OHR BiH Media Round-up, 18/1/2006

Latest radio news broadcast at 12.00 on 18 January

| RADIO HERCEG-BOSNA | BH Radio 1 (12,00 hrs) | RTRS (12,00 hrs) |
|---------------------|-------------------------------|------------------------|
| (12,00 hrs) | | |
| Explosion in Mostar | RS Police raid in Zepa | RS police in search in |
| | region | Zepa |
| RS Police action in | Serbian&ICTY agents look | Issue of Sa. Serbs |
| Zepa | for Mladic | gone missing |
| Cardinal Puljic on | Decrt. policemen cease | Sremska Mitrovica |
| position of Croats | hunger strike | accident |

TV news broadcast on 17 January

| RADIO HERCEG-BOSNA (18,00 hrs) | TV PINK (18,00 hrs) | BHT 1 (19,00 hrs) | |
|------------------------------------|--------------------------------------|-------------------------------------|--|
| EUFOR finds ammunition in B.Dubica | EUFOR reveals illegal weapons | EUFOR finds 3 tons of weapons | |
| McElhaney on Constitutional talks | Constitutional talks failed? | Talks on constitutional changes | |
| Varga on BIH importance toHungary | Revision in oil refineries in the RS | Decertified policemen end strike | |
| Presidency receives Greek Ambasd. | Ashdown on Pavic's case | Helsinki Committee yearly report | |

| NTV Hayat (19,00 hrs) | FTV (19,30 hrs) | RTRS (19,30 hrs) |
|-------------------------|------------------------|-----------------------|
| EUFOR finds weaponry | EUFOR finds 3 tons of | EUFOR reveals illegal |
| | weapons | weapons |
| Talks on Const. changes | Redundant employees in | Constitutional talks |
| end | FBIH MoD | failed? |

| Hayat on Kosovo- RS | Decertified policemen | Dizdarevic on human |
|-----------------------|-----------------------|----------------------|
| issue | end strike | rights in BiH |
| Helsinki committee on | Dizdarevic on | Decertified police |
| human rights | decertified policemen | officers halt strake |

| Oslobodjenje | America stands behind unified BiH | |
|-----------------------|---|--|
| Dnevni Avaz | [McElhaney]We will not give up on BiH constitutional changes | |
| Dnevni List | Education of children is still ethnically coloured (Helsinki Committee press conference) | |
| Vecernji List | BiH is Slovenian colony (on Slovenian investments in BiH) | |
| Slobodna Dalmacija | He greeted with 'Good day' — he got 'Ustasha mother' back (alleged verbal incident at tax office at Ilidza) | |
| Nezavisne Novine | Leaders could have done more | |
| Glas Srpske | Meat secretly | |
| EuroBlic | Skeletons under run lane (discovered skeletons at B. Luka cemetery originating from WW II) | |
| Vecernje novosti | Features Serbian related topics | |

LATEST NEWS OF TODAY

RS police in search in Zepa

RTRS - Spokesman of RS MoI, Radovan Pejic, confirmed to RTRS that the RS special police unit is engaged in raiding of several facilities in the Zepa area acting upon an information that a war crimes suspect from the ICTY's public list could be present in the said area. The operation started at 04:00 hrs this morning (Wednesday), however Pejic could not confirm which indictee is in question. He said that more details regarding the action will be made public later on. Pejic could not confirm neither deny media speculation saying that search after General Ratko Mladic is underway. He also said that RS police is undertaking this action by itself. BH Radio 1, RHB - also reported.

Decertified

police

awaits

results of

CoM session

BH Radio 1 by Mirsad Bajtarevic -Decertified policemen from both entities decided to freeze hunger strike, while expecting outcomes of an extraordinary session of the Council of Ministers in session today Wednesday. UN Security Council has the mandate to solve the issue, said presenter, dealt wit by the UN IPTF. BiH Human Rights Ministers Mirsad Kebo should submit the report to that should also be discussed by BiH Presidency. Together with Foreign Ministers Mladenom Ivanicem, Kebo has planed meetings with Ambassadors of states that are permanent members of UN Security Council, RS Decertified Policemen Association Zoran Bijelic said that continuation of hunger strike depends of BiH CoM decisions. RHB also reported.

Ashdown
calls on CoM
to bring
decision on
SIPA seat

FENA — HR Paddy Ashdown called on the BiH CoM to pass the decision on the permanent SIPA seat at the BiH CoM's session that is to take place on Thursday. During today's visit to the SIPA's temporary seat the HR warned that further SIPA's work is being obstructed since the decision on its permanent seat has not been passed yet.

Talks on constitutional changes

Talks on constitutional changes end without reached agreement: RS/FBiH parties accuse each other

FTV - After two days of talks on constitutional changes, the leaders of eight BiH parties failed to reach an agreement on the BiH Presidency and Parliament. SBIH leader Safet Halilovic stated that the talks failed since RS parties insisted on introducing entity voting in BIH House of Representatives. SDA leader **Sulejman Tihic** stated that parties had 2 concepts on how BIH as a state should function. "We were trying to find something in between in the end", says Tihic. SNSD leader Milorad Dodik stated that the package of changes was not adopted since FBIH parties failed to agree on voting in BIH HoR. SDS leader Dragan Cavic feels that the talks failed since the attention was drawn to political issues rather than functional ones. "My impression is that Bosniak parties were trying to find a guilty party rather than solutions", concluded Cavic. PDP Chair Mladen Ivanic also feels that the talks failed. RTRS - "Talks have been interrupted, they have not failed, a pause has been made since we have entered the final, somewhat critical phase and all achieved agreements need to be recapitalized", said Tihic. "Talks have faced total debacle. Responsible ones are those from the RS who wanted to turn everything into an entity-based decision-making process", added Halilovic. Hayat - HDZ leader Dragan Covic noted that not everything planned was agreed on, however noted that large part of job has been done. Dnevni Avazpg 2 'Marathon talks cancelled with no agreement on key issues' by A.M. — DA carries comment by SDP leader, **Zlatko** Lagumdzija, reminded that there is one month before expansion of the deadline for constitutional changes agreed in Washington. However, he expressed scepticism success would be achieved. Nezavisne Novine pg 3 'Dodik: Continuation possible after elections' by D.Muminovic, V.Popovic, EuroBlic pg RS2 'Presidency as stumbling block' by EuroBlic team - also report.

RS rejects
abolishment of
rotation in
Presidency; FBiH
parties reject
entity vote in
HoR

RTRS - RTRS comments negotiations were ceased because RS politicians did not want to accept the requests of FBiH parties for reducing authorities of the entities, election of one BiH President and no rotation. "All issues faced explicit rejection and denial of entity structure by Bosniak politicians, which the RS reps found unacceptable, even though we have presented some solutions which could have led towards compromise", said Dragan Cavic. "The RS reps were willing to accept certain solutions, but the FBiH reps rejected to accept entity voting in terms of the BiH HoR which led towards the failure", said Milorad Dodik. "Attempt to change entities in the course of constitutional changes is something we neither can nor want to accept", said Ivanic. Prior to the end of the meeting, consensus had been reached when it comes to BiH House of Peoples dealing with the issue of the vital national interest and BiH HoR being a key body for adoption of the laws, however disputes appeared in terms of appointing the representatives to the Houses. BHT1 - Sulejman Tihic says: "The President will be elected for 2 years with a possibility of re-election for further 2 years." "It is evident that this team cannot make any agreements and it is evident that negotiations are completed", says Ivanic. He also stated that new negotiations could be expected after next elections. Oslobodjenje pgs 4,5 'Parties from RS ready to continue after elections' by A.O. - SDS's Momcilo Novakovic said that parties from RS have been ready to reject the principle of rotation within BiH Presidency, demanding at the same time entity principle of voting to remain, but SDA leader Sulejman Tihic didn't accept that. Claiming that lot of issues have been agreed, Novakovic accused parties from FBiH for failure of negotiations, since "they intended abolishment of entities". SBiH's Gavrilo Grahovac stated the party leaders would try to agree on continuation of talks with international mediators. Nezavisne Novine pg 3 'Dodik: Continuation is possible after elections' by <u>D.Muminovic</u>, <u>V.Popovic</u> – Also notes Serb negotiators were demanded to give up on their rotation stance, and Tihic was asked to accept the entity's way ofvoting at the HoR. Glas Srpske pg 5 'Burns could not help either' by Z.Markovic -GS reports the same, adding Ivanic confirmed Nicholas Burns talked with some participants of the talks, adding the

important issue is that the Serb negotiators were unified.

Tihic: lousy solutions will not be accepted

Oslobodjenje cover splash, pgs 4-5 'America stands behind unified BiH' by A.Omeragic, Inset 'We would not accept lousy solutions" by Mi.D. - Addressing the public debate on 'Curent political affairs in BiH' SDA leader Sulejman Tihic stated that some are criticizing these negotiations in advance, emphasizing that hard work and patience would lead to best solution. "But in any case we would not allow acceptance of lousy solutions in this process of constitutional reforms" said Tihic.

Dodik: talks on constitutional changes to continue after elections Oslobodjenje pgs 4,5 'Parties from RS ready to continue after elections' by A.O. — Oslobodjenje carries that RS parties are willing to continue talks on constitutional changes after October elections. SNSD leader Milorad Dodik stated for daily: "After elections, there would probably be space for newly elected authorities to discuss these issues, if they have political will". Nezavisne Novine pg 3 'Dodik: Continuation possible after elections' by D.Muminovic, V.Popovic — Dodik stated that there is no possibility for continuation of talks until after elections. He also said he did not regard the large engagement of the international mediators, especially US Ambassador, as pressure, admitting that the fact talks lasted for 18 hours with breaks after four hours of talks represented a sort of pressure.

IC representatives disappointed with outcome of constitutional talks

PINK by Zeljko Mandic — At the press conference on talks on constitutional changes, the U.S., UK and Austrian Ambassadors to BiH, Douglas McElhaney, Matthew Rycroft and Werner Almhofer respectively, and the Head of EC Delegation to BiH Michael Humphreys expressed their dissatisfaction with the failure of talks but pointed out that there is still time to introduce the changes in the BiH Constitution which would ease BiH's path to the EU easier. "Unfortunately, the parties find themselves in a dead-end in terms of several remaining issues referring to the BiH Presidency and Parliament. I have to be honest and say that I am disappointed", said McElhaney and added that the agreement could be reached if the leaders show political will. Humphreys said that if agreed issues are to be implemented in terms of the BiH Council of Ministers, BiH would have a strong Government with two new Ministries in charge of implementing all the agreements reached in the Stabilization and Association Agreement talks. "Bearing in mind that BiH is about to start SAA talks with the EU, it needs stabile Government, able to reach decisions and implement them", explained Humphreys. Hayat-"As this is the case for countries in transition, we can refer to this as something in between; and when something is in between it must be a platform for future negotiations" commented Almhofer. RHB, BHT1, FTV, RTRS, Dnevni List, pg 2 'Disappointment over partial success', by Resad <u>Dautefendic</u>, <u>Nezavisne Novine</u> cover pg splash 'Leaders could have done more', pg 3 'More could have been done' by <u>D.Muminovic</u>, **Glas Srpske** pg 5 'Entering a dead-alley' by Z.D., EuroBlic pg RS2 'Presidency as stumbling block' by EuroBlic team - also carried.

IC will not give up on const. changes

Oslobodjenje cover splash, pgs 4-5 'America stands behind unified BiH' by A.Omeragic - U.S. Ambassador to BiH Douglas McElhaney on Tuesday told press conference that speculations on Washington supporting the trade with certain parts of BiH. "US interests are consistent and have not changed in last ten years in BiH and the region. Status of BiH as unified state was solved in Dayton" said McElhaney. Head of EC Mission to BiH Michael Humphries stated that there are no new conditions for BiH on its path to EU, but added that BiH institutions would have to be harmonized with European standards. "In that process, let me be clear, more changes would have to be made. Olli Rehn said that in several occasions" stated Humphries. Dnevni Avaz pg 3 'McElhaney: We would not back down from demand for constitutional change' mentioned on cover, by S. Numanovic - McElhaney stated that negotiations would continue, that these were the first steps made. Ambassador emphasized that difficult decisions are before the BiH authorities adding that there are some indications of politicians being ready make a difficult decisions. Mathew Rycroft explained why the IC would not back down from constitutional changes. "There are three reasons for it. First, functionality of the state, which demand existence of the system that works for citizens of this country. Second reason are human rights, third, and most important, reason are preparations for European integrations" said Rycroft.

Tokic: SRS
demand for
referendum can't
threaten BiH or
the RS

Hayat By Snjezana Mulic — Reporter comments that only those naive would not doubt timing of negotiations on BiH constitution and status of Kosovo. RS Serb Radical Party (SRS) asked the RS parties involved in the negotiations on const. changes to include amendment on the right for separation and to define the issue of referendum. Reporter noted that, interestingly enough, this request, originally submitted by SNSD two months ago, arrived at the same time when some Serbian officials suggested exchanging Kosovo and RS. Leader of SDU Sejfudin Tokic believes goal of this campaign is to destabilize BiH.

Lazovic: different approach to negotiations necessary Dnevni Avaz pg 2 'There was no response to ultimatums from
RS' by A.M.- SDU vice-president Miro Lazovic believes that
 negotiations on constitutional changes failed as
politicians constantly run away from fundamental issues. He
 adds that SDA, SBiH and SDP did not have the adequate
 response to non-compromising stances from the RS and that
 the approach to the negotiations must be changed.

NGOs wrote to
Hays: we would
boycott
elections if out
demands on
negotiations
aren't fulfilled

Dnevni Avaz pg 2 'You approached the negotiations in formalist and cosmetic manner'- NGOs of war veterans, PoWs and women of Srebrenica sent an open letter to official of the US Institute for Peace, Donald Hays, criticizing the model for constitutional changes. "When you worked in the OHR you were disgusted with obstructions coming from the RS side, today in a different role, you approach negotiations in formalistic and cosmetic manner" reads the letter. NGOs added that they would be forced to use all necessary means, such as boycott of elections or mass demonstrations if their demands are not met.

Halilovic: announcements for new round are only alibi for failure

DL op-ed: Cardinal Puljic asks for Sanader's help because he does not trust Covic Vecernji List, pg 2 'Amendments without support of Parliament', by Zoran Kresic — Ascertaining that the constitutional reforms talks have ended in failure, Kresic notes that even if the parties start drafting constitutional amendments, it is hard to expect that the amendments would be supported in the BiH Parliament, owing to different positions of the negotiating parties. VL also notes that the parties could not reach an agreement even after the phone calls from the US Under Secretary of State, Nicholas Burns.

VL: Possible
constitutional
amendments would
not be supported
by BiH
Parliament

Oslobodjenje pg 9 'Red cloth' op-ed by Senka Kurotovic — Commenting US Ambassador Douglas McElhaney's statement that IC will not give up on their commitment for BiH to become more functional, author says that such argument is like a 'red cloth' for domestic politicians: everybody interprets it in its own way. Author ironically comments that failure of negotiations has been surprise only for international politicians; BiH people would be surprised if the talks were successful. Sarajevo-Washington hot line didn't help as well, says author, concluding "when that fails, sanctions are usually to follow."

Oslob. op-ed: Sanctions to follow?

NN op-ed: the
Bosniak parties
should have
respected the
fact that many
efforts were
handled by the
Serb side over
the past year

Nezavisne Novine op-ed pg 7 'A state that can be' by Anton Kasipovic — Commenting on constitutional changes' talks in BiH, the author notes that there are many people like himself in BiH, who have received and sent many messages greeting religious holidays to their colleagues, stressing that BiH with such people is possible. He emphasizes that if the politicians had acknowledged this team work and recognized problems of the state on the other side of the negotiating table, this opponent would not have evaded defeat. He concludes by saying that there had been no joint opponent, but politicians played against each other. He also notes that the Bosniak parties should have respected the fact that many efforts, referring to reforms, were handed by the Serb side over the past year, including defence and police reforms, unification of tax policy, etc.

NN op-ed: It is
left upon BiH
leaders to
demonstrate will
that hard and
necessary
compromises must
be reached

Nezavisne Novine op-ed pg 7 'Changes' by <u>Aleksandar Sekulic</u> — Commenting on constitutional changes talks in BiH, the author says that regardless of the fact the leaders of the eight strongest political parties in BiH have failed to reach an agreement within stipulated deadline, significant results have been achieved after all. According to him, it

is clear at this moment initial steps towards constitutional changes have been made, and this course must continue and proper solutions for BiH Presidency and Parliamentary Assembly must be reached. He concludes: "It is left upon BiH leaders to demonstrate will that hard and necessary compromises must be reached, not only because of promises they gave, but for the sake of those who elected them."

Crime, war crimes and judiciary issues

EUFOR finds 3 tons of hidden weapons BHT1— EUFOR troops found 3 tons of weapons and ammunition in a bunker in village Bozici near Kozarska Dubica, EUFOR spokesman James Gatter stated that EUFOR received information on the weapons from local inhabitants. RS MoI Spokesman Radovan Pejic confirmed that local police participated in the action. He wouldn't reveal any details on amount of discovered weapons. RHB, PINK, Hayat, FTV, RTRS, Dnevni Avaz pg 4 'Secret warehouse with three tones of ammunition found near Bosnaska Dubica', Oslobodjenje pg 2 'Three tones of ammunition found in a bunker' by A.P. mentioned on cover, Slobodna Dalmacija pg 4 'EUFOR revealed bunker with 3 tons of ammunition and explosive' by H, Nezavisne Novine pg 6, announced on cover 'They found 3 tones of arms' by D.Kondic -EUFOR found landmines, explosives.

OHR on Palic case: RS Government obstructing the justice

RTRS, PINK, BHT1, Hayat, Slobodna

Dalmacija pg 17 'Negotiator 'disappeared'
in RS' by D. Pasic, Glas Srpske pg 2
'Obstruction of justice'- The High
Representative to BiH Paddy Ashdown said
that by not implementing its legal tasks
in terms of decision of the Human Rights
Chamber within BiH Constitutional Court on
Avdo Palic's caseHuman Rights Committee
Hu, the RS Government was obstructing the

justice. On October 3rd, 2005, the
Commission for Human Rights extended the
deadline to the RS Government by which it
should meet the decision of the Chamber,
namely to submit all information it had on
Avdo Palic from Zepa, who has been missing
since 1995. FTV — OHR spokesman Kevin
Sullivan stated that HR would decide upon
measures against those who failed to
fulfil obligations of RS Government.
Oslobodjenje pg 7 'RS did not conduct full
investigation on Palic' by Edina Kamenica
— Registry Nedim Ademovic confirms that

Registry Nedim Ademovic confirms that
 Human Rights Chamber at BiH Constitutional
 Court adopted the decision by which RS
 failed to carry out investigation in Palic case. Also carries OHR press release.

BiH
Prosecution
denies report
that it is
conducting
investigations
against former
Croatian PMs

Dnevni List, pg 2 'Investigations are not being led against former Croatian Prime Ministers', by HINA, Slobodna Dalmacija pg 4 'BiH: There is no investigation against Sarinic, Valentic and Greguric' by H -Secretariat of the BiH Prosecution denied a report published in print media of Tuesday (see OHR Media Round-up, Jan 17) that the Prosecution is conducting an investigation against former state and military officials of Croatia for alleged crimes against the BiH Serbs. The explanation from the Prosecution says that the criminal report, which was submitted by the Trebinje Public Security Centre, has been given to a prosecutor who is to see whether there are elements of the crime stated in the report.

Croatian
journalists
publishes
Ashdown's
testimony
before ICTY

RTRS, Dnevni List, pg 9 'Margetic published Ashdown's testimony on his web page', not signed — Croatian journalist Domagoj Marketic indicted by the ICTY for contempt of the court after he published the testimony of protected witness Stjepan Mesic in trial to Tihomir Blasikic, has published the testimony of High Representative Paddy Ashdown, at his website. Police has confiscated his computers and ordered him to turn off his website. RHB, Hayat— also carried.

DA: Karadzic
willing to be
arrested for
5mil €
;EuroBlic:
negotiations
on Mladic
surrender
ongoing, his
family
possibly to
receive US \$ 5
million

Dnevni Avazpg 12 'Karadzic will be arrested in set up action on Cyprus' by <u>E.Sarac</u> – DA speculates that Radovan Karadzic could be arrested when Cyprus by the same pattern as **Ante Gotovina**. Serbian Security Intelligence Agency [BIA] allegedly organized Karadzic's trip to Cyprus, providing him with the fake passport. DA speculates that Karadzic accepted to be arrested for € 5 million. **EuroBlic** pg 2 'Foreigners are giving five million dollars for surrender' by Tanja <u>Nikolic Djakovic</u> — A source of *EuroBlic* claims the official Belgrade will, at the next meeting with ICTY Chief Prosecutor Carla del Ponte, give its consent for establishment of a joint team composed of domestic and Hague intelligence agents with an aim to locate Hague indictee Ratko Mladic. The source also claims it is quite possible that there are ongoing negotiations with Mladic with regard to providing his family with US \$ 5 million in an exchange for his surrender. According to the source, a foreign country is involved in negotiations as well, adding it is possible Mladic would be transferred from Serbia to some foreign country where he would either surrender or be arrested.

Human rights and other political issues

Helsinki
Committee:
Opening SAA
talks most
important
event in
2005

RTRS by <u>Sandra Kalacanovic</u> — At the press conference, held on Tuesday, the BiH Helsinki Committee for Human Rights presented the report which notes the beginning of the talks on the Stabilization and Association Agreement was the most important political event in 2005. The report also reads that situation with human rights is burdened with the fact that Radovan Karadzic and Ratko Mladic are still at large. BiH has been established as an expensive and inefficient state, while the Dayton Peace Agreement neglects citizen as an individual, said the Chair of the Committee Srdjan Dizdarevic. Even though a part of the DPA dealing with human rights issues had to be changed, in 2005 no agreement between the leading political parties has been reached, due to what no constitutional changes took place, said Dizdarevic. "International relations in BiH are still burdened with efforts of leading nationalistic parties to preserve ethnical homogenization, including territorial divisions", said Dizdarevic. RHB, PINK, Hayat, BHT1, FTV, Dnevni List, front pg splash 'Education of children is still ethnically coloured', by Danka Polovina-Mandic, Nezavisne Novine pg 4 'The most vulnerable categories are refugees, children and ethnic minorities' by <u>S.Lemo</u> - carried reports from the press conference.

Decertified

police
officers
cease hunger
strike
following
meeting with
Kebo

BHT1 by Irena Kljajic – After they protested before the OHR building for two days, decertified policemen ended their hunger strike asking after the meeting with the BIH Minister for human rights and refugees Mirsad Kebo. Kebo promised that this issue would be on the agenda of an extraordinary session of the Council of Ministers scheduled for Wednesday. Chair of FBiH Association of Decertified policemen Ramo Suljic repeated the demands of policemen for audit of decertification process carried out by UN IPTF. RS and FBIH Union of policemen support the demands of decertified policemen. FTV, RTRS, PINK, Hayat, Dnevni Avazpg 4 'Decertified policemen freeze hunger strike' by-s.Turcalo, Oslobodjenje pg-5 'Fired policemen freeze hunger strike' by Az.K., Dnevni List, pg 3 'Krivic: We will persist until us or them are dead'!', by Mensud Zorlak - also reported.

Helsinki
Committee:
UN made
mistake and
should admit
it

'Education of children is still ethnically coloured', by Danka Polovina-Mandic,

Oslobodjenje pg 5 'State institutions have to defend its citizens more firmly' by

A.T., Dnevni Avazpg 4 'Decertified policemen freeze hunger strike' by

S.Turcalo, Inset, 'Dizdarevic: UN should admit mistake' — Chair of BIH Helsinki

Committee Srdjan Dizdarevic stated that UN should admit it made a mistake when it comes to decertification of policemen in BIH. He also stressed that local authorities should insist on protection of BIH citizen's rights in this issue.

Obhodjas resigns

FTV- Bosnasko-podrinjski Canton PM Salko
Obhodjas has decided to step down from the
 office at the request of the OHR.
 Statement signed by Obhodjas reads:
 "Despite being aware that the OHR's
 request is ungrounded, it is good enough a
 reason to make such a move in order not to
 risk sanctions against me, BPC and SDA'.
 Obhodjas also wonders how he was cleared
 by the OHR to become the PM in the first
 place, since according to him, OHR said in
 September 2004 that there was no violation
 of the BiH Election Law. Hayat, BHT1,
Oslobodjenje pg 8 'Salko Obhodjas resigns'
 not signed — also carried the resignation.

Ashdown
meets
Vrbosic:
reform
process must
be
successful

Nezavisne Novine pg 2 'Reform process must be successful' by M. C., Oslobodjenje pg 4 'Lot has been done, lot still to do' by A.P., Dnevni Avaz pg 4 'Vrhbosic: He managed to get BiH closer to Euro-Atlantic integrations' by H.O. - On the occasion of farewell reception, organized for HR Paddy Ashdown by Croatian Ambassador to BiH Vrbosic, HR Ashdown stated he hopes transformation of OHR to EUSR would be completed as soon as possible, as well as that the successful process of reforms would continue. 'Job we have done in BiH in past three and a half years is a team success of the international community, not solely of OHR. Therefore, I am grateful for the support and counselling. Ambassadors to BiH have provided to me', HR Ashdown stated.

Economic issues

Audit reports on
Bosanski Brod
Refinery and
Petrol Company
from B. Luka
presented: Harmful
contracts

Nezavisne Novine pg 5, announced on cover 'Loss reduced for BAM 18.7 million' by P.Klincov - On Tuesday, the RS Audit Office has presented audit reports on the work of Oil Refinery in Bosanski Brod, Petrol company from Banja Luka and Oil Refinery in Modrica. Nezavisne Novine pg 5 'Harmful contracts for Refinery' by R.Segrt, EuroBlic pg RS1 and announced on cover 'Suppliers were paying for Refinery not to work?' by Tijana Veselinovic, Glas Srpske pg 3 'Vitol caused damage to the Refinery' by D. Vrhovac Mihajlovic — As for Refinery, the management of the refinery stated that its loss was estimated to 89 million KM, while the audit proved that the amount is higher by 27 million KM. Among other things, audit proved that internal controls had not been introduced, law on public purchase had not been respected, contracts were full of irregularities and they damaged the refinery. Bosko Ceko, RS Chief Auditor, expects from bodies in charge to identify those culpable for the extremely bad situation at Refinery. He also said auditors paid large attention to harmful contracts Refinery had signed with the British Company "Vitol". Nezavisne Novine pg 5 inset 'Positive report for Modrica Oil Refinery' — On the other hand, work of the oil refinery in Modrica was said to be successful and assessed as positive. PINK, BHT1, RTRS, Oslobodjenje pg 6 'Loss worth 116,5 million KM' by O.Vukovic — also reported.

Joly Dixon: 'If
BiH Council of
Ministers requests
it, I will resign'

Dnevni Avazpg 5 'If BiH Council of Ministers requests it, I will resign' by <u>Sead Numanovic</u> - Commenting request of BiH House of Representatives to discuss his current position, Chair of ITA Steering Board Joly Dixon stated that he doesn't think about filing resignation unless BiH CoM requests it. Dixon said that this request for his dismissal [announced by HoR Speaker Nikola Spiric after ITA approved CoM's request for exempting publishing from VAT] has been a result of misunderstanding, since VAT instalment has been big change and certain amount of neurosis is understandable. "First results of this reform are relatively good. The technical aspects of VAT introduction have been carried out very well, increase of prices is not big and chaos didn't happen," said Dixon , adding that ITA remains at its stance that single VAT rate is the best way of tax collection. Dixon underlined that there will be no discussion on VAT changing rates before the discussion on budget for 2007.

ITA demands solution to BiH MoD financing

Dnevni Avazpg 9 'Problem of temporary
financing for BiH Defence Ministry still
not solved' by F.C. - Indirect Taxation
 Administration [ITA] Steering Board
demanded from BiH Finance Minister Ljerka
Maric to prepare adequate decision that
would allow temporary financing for BiH
Defence Ministry, since entity and state
budgets have still not been adopted.

BH farmers
critical of BiH
CoM' decision on
tax-free meat
import from
Croatia

Glas Srpske cover pg splash 'Meat secretly?' by M. Miljus - According to unofficial information, the BiH CoM decision on customs-free imports of meat came in force on January 1 this year. Cattle breeders, representatives of agricultural associations from RS and RS Ministry of Agriculture believe this decision is unreasonable and detrimental for domestic production. RS Minister of Agriculture Goran Perkovic claims the decision was developed and adopted without knowledge of RS and F BiH Ministries of Agriculture and agricultural associations. Chairman of RS Association of Pig Breeders, Miso Maljcic, says a lobby from western Herzegovina made this decision possible.

'Covic and others'
case: Covic
defence team says
Covic's signature
was forged

Dnevni List, pg 6 'Covic did not sign instructions for Lijanovics', by Erna Mackic — In continuation of the 'Covic and others' case before the BiH Court on Tuesday, Dragan Covic's defence team, during the questioning of a former director of FBiH Customs Administration, Filip Andric, tried to prove that instructions that were allegedly issued by the then FBiH Finance Minister Dragan Covic were not signed by Covic himself, claiming that the signatures were forged. Defence notes that the three signatures on three different documents were identical, claiming it is impossible that a person makes three identical signatures. Defence insists this will be proven by an expert witness later in the process. Also prominently covered by Oslobodjenje pg 8 'Defence claims that signature on arguable documents was forged' by A.N., Dnevni Avazpg 12 'Dragan Covic did not write arguable costumes instructions for Lijanovici' by S.T., Nezavisne Novine pg 6 'Witness of prosecution does not know how much budget was damaged' by A.Durmo.

Biber: Unions want audit of privatisation process in BiH Dnevni List, pg 7 'Courts working on cases about illegal privatization?!', by Arijana Beus — In a statement for DL, the leader of BiH Unions, **Edhem Biber**, says the Unions are still asking that audit of privatization be conducted in BiH. He explains that the Unions have completed documentation on 120 cases of illegal privatization in BiH, some of which have already been submitted to privatization agencies and the BiH Prosecution. "Our proposal to enact a law on audit of privatization is still with the FBiH Government, waiting for their approval. However, nothing is happening for time being", underlined Biber.

RS Finance
Minister Cenic: RS
NA might launch
court procedure to
collect 29 million
KM from single ITA
account

EuroBlic pg RS2 'Public Attorney's Office is on the move' $\underline{\text{by N. B.}}$ — RS Minister of Finances and member of ITA Governing Board Svetlana Cenic confirmed she would present the information to RS NA from which it is obvious RS was deprived of approximately 29 million KM last year in the process of distribution of funds from the single ITA account. She added RS NA would, most probably, launch a legal procedure, i.e. oblige the Public Attorney's Office to defend interests of RS. 'Even OHR said we were right, but added this issue should be considered by entities' Finance Ministers. However, I have no intention to explain things in such manner when there are legislative procedures and courts', Cenic added.

DA: Mtg of FBiH
Agency for
Privatisation with
MOL, INA to lead
to contract on cocapitalisation?

Dnevni Avazpg 8 'Final meeting with leaders of MOL and INA by end of week' by M.Kukan — FBiH Agency for Privatisation Director Resad Zutic stated for DA that Agency expects to have meeting with leaders of Hungarian MOL and Croatian INA by the end of week. Zutic said that the meeting should eventually lead to signing the contract on co-capitalisation.