that he wants to place FBIH Financial Police under his control</p>	<p>Slobodna Dalmacija, front pg splash and pg 21 Financial Police is selectively picking 'victims'', by <u>Zlatko Tulic</u> – carries a brief interview with the FBIH Finance Minister, Dragan Vrankic, in which he denies recent media reports that suggested that he wants to put the FBIH Financial Police FBIH FP) under (his) control in order to hush up crimes the HDZ has allegedly committed in the past. Vrankic says the documentation of the FBIH FP is not somebody's private property, instead it should be with respective prosecutions. Furthermore, he says the companies the FBIH FP was controlling were 'selectively picked', for which he has evidence, however he does not want to present any details about it.</p>

<p>DA op-ed criticizes authorities' lack of VAT follow up actions</p>	<p>Dnevni Avaz pg 3 'VAT against BiH economy' op-ed by <u>Faruk Cardzic</u> – Referring to the introduction to VAT implementation in BiH, the author is critical of the value added tax adding that authorities have not responded as they promised leaving the citizens to fight the consequences of its introduction. <u>Cardzic</u> adds that <i>"even though VAT filled the budget more than it was expected"</i> it is still very unlikely that there would be some benefits for the economy. He additionally criticizes lack of or delay adoption of the programs to fight the negative consequences of the VAT [referring to the Thursday's session of the FBiH Government]. <i>"The most important thing is that state and politicians did not lack any those first 100 days of VAT. But, if they continue like this, they could soon come in the position of finished cow. Who would give milk then?"</i> cynically concludes the author.</p>
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Security and judicial issues

BiH Court
confirms first
indictments
for terrorism

FTV – The pre-trial judge of BiH Court **Mehmed Sator** on Thursday confirmed the indictment for terrorism against two BiH citizens, **Mirsad Bektasevic** and **Bajro Ikanovic**, and Turkish citizen **Cesur Abdulkadir**. Their pre-trial detention has been extended for another year, but the Court of BiH is obligated to reassess every two months the justifiability of the reasons for keeping them in confinement. This is the first indictment for terrorism before the Court of BiH. **Note:** In late October 2005, BiH police arrested five teenagers on suspicion of plotting terrorist attacks on Western embassies in Sarajevo. The first two men arrested in Sarajevo were Abdulkadir from Turkey and Bosnian with Swedish citizenship, Bektasevic, whose confiscated mobile phones and computers led to December's arrest of three more suspects in the Sarajevo suburb of Hadzici. Media also speculated that Bektasevic, 19, also ran a Web site on behalf of **Abu Musab Zarqawi**, Al-Qaeda leader in Iraq. **RHB, PINK, BHT1, RTRS, Dnevni Avaz** pg 12 'Confirmed indictment against Dzesur, Bektasevic and Ikanovic for terrorism' **Oslobodjenje** pg 11 'Indictment for terrorism confirmed' by Fena, **Nezavisne Novine** pg 3 'BiH Court upholds indictment' by D.Muminovic, **EuroBlic** RSpG 3 'Indictments for terrorism upheld' by T.V., **Dnevni List**, pg 5 'State Court confirmed indictment for terrorism', by Dn. L., **Vecernji List**, pg 2 'Indictment for terrorism confirmed in BiH', by Valentina Rupcic, **Slobodna Dalmacija**, pg 6 'BiH Court confirms indictment for terrorism against three persons', by H – reported.

<p>Investigations against EFT company and its owner Vuk Hamovic terminated: No charges will be brought</p>	<p>Nezavisne Novine pg 5, announced on cover 'BiH prosecution ceases investigation on EFT business dealings' by <u>R.Segrt</u> – According to press statement company EFT released Thursday, the BiH Prosecution has ceased further investigation against EFT and owner of this company, Vuk Hamovic, launched in March 2003 and no indictments will be brought against them. (EFT business dealings in BiH were under investigation after publication of Report of OHR Special Auditor in March 2003 suggesting that EFT was privileged in trade deals with RS Elektroprivreda.) Dnevni Avaz pg 3 'No indictment against EFT Group' by <u>Onasa</u> Oslobodjenje pg 17 'There were no irregularities in EFT work' – also reported.</p>
<p>Status conference on case "Mandic and others" on PB ES issue starts today at BH Court</p>	<p>Nezavisne Novine pg 2 'Prosecutor's Office planned 21 witness' by <u>A.Sisic</u>, Dnevni Avaz pg 12 'Indicted for organized crime' – The Status Conference in the case "Mandic and others", where Momcilo Mandic, Mirko Sarovic, Milovan Bjelica and Milorad Govedarica have been charged with millions' embezzlements within Privredna Banka East Sarajevo will be held before BiH Court today. Prosecution plans to call 21 witnesses to the stand.</p>

<p>GS argues EUPM Commissioner's statement Brcko Police can retain its specific elements during police reform</p>	<p>Glas Srpske pg 5 'Having foreboding' by <u>Z.Markovic</u> – Following this week's statement in Brcko of Vincenzo Coppola, EUPM Commissioner (that Brcko District Police may retain its specific elements during police reform, even if it belonged to another region), daily raises the issue as to why District should be allowed to preserve such specific elements while entities would be deprived of same right. Milanko Mihajlica, President of SRS, is of the view Coppola's statement does not have foreboding. Ratko Stjepanovic, SDS delegate at BD Assembly, says Coppola is not informed enough about situation in District, adding: <i>"Final arbitration ward clearly stipulated position and authority of Brcko District and it cannot be a part of any region. Therefore, these statements serve for something else."</i></p>
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<p>Dani int. HJPC Chair Peric on establishment of BL Special Dep. for organized crime: RS PM's intentions were good, but way it was done is not</p>	<p>Dani pgs 22-24 'Court is a mirror of immoral society' by Emir Burlovic – In an interview to Dani, the Chair of the High Judicial and Prosecutorial Council, Branko Peric, commented the law adopted by the RS National Assembly enabling establishment of the Special Court/ Prosecution in Banja Luka to deal with the organized crime and corruption by saying he has not seen the text of the law yet. <i>"We have been supportive of an idea to create a system within existing structure to handle the issues of organized crime, but we also warned certain preparations are needed... [RS PM Milorad] Dodik's intentions are good, but the way in which this was done is not. The organized crime is not exclusive issue of the entity... Perhaps it would be better to extend capacities of Prosecution and BiH Court... In a way these specializations 'undermine' the system,"</i> told Peric. He underlined that clear judicial strategy must be a priority for the Justice Ministries at both state and entities' levels, however such communication doesn't exist.</p>
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Political issues

HR Schwarz-Schilling and BD Supervisor Johnson welcome establishment of Brcko District Office within CoM

BHT1— The Office of the Brcko District Government within the BiH Council of Ministers was officially opened in Sarajevo on Thursday. Both High Representative in BiH **Christian Schwarz-Schilling** and Brcko Supervisor **Susan Johnson** welcomed its establishment. The main aim of this office is to assure better coordination and cooperation between State institutions and the Brcko District. *"We do not want to be only formally present in the BiH CoM, and we do not want to be the décor in this building. What we want is to be a true leader in BiH; we want to build a multiethnic model at one percent of BiH territory"*, stated BD Mayor **Mirsad Djapo**. *"Brcko District is not a deserted island, it is not a district of the entities – it is a district of BiH"*, stated BiH Council of Ministers Chair **Adnan Terzic**. **RHB, RTRS, Dnevni Avaz** pg 4 'We want to be part of state system' **Oslobodjenje** pg 2 'Opened office of Brcko District Government' by Fena, **Nezavisne Novine** pg 6 'Tighter relation with the state' by N.Krsman – reported shortly.

HR Schwarz-Schilling meets HSS leader Tadic; Tadic says that HSS calls upon democratic powers not to allow legalization of entity division

RHB, Oslobođenje pg 4 'New Constitution needed' not signed, **Dnevni List**, pg 3 'Schilling will mediate second phase of negotiations', by D. Pusic – carries Tadic a saying that HR Schwarz-Schilling promised him the second phase of constitutional changes talks will take place, which he will be personally mediating. – HSS leader **Marko Tadic** held talks with the High Representative for BiH, **Christian Schwarz-Schilling**, on the position of the Croats in BiH, and on the HSS views of the amendments to the BiH Constitution. Tadic told Schwarz-Schilling that the position of the Croats, as the smallest people in BiH, will become even worse if the proposed amendments fail to guarantee the equality of all peoples at legislative, executive and judicial power levels. He also informed the High Representative that the HSS BiH will call upon all democratically oriented delegates, especially the Croats, not to participate or allow the legalization of the entity division of BiH, and marginalization of the Croats through "the club-law", but rather to resolutely stand up for the preparation and adoption of a new BiH Constitution on the model of the best achievements in Europe and the world.

BiH CoM Chair Terzic puts his mandate at disposal to BiH HoR, demanding this to be discussed when all deputies are present

Oslobodjenje pg 5, mentioned on cover 'You can do with our mandates whatever you want' by A.T. – BiH Council of Ministers Chair **Adnan Terzic** put the mandates of BiH CoM members at the disposal to BiH House of Representatives: *"This does not mean that I resign, but you can do with our mandates whatever you want."* BiH HoR deputies **Tihomir Gligoric** [SPRS], **Mirko Blagojevic** [SRS] and **Petar Kunic** [independent deputy] launched an initiative for casting no-confidence vote to the BiH CoM. Both Kunic and Terzic demanded BiH HoR to postpone vote on this issue because 11 deputies were not present at the session. Terzic said that he did not want to "save" himself and BiH CoM: *"We want all 42 deputies to be at the next session when this issue is discussed, so we know do BiH CoM projects have support in the BiH Parliament."* BiH HoR, though decided that the amendments to the BiH Constitution will be the next session, scheduled for April 24, and that issue of BiH CoM has to be discussed in some of the latter sessions. **Dnevni Avaz** pg 11, mentioned on cover 'Terzic demanded postponement of non-confidence vote to the Government' by Husein Orahovac, **Nezavisne Novine** pg 3 inset 'Discussion on a confidence vote in BiH CoM postponed', **EuroBlic** RSpG 3 'Terzic postponed voting' by Dusanka Stanisic – also reported.

<p>CoM Chair Terzic: goal of statements against me is destabilization of BiH</p>	<p>BHT1 current affairs program 'Javna Tajna by <u>Amir Zukic</u>– Commenting on initiative for his dismissal by some BiH parliamentarians, the Chair of the BiH CoM Adnan Terzic stated that RS now has a new majority, which needs new CoM. Terzic said that the goal of the RS PM Milorad Dodik who talked about "<i>incompetence of Terzic and CoM</i>" is to destabilize BiH and block its European path as "<i>BiH goes to Europe, not entities... entities would not have power</i>". Terzic also rejected speculations SDA is not satisfied with either CoM's or his work.</p>
<p>VL interview: HR Schwarz-Schilling believes proposed const. changes will be adopted, announces OHR will be involved in 2nd phase of talks</p>	<p>Vecernji List, pg 6 'OHR will have important role in constitutional changes', by <u>Dejan Jazvic</u> – carries an interview with the High Representative, Christian Schwarz-Schilling, in which he, among other issues, says he believes that the proposed constitution changes will be adopted in the BiH Parliament. The HR notes that the proposed changes, the entity voting in particular, are not ideal, however since there were many proposals that shut each other out, the proposed changes are as they are. He also assures that the second phase of negotiations will continue, since it was guaranteed by the US Ambassador to BiH and US Secretary of State, in the same time revealing that the OHR will be completely involved in the second phase, underlining the OHR will not be taking any sides.</p>

US Ambassador
McElhaney: If
parliament
rejects
amendments,
politicians would
have to explain
citizen reasons
for doing so

OBN current affairs program 'Telering' by Mato Djakovic – In an interview to OBN, the US Ambassador to BiH **Douglas McElhaney** once again reiterated the importance of constitutional changes for BiH and interest that US Administration has in this issue, which can be seen in the fact that they initiated start of negotiations. Ambassador counted numerous benefits that BiH would have if proposed amendments to BiH Constitution were passed, but he refused to talk about the second phase of constitutional changes, which is announced for after October elections. However, McElhaney stressed that second phase is expected to be much more detailed and more difficult, and it will take much more time than the first one. According to McElhaney, the second phase should be carefully prepared in order to create an atmosphere where people will be able to sit together and discuss the needs of BiH citizens. Talking about possible consequences if BiH Parliament rejects amendments, McElhaney said that he hopes that politicians are going to understand necessity of proposed changes and take into consideration interests and needs of their voters. However, emphasized McElhaney, if amendments are rejected BiH politicians will have to take responsibility and explain citizens why this happened.

HDZ 1990 proposes
'people's veto'
in BiH HoP

Dnevni List, pg 3, mentioned on front
'Croat representatives against
constitutional changes', by Mensud Zorlak
– reports from session of Presidency of
HDZ 1990 held on Wednesday night, at which
the party decided it would support the
proposed constitutional amendments in case
the HDZ 1990's amendments are adopted in
the BiH Parliament. One of leaders of HDZ
1990, **Vinko Zoric**, explains the party will
propose that a 'people's veto' be in place
in the BiH House of Peoples in other words
'the protection of vital national
interests without outvoting in the
Constitutional Court of BiH.' **Dnevni Avaz**
pg 10 'No support without adopting
amendments' by Fena **Oslobodjenje** pg 8
'Corrections of proposed amendments' by
Fena – also reported.

<p>SDA expects adoption of amendments to BiH Constitution</p>	<p>Dnevni Avaz pg 10 'It is dangerous to open package of constitutional changes' by <u>A.M.</u></p> <p>– At the press conference held on Thursday, SDA Vice President Ibrahim Nadarevic stated the party expects the amendments to the BiH Constitution and the relevant amendments of the BiH Election Law to be adopted by the end of month so that new solutions could be applied at the forthcoming October elections. <i>"Any form of opening the package brings the danger of not adopting the amendments. Thus, SDA will not support any changes of the amendments that are not in line with the spirit and essence of the political agreement among the presidents of the political parties"</i>, said Nadarevic.</p> <p>Oslobodjenje pg 7 'Amendments for Europe' by <u>Fena</u> – also reported.</p>
<p>Dani: SBiH founder Silajdzic has no actual support of 102 NGOs as he claims</p>	<p>Dani pgs 20-21 'Secret of Haris' list' by <u>Faruk Boric, Belma Becirbasic</u> – Following the claims by SBiH founder Haris Silajdzic that 102 NGOs support his stance against the amendments to the BiH Constitution, Dani decided to check the information with the Chair of Society for Endangered Peoples Fadila Memisevic. She said that on Nov 25 last year she addressed Governments of the US and EU members states on behalf of those 102 NGOs stating they are in favour of united BiH. Memisevic further underlines although all of them desire BiH without entities, more than 80% are in favour of the constitutional changes.</p>

<p>Oslob op-ed: Refusing const. changes would mean a heavy blow to BiH's int. credibility</p>	<p>Oslobodjenje pg 9 'Public debate' <u>op-ed</u> by <u>Zija Dizdarevic</u> – Commenting that public debate on amendments to the BiH Constitution brought nothing new, editorial reads that the opponents can stop adoption of the amendments, but cannot ensure the majority for their ideas. <i>"Therefore it is a nonsense to claim that it is better to preserve things as they are, than to adopt the changes. Refusing would mean a heavy punch to BiH international credibility,"</i> concludes author.</p>
<p>Feral Tribune: BiH CC's decision on entity symbols will not go down as easy in RS</p>	<p>Feral Tribune, pgs 28-29 'Flagpoles for live flesh', by <u>Ivan Lovrenovic</u> – commenting on the BiH Constitutional Court's ruling that the entity symbols are not consistent with the BiH Constitution, <u>Lovrenovic</u> reckons the symbols of the FBiH will be abolished easily and silently because both the Bosniaks and Croats, who make the majority in the FBiH, have not embraced the symbols as their own, whilst the implementation of the decision in the RS will cause troubles. The author underlines statement by the RS PM, Milorad Dodik, (that he would prevent anyone from removing the RS coat of arms from his office) saying the statement is foremost Dodik's message to his Serb voters and proof that Dodik does not know and does not want to know about the independence of judiciary.</p>

VL interview: HR Schwarz-Schilling announces trip to US where he will meet US administration, present report to UNSC

Vecernji List, pg 6 'OHR will have important role in constitutional changes', by Dejan Jazvic – In an interview to VL, **Christian Schwarz-Schilling** announces his next week's trip to the US where he would meet US administration's officials, the UN Secretary General **Annan** and present the UN Security Council a report on situation in BiH. With regards to the latter, the HR says the report will be dealing with transition of the OHR into the EUSR, SAA talks, reforms in BiH and decertified police officers. On the latter, HR says it is a very important issue that needs to be solved, stressing that international organizations in BiH have to abide by human rights too. Inset 'Old HDZ needs reform' carries the HR as commenting on formation of the new party, the HDZ 1990, by saying one has to wait a bit to make any assessments. He expressed hope the HDZ BiH would reform itself, otherwise it might end in some sort of a blind alley, considering their status in the European People's Party (HDZ BiH's status in EPP is frozen for time being due to events in HDZ BiH in recent past)