OHR BiH Media Round-up, 30/12/2005

RADIO HERCEG-BOSNA (18,00 hrs)	**TV PINK** (18,00 hrs)	**BHT 1** (19,00 hrs)
Fmr prosecutor to defend Gotovina	BiH CoM in session	Books excluded from VAT system
Davidovic sentenced to 15 years	RS NA in session	RS NA didn't adopt 2006 Budget
Mladic was picking up his pension	FBiH HoR in session	FBiH 2006 Budget not adopted
Prices of electrical energy	FBiH Government in session	Ex "Scorpion" member sentenced
NTV Hayat (19,00 hrs)	**FTV** (19,30 hrs)	**RTRS** (19,30 hrs)
Davidovic sentenced to 15 years	FBiH 2006 Budget not adopted	RS on temporary financing
Samardzic's indictment confirmed	FBiH Government in session	FBiH on temporary financing
Huso Alic arrested in Konjic	RS Gov. withdraws Budget proposal	BL Bank sold
BiH CoM in session	FBiH HoR President's press conf.	Spending in Municipality Teslic

Oslobodjenje	Ivanic requests suspension of BiH lawsuit againstSCG
Dnevni Avaz	2006 Budget rejected; Hadzipasic attacks SBiH
Dnevni List	Ljubic demands involvement in negotiations
Vecernji List	Not delivered yet due to weather conditions

Slobodna Dalmacija	Features Croatia related headline
Nezavisne Novine	SDS leadership to testify on financing of Karadzic's hiding
Glas Srpske	Half of year of hell *[feature story on a woman who was detained in Kerestinac prison in Croatia]*
EuroBlic	The Government withdrew the budget, pensions and salaries as in January 2005
Vecernje novosti	Features Serbian related titles

	Entities without budgets/ CoM exempts print from VAT

RS Finance Minister withdraws budget from RSNA discussion; temporary financing adopted; SNSD: no-confidence vote must be launched	**PINK** Dragica Tojagic – Following the fierce discussion at the Thursday's session of the RS National Assembly, the RS Government has withdrawn proposal on the budget for 2006 after failing to obtain the majority votes. Instead, the RSNA has passed the decision on temporary financing up to end of March. Due to the fact that the proposed budget has not been adopted, when it comes to pensioners, teachers, Ministry of Interior employees, 2006 is going to be an extremely difficult year, comments the reporter. "*This is horrible…I do not envy anyone who has to take a walk in the town and explain to all people why are they unable to be paid out their means*", said RS Finance Minister **Svetlana Cenic**. The RS Prime Minister **Pero Bukejlovic** once more reiterated that he was not going to resign. While addressing the representatives, Bukejlovic said that the RS Government made great progress in the past 10 months. SNSD representative **Igor Radojicic** said that SNSD believed that the issue of confidence in Government had to be initiated and that the RS budget had to be adopted, but with another Government. "*There is no Assembly's majority in the RS, and the existing Government is not able to govern efficiently and emergent political action has to be conducted by political parties and the RS President*", said Radojicic. The SDS Caucus Chair **Borislav Bojic** accused PDP for starting the crisis at both the RS and BiH level. **BHT1 – Velimir Sakan** from PDP stated that this party is not going to support the Government's proposal, because it's not good enough. **Hayat** – The BiH CoM Chair **Adnan Terzic** said that BiH needed not the current situation in the RS. By abolishing the RS Government, reform processes in BiH would be postponed, says Terzic and adds that BiH needs stabile Governments, in order to have Stabilization and Association Agreement negotiations successful. **RHB, FTV, Dnevni Avaz** pg 8 'Cenic withdrew the Budget; Government will not resign', **Oslobodjenje** pg 6 'Government withdrew proposal of budget' by O. Vukovic, **EuroBlic** cover pg splash 'The Government withdrew the budget, pensions and salaries as in January 2005', and pg RS1 'Adoption of budget failed, pensions and salaries returned to January' by Rajna Radosavljevic,**Nezavisne Novine** pg 3, announced on cover 'The Government withdrew the budge', SNSD invites Cavic to suggest a solution' by V. Popovic, Vecernje Novosti pg 5 'Budget to be repaired' by Sl. Pesevic, **Slobodna Dalmacija** pg 18 'Government withdrew budget!' by A. Macanovic– also covered.

Bukejlovic, SDS blames PDP of destabilising both RS and BiH; Trade Unions support budget	**RTRS** by Biljana Knezevic – RS Prime Minister **Pero Bukejlovic** stressed that Government can't be blamed being that due to political games culprits should be searched for within PDP and all those who attempted to dismiss the Government trough the Budget. *"Do not expect that this Government will resign due to our results and our orientation,"* said Bukejlovic, stressing that Government hasn't caused the crises and has no intention to help those who have to achieve the new majority. Representatives of SDS have supported the Prime-Minister's stance, blaiming PDP for the current crises and as **Borislav Bojic** of SDS said that are to be blamed for the fact that teachers, pensioners and policemen will not get their increases. *"This RS Government is not the problem, but you gentlemen from PDP are because you elected this Government along with me,"* said Bojic. *"We must not vote for this budget. We must not, because we must not allow incompetent Government to spend another year in RS,"* said **Veselin Poljasevic** of PDP. Chairman of RS Association of Pensioners **Rade Rakulj** stressed that this was more about politics, then about care for people, appealing to Representatives to support the Budget. Chairwoman of RS Unions **Ranka** Misic said that this increase may mean nothing if the amount of it is concerned, but it means much for people who would get Km100 more. NOTE: All media above mentioned focused on the conflict between SDS and PDP in their reporting of RSNA session.

RTRS int with Stojicic: Rejection of budgets in RS and FBiH "bad message" at beginning of very important year	**RTRS** late news edition – The studio guest of RTRS was RSNA Speaker **Dusan Stojicic**, who commented events in RSNA that lead to withdrawal of budget proposal for 2006. Stojicic said it has been obvious that this situation occurred due to intention of some parties to use the budget issue to overthrow the RS Government. *"I think that now we are before an open question of political negotiations… being that this will open the issue of adoption of the BiH Institutions' Budget and I see that FBiH has also rejected the Budget, so that in overall this is one very bad massage at the beginning of the year, in which we entered with opened negotiations on SAA,"* said Stojicic. He stressed that the discussion on budget was absolutely politically motivated and adding this was the first time in his political career that something like this happened, just as it was the first time that most important budgetary beneficiaries, such as Unions and Pensioners gave their support to the Budget. Stojicic said that this situation will have to be overcame, because: *"Those who have entered some political calculations, wanting to overthrow the Government trough overthrowing the Budget…when they review their situation realistically, including their own responsibility in this, they will have to change stances and I believe that in that option we can, till mid of January, pass the RS Budget in same time when BiH Budget is discussed, which absolutely is not closing the possibility of raising of confident issue toward the Government"- said Stojicic*. Commenting the clashes between SDS and PDP and whether this is the epilogue, Stojicic said that all coalitions are based on interests, stressing that this is the first time he met with a tem "oppositional acting", emphasising that PDP has chosen this Government along with SDS , stressing that PDP has lots of interests in executive power, including majority within BiH Parliament and two of their Ministers within CoM. Asked about Bukejlovic announcement on replacement of PDP executives, Stojicic said that he wouldn't comment, but he stressed that Government will act by the law.

NN op-eds critical of RS Govt, politicians; Klincov: SDS expected from OHR to pressure SDA and PDP to support the budget to avoid state-level crisis on the eve of VAT introduction and defense reform	**Nezavisne Novine** op-ed pg 7 'Crisis of RS Government' by Slavo Kukic, **Nezavisne Novine** op-ed pg 7 'All for authority, authority for nothing' by Predrag Klincov – both editorials carry an overview of the crisis at RS Government that derived from non-adoption of 2006 RS budget and both editorials criticize the Government and politicians over toying with people. Klincov also refers to the statement of SDS's **Borislav Bojic** who warned delegates that SDS will not support the budget at BiH Parliament if they fail to support RS budget and he notes that Bojic, upon **Cavic's** instructions, is counting on OHR support since SDS thinks OHR would pressure PDP and SDA to support the budget because IC representatives do not need a crisis at the state level at the moment of introduction of VAT and transfer of defense competences onto BiH level.
FBiH Parliament rejects proposed budget; Hadzipasic accuses SBiH of being factor of instability	**Dnevni Avaz** cover splash, pg 4 '2006 Budget rejected; Hadzipasic attacks SBiH' – FBiH House of Representatives rejected the FBiH Government's proposal on 2006 Budget. However, FBiH HoR adopted the decision on provisory financing in amount of 259.770.000 KM. The bidget has supported by the SDA and HDZ, rejected by the SDP and SBIH sustained from the vote. FBiH Prime Minister **Ahmet Hadzipasic** sharply criticized the Party for BiH representatives, saying that they are the major factor of instability in FBiH. Hadzipasic also stated that because of such decision, many categories of population would be left without support. Head of Party for BiH Caucus **Ismet Briga** denied Hadzipasic's accusations. Hadzipasic stated after the session that party for BiH's decision to reject the budget is caused by the fact that FBiH President **Niko Lozancic** has not yet dismiss the FBiH Minister for Industry, Energy and Mining **Izet Zigic**. SDP's **Nermin Niksic** criticized Party for BiH, claiming that they always find a reason to become opposition when elections are coming closer. **Dnevni Avaz** pg 4 'We realized non-seriousness of the Government as a message that it would be the best not to have Energy Minister' – carries Briga. **Oslobodjenje** pg 8 'Budget is not adopted' by A.T. – FBiH House of Peoples also rejected the proposal on 2006 Budget and adopted the decision on provisory financing. **FTV, RTRS, BHT1, Hayat, PINK, Nezavisne novine** pg 3 'Financing on grounds of a temporary decision' by R. Cengic, **Vecernji List** pg 4 'FBiH enters 2006 without budget' by E. Medunjanin – all reports put the focus on the conflict between SBiH and Hadzipasic.

SBiH angered with Lozancic's rejected of Heco's appointment	**Oslobodjenje** pg 7, mentioned on cover 'Representative refused proposal of budget for 2006' by S. Sehercehajic – also covered. **Oslobodjenje** pg 8, mentioned on cover 'Lozancic refused to appoint Vahid Heco for Minister' by A.O., S. Se. –FBIH President, **Niko Lozancic**, on Thursday rejected the nomination of **Vahid Heco** to replace **Izet Zigic**, explaining that Zigic was still not relieved of duty. FBiH President **Sahbaz Dzihanovic** has sent a memo to Lozancic concerning the appointment of the new Minister and stated that since "there are no objective obstacles for accepting the resignation of Minister Zigic and appointing the new Minister of Energy, Mining and Industry" he urges Lozancic to resolve this issue without any further delay.
FBiH-adopted measures to alleviate VAT consequences jeopardized with rejection of budget	**Oslobodjenje** pg 7 'Parliament brought into question assistance to poor ones' by A. Omeragic – FBiH Government adopted the measures to alleviate consequences of the VAT introduction for the most vulnerable categories of population. Unemployed and pensioners with rents below 200 KM, as well as social care users will receive 10 KM monthly. Also, poor families with children and disabled persons whose disability is not caused by war will be receiving financial support. FBiH Minister of Labour and Social Policy **Radovan Vignjevic** stated that the budget allocated for the social program can't fulfil and demands and needs, but it represents a big step forward. FBiH Prime Minister **Ahmet Hadzipasic** also stated that the budget is not very high, but he emphasized that the budget for strategic investments has been decreased in order to provide more money for the social program. **FTV, BHT1, Dnevni Avaz** pg 9 'Social program adopted even without the Budget', **Dnevni List** pg 2 '2 millions KM allocated for civilian invalids' by NINA, **Dnevni List** pg 2 'Defenders' not signed, **Vecernji List** pg 3 '10 KM per month for pensioners' by E. Medunjanin – FBiH Government alleviates VAT consequences

CoM exempts printing sector from VAT; Terzic demands urgent BiH HoR session to pass this decision; Spiric critical of Terzic	**RHB, PINK, Hayat, FTV, Oslobodjenje** pg 4 'Nevertheless, publishing industry without VAT' by M.K.S., **Dnevni Avaz** pg 8 'Printing sector exempted from VAT', **Dnevni List** pg 2 'Press exempted from VAT but not production materials' by D. Polovina-Mandic, **Nezavisne Novine** pg 2 'CoM exempted print from VAT' by M. C., **Glas Srpske** pg 2 'Publishers felt relieved' by N. Zelenovic, **EuroBlic** pg RS2, announced on cover 'VAT will not be paid on print media and books' by Dusanka Stanisic– In the session held on Thursday, BiH Council of Ministers adopted the proposal for changes to the Law on VAT under which books, booklets, magazines, educational, scientific, cultural and artistic publications, daily and weekly newspapers would be exempted from the VAT. Chair of BiH CoM **Adnan Terzic** urged the BiH House of Representatives to hold a session as soon as possible and discuss this proposal in urgent procedure.**Dnevni Avaz** pg 8 'Spiric: Terzic has not demanded from me urgent convening of session yet' by H.O., – Chairman of the BiH HoR **Nikola Spiric** stated that he has not received from Chairman of the BiH CoM **Adnan Terzic** any demand '*for an urgent session of the legislative state authority*'. Spiric added that even if he receives such demand it would be hard to organize the BiH HoR session by the New Year due to technical reasons. **BHT1** by Svjetlana Todorovic – Spiric accused Terzic of wanting to please the print media in order to avoid critics regarding the negative effects of VAT. Terzic denied Spiric's accusations and called him to respect the regulations on work of BiH HoR. Reacting to the decision of CoM, representatives of publishers say that they are not satisfied with it, because they will still need to pay taxes for the production materials.

BHT1 on VAT introduction: companies increasing prices even before VAT; citizens already file complaints	**BHT 1** 'Javna Tajna' current affairs programme by Nermin Bise – BHT 1 comments that two days before the introduction of the VAT, merchants and profiteers are increasing prices even before the tax is introduced, and BiH officials repeatedly assure citizens that they don't have to be afraid of VAT. 'Javna Tajna' investigates what the VAT introduction would really mean for BiH citizens: the most important thing is that the consumers' basket will be more expensive. CoM Chair **Adnan Terzic** stressed that the increase of prices after the New Year would have negative effect on the standard of BiH citizens, but in the long-term VAT will be good for BiH. Experts believe that the collected VAT will mean 500 millions KM more in the budget of BiH in 2006; those additional funds should be intended for social programs. "*Social programs are not adequate, because 10 KM per month for pensioners are not enough, especially if all the prices will go up*", stated President of the Association of BiH Trade Unions **Edhem Biber**. Economic experts also do not believe that the VAT introduction will solve the problem of so-called 'grey economy' that, according to some estimates, makes more than 35 percent of turnover in BiH. "*Ordinary citizens are the only ones who will not be able to avoid the VAT. All those companies who carry out different kinds of mafia activities – corruption, founding fictitious companies and so on – will be able to avoid paying Value Added Tax*", explained professor at Sarajevo School of Economics **Dragoljub Stojanov**. By Amir Zukic – In an interview to BHT1, ITA Director **Kemal Causevic** confirms some companies used the pre-VAT period to increase the prices of their products adding BiH citizens already filed some complaints about companies and that ITA would forward all of them to the competent entity of cantonal market inspections.

	Other political issues

Rycroft on British 2005 presidency over EU: police reform, opening of SAA talks great events; Mladic/ Karadzic must be arrested; Politicians must agree on const. changes	**BHT1** – At the press conference held on Thursday in Sarajevo to review the year in which BiH presided over EU, British Ambassador **Mathew Rycroft** stated that BiH's start of negotiations on Stabilisation and Association Agreement with the EU is the most important event in the last six months of British EU presidency. **FTV** – According to Rycroft, significant results have been made, and further improvements are expected in the 2006. Rycroft highlighted the start of police restructuring process and start of negotiations on Stabilisation and Association Agreement. However, he also warned that there is no excuse for the fact that even 10 years after Srebrenica tragedy, the most wanted ICTY indictees **Ratko Mladic** and **Radovan Karadzic** are still free. "*Primary responsibility for arrestment of Karadzic and Mladic land their transfer to Hague lies with the authorities in Banja Luka, Podgorica and Belgrade…They haven't showed the full cooperation with the Hague Tribunal*", said Rycroft. **Hayat** –Rycroft said also pointed out relevance of constitutional reforms in BiH. "*It is of great importance for BiH political leaders to continue constitutional reform talks, scheduled for January 3rd. Difficult decisions regarding BiH Presidency, Parliament and relations between entities and state will have to be reached*", said Rycroft and expressed hope the leaders would show readiness to rise above political interests. Rycroft said UK was ready to take part in constitutional talks in BiH, event after the British chairing over the EU ends. **RHB,RTRS**, **Oslobodjenje** pg 3 'Refusing of [EU] Constitution was challenge' by M.K.S., **Dnevni Avaz** pg 9 'Leaders of BiH parties are expected to make some tough decisions', **Dnevni List** pg 3 'Continuation of constitutional changes negotiations in spirit of compromise important' by E. Mackic, **Nezavisne Novine** pg 8 'I will plead for a single president' by A. Susnjar, **Glas Srpske** pg 5 'Presidency – yes, rotation – no' by Srnau – also reported.

BiH CoM appoints members of Police Reform Directorate's executive bodies	**FTV, PINK, Hayat, Dnevni Avaz** pg 2 'Complete Directorate for Police Reform Implementation appointed', **Oslobodjenje** pg 5 'Police Reform Directorate has got Steering board' by A.K., **Nezavisne Novine** pg 9 'Heads of teams for negotiations with EU were appointed' by M. Cubro inset 'Directorate for police reform was filled in'- The BiH Council of Ministers adopted on Thursday decisions on appointing the Steering Board of the Directorate for Police Reform and the Directorate's Executive Body. With this the Council of Ministers has fulfilled the commitment defined by the Agreement on the Restructuring of Police Structures and the agreement with the EC representatives. **Taib Spahic** [Director of the PoliceAcademy in Sarajevo] has been appointed as Director of the Executive Body, while **Perica Stanic** and **Marko Dominkovic** have been appointed as deputy directors. **Slobodna Bosna** pg 38 'Nationalistic criminals in search of an ideal policemen' by Suzana Mijatovic – Commenting Spahic's appointment, SB speculates that he has been strongly connected to the SDA political-intelligence structures.
BiH CoM appoints members of top BiH SAA negotiators	**Hayat, BHT1, RTRS**, **Oslobodjenje** pg 5 'BiH negotiating team appointed' by M.K.S.,, **Dnevni List** pg 2 'Negotiating team for EU appointed' not signed, **Nezavisne Novine** pg 9 'Heads of teams for negotiations with EU were appointed' by M. Cubro– The CoM also appointed the members of the working groups of the BiH negotiation team in Stabilization and Association Agreement talks. **Igor Davidovic** has been appointed the Chief BiH Negotiator. Chiefs of the working groups are: **Ana Trisic-Babic**, **Dragisa Mekic**, **Gordan Raspuric**, **Serifa Godinjak**, **Ranko Sakota**, **Samir Rizvo**, **Mustafa Bisic** and **Dario Busic**.

VL disputes appointment of S. Rizvo in BiH negotiating team with EU due to his role in issuing personal documents to mujaheddins	**Vecernji List** pg 2 'Negotiator with EU person with dossier' by D. Jazvic carries that appointment of **Samir Rizvo** in the BiH negotiating teams with the EU is more than disputable since he used to be suspected of issuing personal documents to mujaheddins, who had fictitious residence in the Sarajevo Municipality Centar. VL says that at the time Rizvo was a Head of the Police Station in this Municipality and only due to statute of limitations this case has never ended up at the court.
DA interview with I. Davidovic: There were no pressures during drafting of strategy	**Dnevni Avaz** pg 5 'There were no pressures during drafting of strategy' by N. Diklic carries an interview with Chief BiH negotiator with the EU **Igor Davidovic**. Asked if there were any political pressures or obstructions of the beginning of the negotiations during drafting of the strategy and forming the BiH negotiating team, Davidovic says: *'There was no politicization or pressures during forming of the team, guidelines and platform for the negotiations. Cooperation with all sides was present and I received support from all political fractions. I can say that everybody is aware now that the negotiations with the EU are above political interests.'* Asked as to what extent the constitutional changes are necessary although they are not a condition for admission although the EC insists on them, Davidovic says: *'The EU would be satisfied if the BiH Constitution was made more efficient. For the time being there are no pressures and I hope that ther4 will not be any however, in any case the constitutional changes can make our way to the EU easier and they would show our increased political maturity.'*

Parliamentary Task Force proposes changes to Election Law	**RTRS** by Zorica Rulj– BiH Parliament's Task Force in charge of preparing of the amendments to the text of the BiH Election Law prepared a draft of the document whereas most important changes refer to registration of voters, financing of election campaigns and distribution of compensating mandates. Commission will propose BiH Parliament to accept passive registration of voters, which would now be registered according to CIPA project lists. Remaining changes will mostly depend on result of constitutional negotiations in BiH, especially in future appointments in the parliaments and presidency. Drafted changes do not predict changes in required participation of women. Member of the Commission, **Suad Arnautovic** stressed that final solution preserves current solutions from BiH Election Law. **Ana Jaksic** of FBiH Gender Centre stressed that quotes should be higher. Draft of this document, predicts that parties and coalitions that win more then 4% of votes for certain territory can participate in distribution of compensation mandates and it is predicted that maximal amount for financing of the campaign will be 30 pfenings per voter, for every election circle. Arnautovic announced that he will propose renaming of BiH Election Commission into Central Election Commission, whereas Entities' Commissions would be abolished. **Hayat, BHT1, PINK**, **FTV**, **Oslobodjenje** pg 8 'Lists and quotes for women remain open', **Nezavisne Novine** pg 11 'New law before delegates in February' by N. Krsman, **Glas Srpske** pg 2 'Constitution dictates' by N. Z. – also covered.
Gregorian: lack of funds might slow down defense reform, expects CoM to allocate additional 40 million KM	**Glas Srpske** pg 7 'Re-balance guarantees the reform' by M. Dz. – Co-Chairman of Defense Reform Commission **Raffi Gregorian** has stated that a lack of funds might slow down defense reform, and this will be the case if CoM fails to allocate additional 40 million KM for this purpose through budget re-balance mid next year. He added he hopes CoM will allocate additional funds, as announced.

DL: 'Ljubic supporters demand involvement in constitutional changes negotiations'	**Dnevni List** cover pg splash 'Ljubic demands involvement in negotiations' and pg 3 'Ljubic supporters demand involvement in constitutional changes negotiations' by Z. Jukic says that judging by the current situation within HDZ, it could happen that constitutional changes do not get votes of most Croat representatives in the Parliament. DL goes on to say that recently HDZ representatives who belong to **Bozo Ljubic's** fraction have formed the coordination that actually means forming of a new Caucus. The article says that in this way a message was sent to international officials, which says that HDZ President **Dragan Covic** does not have any longer support of most HDZ representatives in the parliamentary bodies. DL also says that they have allegedly sent even more explicit letter to current and future **High Representatives**, EU and Embassies of the Contact Group countries in Sarajevo . In this letter they stated that Covic's signature on the future agreement on the constitutional changes does not oblige them to vote. Also, they demanded that their representative takes part in the constitutional changes negotiations since the biggest number of HDZ parliamentary representatives belongs to their option.
Paravac on 2005: There would have been no reforms if the national parties were not playing the key role	**Dnevni Avaz** pg 5 'There would have been no reforms if the national parties were not playing the key role', **Glas Srpske** pg 3 'Finally before the doors of Europe' by Srna – BiH Presidency member **Borislav Paravac** believes the greatest achievement of BiH and its institutions in this year was the beginning of SAA negotiations with EU. During the year, according to Paravac, RS has taken off its mortgage of non-cooperation with the Hague and he added that great merits for this belong to the Minister of Interior **Darko Matijasevic**. As a comment on frequent critics against nationalistic parties, Paravac stated he thinks there would be no reform achievements if nationalistic parties had not made their moves. Paravac announced the priorities in 2006 will be introduction of VAT, negotiations with EU and continuing with the process of constitutional reforms.

Cavic on 2005: It was hard, it would be even harder	**Oslobodjenje** pg 6 'It is hard, it would be even harder', **Dnevni List** pg 4 'Cooperation with ICTY would be priority' not signed – Talking about 2006 priorities RS President **Dragan Cavic** stated that 2006 would be hard not only because of the VAT introduction and general elections but also because the cooperation with the ICTY would be a priority on the way of the BiH's integration in the EU.

Ashdown's end of year message: Less money for public services, more for citizens	**Dnevni Avaz** pg 2 'Future of BiH is in your hands', **Nezavisne novine** pg 8, announced on cover 'Less money for public services, more for citizens' by S. Gojkovic – In his end of year message, the HR **Paddy Ashdown** says that the 2005 has been a pivotal year for BiH, in which a political agreement was reached on police restructuring and negotiations with the European Union were approved in November. He added that *"exactly a decade after the end of a devastating war, BiH now has a future within the EU and NATO; a future in which division and conflict can be replaced with stability, prosperity and peace… Membership of the EU may be distant, but the effects could start to be felt much sooner… Progress towards the EU will bring economic development, more investment and with it more job opportunities. Combined with the introduction of a more efficient indirect tax revenue system, VAT, and changes to make government more efficient through constitutional reform this will mean that over time there will be more money available for schools, hospitals, pensions and many of the other things you want to see improve."* Talking about the constitutional changes, Ashdown stressed BiH simply could not afford to fund the current multiple layers of government: *"The task for BiH in the next phase will be to cut down on its government in order to create a state that spends more on social services and citizens than on civil servants and politicians. And it is important to start this now."* HR said that there is much hard work to be done and many challenges to be faced, a process not to be driven by the IC but local politicians. *"And in this next election year of 2006, the citizens will have a key role to play in this, too. In October 2006, you will decide to whom you will entrust the responsibility over the next four years for building BiH's European future for you and your children. In October the future will quite literally be in your hands. Don't let it pass you by*," said Ashdown.

OBN int with Spiric: Local politicians only actors, IC rules; SNSD would take over new RS Govt even at cost of elections	**OBN** 'Telering' current affairs program by Mato Djakovic – In an interview to OBN, the Chair of BiH House of Representatives **Nikola Spiric** stated that constitutional changes have to provide solutions to disable people to work one against each other. He adds BiH politicians are being dishonest and they are not aiming to reach the common good. Commenting on work of BiH CoM, Spiric said that real power in BiH lies with the IC, while BiH politicians, including himself, are just actors. *"We would know that this state progresses if we would hear that a minister has been replaced due to his incapability, and not because he is a Serb, Bosniak or Croat*," said Spiric. He adds that this is impossible because they have to be approved by OHR and that local politicians are serving just intelligence service for IC. Speaking about VAT implementation, Spiric said that he advocates for two rates, criticizing Chair of CoM **Adnan Terzic** for having political, instead of economical arguments for implementation of one rate. Commenting current political situation in RS, Spiric emphasized that SNSD, as leading oppositional party is willing to take responsibility for establishment of new RS Government, even if that would mean that they would lose October elections.
Dodik op-ed in 'Reporter' anticipates political events in 2006: We have to choose – isolation or way to Europe	**Reporter** pg 15 'Year of Challenges' op-ed by Milorad Dodik – Editorial anticipates political events that will take place in 2006, stressing the seriousness of the situation but with a strong note of optimism. Author underlines VAT introduction, constitutional changes, SAA talks and pressures on RS from the ICTY, adding that the coming year would be the year in which will be resolved the destiny of RS. He further said that things to deal with are fight the criminal privatisation, resolve property issues with the neighbouring countries, adding that BiH politicians have to prove they are able to independently run the state, and RS politicians have to prove that RS is a constructive part of BiH. *"We have to choose – isolation or way to Europe,"* concludes Dodik.

Oslobodjenje editorial praises 'end of RS Army'	**Oslobodjenje** pg 9 'The end of RS Army' op-ed by Zija Dizdarevic – Editorial characterizes abolishment of the RS Ministry of Defense and RS Army as the most important event in a post-war BiH. Editorial says, *"RS has quit one more authority that has been supporting beliefs that RS is a state, in favour of strengthening BiH as a state*," adding that military option of solving conflicts has not been totally removed, but it is not present as an institutional threat anymore.

	War crimes
Zagreb court sentences 'Scorpions' member to 15 yrs jail for war crimes	**RHB, PINK, BHT1, Hayat, FTV, Dnevni Avaz** pg 12 'Slobodan Davidovic sentenced to 15 years of prison for war crimes', mentioned on cover, **Oslobodjenje** pg 3, mentioned on cover 'Davidovic from Scorpions sentenced to 15 years in prison', **Nezavisne Novine** pg 6 'Slobodan Davidovic gets 15 years' by S. Gojkovic, **Slobodna Dalmacija** pg 8 '15 years imprisonment to member of Scorpions' by S. Dukic– Cantonal Court in Zagreb sentenced former 'Scorpions' member, **Slobodan Davidovic**, to 15 years of prison. Namely, he has been found guilty of executing 6 Bosniaks from Srebrenica, as well as for torturing a person near Vukovar, in Croatia . Davidovic was arrested on Jun 12, in a place called Sipski Banovci.

Ivanic requests suspension of BiH lawsuit against SCG; Tihic: Postponements of proceeding coming from Pravac/Mladic are senseless	**Oslobodjenje** cover page, pgs 4-5 'Ivanic requests suspension of BiH lawsuit against SCG' – BiH Foreign Minister Mladen Ivanic on Thursday requested The Hague-based International Court of Justice to temporary suspend legal proceeding in case BiH versus SCG although he was not authorized by the BiH Presidency for the move. Ivanic requested the hearing scheduled for February 26 2006 to be postponed until the BiH Constitutional Court ruling is made on BiH Presidency member **Borislav Paravac** appeal for the BiH's lawsuit against SCG to be declared unconstitutional/illegal. **Oslobodjenje** pg 5 'Softic: Ivanic violated the BiH Constitution' – Commenting on the Ivanic's request, BiH agent in the case **Sakib Softic** claimed that he was the only authorized person to communicate with the Court on behalf of BiH. *"If Foreign Minister Ivanic sent the letter to the Court he abused the BiH Constitution,"* said Softic. **Oslobodjenje** pgs 4-5 'Court hearing will last from six to eight weeks?' – BiH Presidency member **Sulejman Tihic** is optimistic about the ruling that will be, according to him, made in about eight weeks. He believes that there are a large number of clear evidences supporting the BiH lawsuit against SCG for aggression and genocide and that all pressures or requests for suspension/postponement of the proceeding coming from Serb representatives Paravac and Ivanic are therefore senseless. **Hayat, Dnevni Avaz** pg 10 'Tihic: Irresponsible statements by Minister Mladen Ivanic', **Dnevni List** pg 4 'Tihic believes in positive verdict against SCiG' by E. Mackic, **Glas Srpske** pg 5 'Tihic angry at Ivanic' by Agencies, **Slobodna Dalmacija** pg 21 'Tihic: I believe in positive outcome of BiH lawsuit against SCiG' by F, **Oslobodjenje** pgs 4 and 5 'Discussion would last 6 to eight weeks' by S.R. – also carries Tihic.

Person arrested in Konjic is Mithad Novalic, suspected of murdering nine members of BiH Army	**Nezavisne Novine** pg 4 'He is suspected of having murdered military policemen of BiH Army' by D. Muminovic – BiH Court on Thursday confirmed **Mithad Novalic** was arrested in Konjic on Wednesday under suspicion he had committed war crimes and a detention in duration of one month will, most probably, be ordered in this case. Novalic was a member of "Akrepi" special unit of BiH Army in Konjic and he is suspected of having murdered nine members of BiH Army in July 1992 near Konjic. **Dnevni Avaz** pg 12 also reported.
Nicholas Burns: time to settle accounts with Hague indictees	**Nezavisne Novine** pg 4 'Time to settle accounts with Hague indictees' by N. N. – US State Department Under Secretary for Political Issues **Nicholas Burns** has stated the day for settling accounts with Balkans war criminals is approaching. He noted that, following the arrest of **Ante Gotovina**, all attention turned to Banja Luka and Belgrade and he reminded of the recent appeal of RS leaders with regard to arrest or surrender of **Ratko Mladic** and **Radovan Karadzic**.

	Crime, judicial issues

VL: BiH to get institution in charge of investigation of crimes committed during Communist time	**Vecernji List** cover pg splash 'UDBA members finally faced with justice' and pg 3 'Showdown with UDBA' by Z. Kresic carries that conclusions from the winter session of the Council of Europe Parliamentary Assembly, that should take place at the end of January, should determine the future stand on mass crimes committed in the Communist countries with a stress on change of legislature that BiH authorities should also introduce. VL also says that one of prominent UDBA (former Yugoslav Secret Service) members was current SIPA Director **Sredoje Novic**.
SDS leadership to testify in PB ES case	**Nezavisne Novine** cover pg splash and pg 2 'SDS leadership to testify on financing of Karadzic's hiding' by A. Sisic – According to a source from BiH Court, the top leadership of SDS will testify on manners in which hiding of **Radovan Karadzic** was financed, in case **Mirko Sarovic, Momcilo Mandic** and **Milovan Cicko Bjelica** stand trial in PB ES case. As according to the indictment raised by the Special Department of BiH Prosecutor's Office for Organized Crime, approximately 60 current and former officials of SDS will be called as witnesses in this case.

OHR's reply to letter sent by Momcilo Mandic	**Dnevni Avaz** pg 2 'Prosecution and courts are completely independent' by S.S. carries that High Representative **Paddy Ashdown** replied to the letter that **Momcilo Mandic** has sent him recently in which Mandic demands from Ashdown that he, before his departure from BiH, leaves to the Prosecution the documentation that Mandic allegedly sent to the HR through RS Minister of Finances **Svetlana Cenic**. Head of the OHR's Legal Department **Edourad d'Aoust** signed the letter on behalf of the HR. Among the other things the letter says that Prosecutions and courts in BiH are completely independent from the HR and the OHR. The letter also says: '*The HR does not play any role in the judicial issues in BiH and for this reason any information that you or your client possibly sent to the OHR with regard to the ICTY indictees would be handed over to competent bodies'.* With regard to the Mandic's request that Ashdown leaves his address so that Mandic could summon him as a witness at the court, d-Aoust replied that all demands that current or former OHR members appear before the court in a capacity of the witness would be considered in the OHR within the Article 3 of the Annex 10 of the Dayton Peace Agreement and the OHR members would be contacted it that was necessary.

Update on ‘Sipad Export Import’ investigation	**Dnevni Avaz** pg 3 ‘ SIPA took documentation from Government’s seat as well’ by M.K. – FBiH Government’s Secretary **Ismet Trumic** confirmed that according to the order of state prosecutor **Erik Larson** SIPA members came to the FBiH Government’s building in Sarajevo on Wednesday and took all necessary documentation related to the investigation on business operations of company ‘Sipad Export Import’. **Dnevni List** pg 7 ‘Dispute between ‘Sipad’ and port Sibenik disputable’ by I. Rozic carries that SIPA members also took documentation with regard to ‘Sipad Export Import’ from FBiH Ministry of Energy, Mining and Industry, FBiH Ministry of Finances, FBiH Ministry of Trade, FBiH Government, Privatization Agency and premises of this company.