OHR BiH Media Round-up, 7/7/2006

The OHR Media Monitoring service is being improved. As of 3 July we will be offering you two distinct daily reports; the Morning Brief, covering all BiH's top stories, and the afternoon BiH Media Round-up, containing the latest agency and radio news, summaries of relevant articles published by the international media and summaries of articles published by BiH's periodicals.

OHR BIH MORNING MEDIA BRIEF

RADIO HERCEG-BOSNA (18,00 hrs)	**TV PINK** (18,00 hrs)	**BHT 1** (19,00 hrs)
No news broadcast due to strike	Presidency adopts decision on AFBiH	Audit of the work of BiH institutions
	Van der Linden visits Sarajevo	PACE President visits BiH
	Public debate on Law on high edu.	Pack on EU visa regime
	Audit reports on state institutions	Size and structure of BiH Armed For.

NTV Hayat (19,00 hrs)	**FTV** (19,30 hrs)	**RTRS** (19,30 hrs)
BIH Presidency on BiH Armed Forces	PACE President visits BiH	Presidency adopts decision on AFBiH
Discussion on higher education law	Size and structure of BiH Armed For.	Audit reports on state institutions
Statistics on unemployment	The Law on Higher Education issue	Hearing on foreign currency deposits
BIH authorities' treatment of youth	Education-related problems in ZDK	RS Government in session

Oslobodjenje	BH Telecom and HT Mostar go in urgent privatization [FBiH Government session]
Dnevni Avaz	Army for all BiH peoples [Radovanovic on Armed Forces]
Dnevni List	Died because of doctors' neglect (death of a patient in Mostar)
Vecernji List	Praljak's [Croatian general] gift insults SDA (about Praljak's book onOldBridge)
Slobodna Dalmacija	Small, tiny bugs bite like devils (local story about insect plague)
Nezavisne Novine	BiH will have 10 thousand soldiers
Glas Srpske	Meeting beyond protocol
EuroBlic	Government demands Mihajlovic and Bojat to resign (BL-Gradiska highway)
Vecernje novosti	Features Serbian related splash

Defence and police reforms, security

Defence Minister Radovanovic outlines structure of BiH Armed Forces: 16.000 troops to be stationed in 35 towns of FBiH and 14 of RS; ethnic composition in line with 1991 census	**BHT1** by Lejla Redzovic-Medosevic – On Thursday, BiH Defence Minister, **Nikola Radovanovic**, presented details of Wednesday's decision of the BiH Presidency on the structure, size and locations of the BiH Armed Forces. Noting this was the most important decision concerning defence reform this year, Radovanovic explained that BiH Armed Forces will have 16,000 members, of whom 10,000 will be professionals, 1,000 civilian employees and 5,000 members of the reserve force. The OSBH will have infantry, artillery, armoured-mechanized units, helicopter squadrons, battle support units and support services units. Ethnic composition of troops would be in lien with 1991 population census with some adjustments [45,9% of Bosniaks, 19,8% Croats, 33,6% Serbs and 0,7% of others], and reform should be completed by the end of 2007. BiH defence structure compromises of BiH Defence Ministry, Joint Headquarters, Operations Command and Command for Support. "*The Joint Headquarters and Operations Command will be located in Sarajevo, while the Command for Support will be located in Banja Luka. Command posts of infantry brigades will be located in Banja Luka, Capljina and Tuzla, command post of the Air Force will be located in Banja Luka, while the command post of the tactical support brigade will be located in Sarajevo*", explained Radovanovic. Professional BiH Army will be composed of 20% of officers, 30% of non-commissioned officers and 50% of ordinary soldiers. **Hayat** – Deployment plans set a ratio of army members between the FBiH and the RS to approximately 2:1, i.e. around 10,300 will be stationed in 35 towns of the FBiH and around 5,160 troops to be spread in 14 towns of the RS. **FTV –** It is expected that approximately 2,000 soldiers would lose their job until the end of defence reform implementation. However, they would be taken care of, in line with the state Law on defence and with the help of NATO member states. **RTRS, PINK, Oslobodjenje** cover splash, pgs 4-5 'Army for all BiH peoples' by A.Prlenda, **Dnevni Avaz** pg 8 'BiH Armed Forces would have 16,000 members in 35 cities', mentioned on cover by E.Sarac, **Dnevni List**, pg 8 'Military in accordance with regional model', not signed, **Vecernji List**, pg 2 'Croats get 19,8 percent within Army of BiH', by Dejan Jazvic, **Slobodna Dalmacija**, pg 10 '21 percent of Croats in Army of BiH', by Z. Tulic [outdated article], **Nezavisne Novine** cover pg splash 'BiH will have 10 thousand soldiers', pg 3 'BiH will have 10 thousand professional soldiers' by D.Muminovic, **EuroBlic** pg RS3 '10.000 professionals in structure' by D. Stanisic– also reported.

HR Schwarz-Schilling welcomes decision on structure of BiH Armed Forces	**RTRS** – The High Representative, **Christian Schwarz-Schilling**, welcomed adoption of the decision on structure of the BiH Armed Forces, stating that further improvements of structures and harmonization with NATO standards will be possible after BiH fulfils the conditions for admission to Partnership for Peace. He stressed that the major condition for PfP is the full cooperation with ICTY. **Nezavisne Novine** cover pg splash 'BiH will have 10 thousand soldiers', pg 3 'BiH will have 10 thousand professional soldiers' inset 'Schwarz Schilling welcomed decision of BiH Presidency' – also carried.
NATO' Gregorian expresses satisfaction with adoption of Decision on AF: cooperation with ICTY is the sole obstacle towards PfP	**Nezavisne Novine** cover pg splash 'BiH will have 10 thousand soldiers', pg 3 'BiH will have 10 thousand professional soldiers' Inset 'Gregorian: cooperation with the Hague Tribunal is the only obstacle towards PfP' – Political Advisor to NATO HQ in Sarajevo **Raffi Gregorian** expressed satisfaction with the adoption of the Decision on size, structure and locations of BiH Armed Forces, adding: "*The adopted package is acceptable almost in its entirety. When the final pre-requisite, which is the cooperation with the Hague Tribunal, is fulfilled, BiH will be accepted to the Partnership for Peace.'*" Gregorian added the decision now needs to be implemented.
Osl: new model of army best satisfies NATO; they get cheap manual workers, BiH gets protection	**Oslobodjenje** pg 9 'As NATO says' op-ed by Antonio Prlenda– Commenting on decision that BiH Presidency passed on structure of BiH Armed Forces and wondering whether all citizens would feel this is as their Army, Prlenda stresses that NATO has most reasons to be satisfied, since new structure of professional army is harmonized with its needs. Underlining that smaller units are easier to deploy in the international missions, Prlenda says: *"Nevertheless, we could expected that [they] would [mostly be deployed]… [to the positions] of pyrotechnic specialists, as those [troops already] in Iraq, deminers and regular infantry, which is not the most glamorous job. But that is how NATO sees us. And believes that financially we cannot do more. We will be good to fill holes of someone's wars. At the price that they protect us from ourselves,"* concluded Prlenda.
NN op-ed: Delay in defence reform shows what happens when local authorities take over reforms	**Nezavisne Novine** op-ed pg 7 'Armed forces' by Mirza Cubro – The author observes that following general quarrels and delays, the BiH Presidency on Wednesday adopted Decision on structure of BiH Armed Forces. According to him, the adoption of Decision is only one in a series of examples what happens with reforms when they are left upon local authorities, stressing BiH Presidency attempted to delay defence reform, which is of extreme importance for this state, in order to try to structure the army divided according ethnic representation of its members.

RS Police Director Pena to remain an observer in PRD SB	**Dnevni Avaz** pg 15 'Pena observer till further' by N.D.– RS Police Director **Uros Pena** told DA that he is not going to change participation in Police Reform Directorate Steering Board. *"I keep the status of observer until the Agreement on police reform is principally applied in PRD…"* said Pena, newly appointed Police Director. He added that his status is set by the stance of the RS National Assembly.
VL int. with Abu Hamza: Handala planted Mostar bomb; British intelligence instigated war between Croats and Bosniaks	**Vecernji List** pg 6 'Mostar bomb was revenge against HVO' by Zdenko Jurilj – VL runs an interview with **Abu Hamza**, who daily calls '*spokesperson for mujahedeen community in BiH*' in which Abu Hamza says that the bomb that went off in Mostar's Splitska street several years ago was planted by **Ahmed Zuhair Handala** as revenge for the way HVO treated him while he was in HVO prison. Hamza says he cannot justify the act but can understand it. He then claims that the conflict between HVO and Bosniak forces, which suited Serbs the most, '*was instigated by British intelligence services which wore uniforms of HVO and BiH Army*'.

Political issues	
PACE President arrives to three-day visit to BiH	**FTV** – On Thursday, the President of the Parliamentary Assembly of the Council of Europe [PACE], **René van der Linden**, arrived to his three-day official visit to BiH. He is expected to meet BiH officials to discuss the state law on higher education and constitutional reforms. On Friday, PACE President would address representatives and delegates of both Houses of BiH Parliament at the plenary session; according to FTV presenter, he would talk about recently adopted PACE resolution of constitutional changes in BiH. **PINK** – Van der Linden is expected to meet HR **Christian Schwarz–Schilling** and representatives of NGOs to discuss BiH's obligations as CoE member. **Dnevni List**, pg 6 'Linden in state Parliament', by D. P. M. – Linden should also be having a working breakfast with EU-countries ambassadors to BiH, and meetings with leader of SDP **Zlatko Lagumdzija** and SBiH **Haris Silajdzic** on Friday. On Saturday, Linden is expected to visit refugees and returnees at Zitomislici (south of Mostar). **Dnevni Avaz** pg 2 inset 'He talked with Schwarz-Schilling' – carries Van der Linden already met HR. **BHT1, Hayat, Glas Srpski** pg 5 'Dayton older than Resolution' by Z. Markovic– also covered.

PACE Chair: Resolution is obligatory!	**Dnevni Avaz** pg 2 'Resolution is obligatory!' by S.Numanovic – Article reads that one of the reason why the President of the Parliamentary Assembly of the Council of Europe [PACE] **René van der Linden** is now paying three-day visit to BiH is the fact that PACE will have debate on Balkans in October. Commenting the Resolution, Van der Linden stated: "*It is obligatory document, of course. Every CoE resolution is based on CoE's aims and especially to what are the obligations of member countries. In this case, it implies for BiH. Your country has special obligations and all of them have to be fulfilled. This is why [BiH] is under monitoring process. You cannot be a member of an institution in which you would accept some, and reject some other decisions*." He added that the monitoring process was established only to help the reform process, not to punish anyone. Inset 'EU and forthcoming elections' – With regard to the BIH General elections in October, Van der Linden noted: "*I hope that forthcoming October elections will not be going back to old positions of one's ethnicity. I hope that politicians that are able and willing to build bridges between the people will be elected*."

PACE President arrives to BiH only 7 days after adoption of Resolution which still provokes different reactions	**BHT1**by Mirela Cosic – The President of the Parliamentary Assembly of the Council of Europe [PACE], **René van der Linden**, started his three-day official visit to BiH only seven days after PACE adopted the Resolution on constitutional changes in BiH, which provoked numerous opposing reactions in BiH. "*We should not strain a situation by using too harsh words and trying to de-legalize this document which is entirely valid CoE document. To undermine very foundations of the CoE – do you even know what that means?*" stated **Sead Avdic**, member of the BiH delegation to PACE. "*The conclusions of this Resolution can help solving certain problems, blockades… and help us to move forwards in European integrations*", stated **Ivo Lozancic**, another member of BiH delegation in PACE. However, RS political representatives completely disagree with such assessments; they claim the Resolution was adopted under an influence of opponents of the constitutional amendments agreed between the political parties several months ago in BiH that failed in the Parliament. Resolution calls for abolition of entity vote in the House of Representatives and adoption of new Constitution by 2010. **Hayat** – Avdic added that the Resolution opened many questions and controversies: "*If I tell you only that all MPS from Serbia have participated in discussion on the Resolution requesting its removal from the agenda then you know what the situation was*." He reiterated document was not directed against anyone in BIH, but added it is mandatory as the country is process of meeting set of obligations under the CoE's criteria. **Dnevni Avaz** pg 2 'Statements of certain diplomats present open interference in BiH internal affairs' byE.Sarac– In a statement for DA, SBiH Vice-President **Safet Halilovic** said that all those that characterized the Resolution as "*unnecessary*" and "*non-obligatory*" directly support "*secessionist forces in RS, lead by Prime Minister **Milorad Dodik***". **Dnevni Avaz** pg 2 'Document is legal and legitimate' by Onasa, **Oslobodjenje** pg 6 'Authentic, true and objective document' by Fena – carried Avdic.

Serb politicians submit letter against PACE Resolution deeming it is unacceptable and inapplicable in BiH	**Hayat**by Elma Kazagic – In the light of adoption of the Resolution by the CoR's Parliamentary Assembly [PACE], Hayat carries that the RS representatives sent a letter to CoE protesting over the Resolution and assessing it as unacceptable and inapplicable in the present BIH situation. "*They composed it in the way they are suggesting something but do not know how… we here are explicit about our stances of not accepting this*" said BIH House of Representatives MP **Tihomir Gligoric**. "*I am against a suggestion for abolition of entity voting, since it should be solved by consensus and if it is opened that we should have the proposed mechanisms how to protect the collective rights*" he added. **BHT1**by Mirela Cosic – BHT 1 reports Serb MPs are expected to deliver a letter to the PACE President, **René van der Linden**. "*From the standpoint of practical use, this Resolution means nothing, it is only a recommendation. But from the standpoint of 'political echo', it means a lot, because it stirred up and terribly radicalised political relations in BiH*", stated RS President **Dragan Cavic**. **Glas Srpski** pg 5 'Dayton older than Resolution' by Z. Markovic – Member of BiH Parliament **Goran Milojevic** told daily he would inform PACE President about all circumstances under which the Resolution on BiH was passed and all irregularities it contains. **Oslobodjenje** pg 4 'It is time for Serb politicians to say enough' by Onasa, **Dnevni List** pg 4 'RS representatives will not allow to be minority' unsigned, **Dnevni Avaz** pg 8 'It is time for Serb politicians to say enough' by Onasa – In an interview to *Vecernje Novosti*, BiH Foreign Affairs Minister **Mladen Ivanic** [PDP] also criticised the Resolution stating that tolerance of RS peoples and Serb politicians is decreasing because RS is being blamed for everything.**Glas Srpski** pg 5 inset 'Cavic' 'Dayton older than Resolution' by Z. Markovic – carried Cavic.
Russia on PACE resolution: This was an attempt to bring back BiH under intl protectorate	**Dnevni Avaz** pg 2 'Attempt to bring back protectorate' – Daily carries that, according to the official Russian Foreign Ministry web site, Russia thinks that Parliamentary Assembly of the Council of Europe resolution on BiH, calling for abolishment of entity voting, is an "*attempt of destabilization*" of situation in BiH prior to the elections. Russian Foreign Ministry Spokesperson **Mikhail Kamynin** stated: "*Under these circumstances, the document can only be seen as try of destabilization of situation in order to 'prove' that BiH authorities are not ready to take over full responsibility for the situation in the country*." Russia 's stance that this was an attempt to bring back BiH under international protectorate.

BHT 1: Draft Law on Higher Education by CoM assessed as unfavourable and unwanted	**Hayat** by Lejla Gutlic – The public debate on the proposed BiH Law on Higher Education organized by the Constitutional-Legal Commission of the BiH House of Representatives in Sarajevo on Thursday. It gathered representatives of politics, university employees and education experts. Hayat says that participants find the Law proposed by BiH Council of Ministers to be unfavourable. They also concluded before adoption of the law on higher education, the country needs to adopt the law on constitutionality of all peoples in BiH. RS representatives reiterated the law should be adopted by the consensus and it should reflect decentralisation in BiH. Mostar Law Faculty Dean **Ljubomir Zovko** stressed draft Law on Higher Education is unconstitutional as "*it is at the entity level in RS and at the cantonal level in FBIH*". *"Area of higher education should be standardised at the BIH level, controlled at BIH level and I think that all is clear. Is it really important to argue some trivial and technical details while everything needs to be neatly done*" said RS Minister of Education **Mirko Banjac**. Zovko added: "*we are against [acknowledging only] FBIH level as principles of outvoting are legal and we would disappear as people*". Chair of BIH Trade Union of Higher Education **Edin Delic** noted that current procedures for election of agencies for accreditation were politically influenced. **BHT1** – Participants concluded that this law neither solves key problems in this sector nor meet basic principles of the Bologna Declaration. **PINK** By Zeljko Mandic – BiH Minister of Civil Affairs **Safet Halilovic** stated that the law fully complies with the criteria of Bologna Declaration. SDS deputy **Momcil Novakovic** stated it represents an attempt of compromise, adding there are still many disputable issues regarding the Agency for accrediting and licensing. **FTV**– FTV notes that the issue of this Agency is actually the biggest obstacle towards the adoption of this law, and the issue whether it would be at the state or entity level. "*Only state is the subject of international law, and only state can implement international conventions, such as Bologna or Lisbon Declaration*", stated Halilovic. Commission already received two amendments to the Law, both from the RS deputies. It is expected to discuss them, as well as the results of the public debate, sometime next week. **EuroBlic** pg RS2 'Everyone holding their positions' by R. R. – carried Banjac. **Nezavisne Novine** pg 9 'Proponents betrayed students' by M.R., **Dnevni Avaz** pg 15 'Delic: Such proposal should not pass the Parliament' by Onasa –also reported.

GS carries advisor to Serb member to BiH Pres saying Oric's visit to BiH Pres Chair could solely be of private nature	**Glas Srpske** cover pg splash 'Meeting beyond protocol' by D.M.-D.Mo. – Chair of the BiH Presidency **Sulejman Tihic** on Thursday received wartime commander of Srebrenica **Naser Oric.** Tihic congratulated Oric on his dignified behaviour during the trial. Advisors to Tihic, Deputy Speaker of the RS NA **Sefket Hafizovic** and RS NA delegate **Sadik Ahmetovic,** also attended this meeting according to daily, Oric thanked the BiH Presidency Chair for his support during the process before ICTY. Daily carries statement to daily by **Slobodan Radulj,** advisor to Serb member to BiH Presidency for legal affairs and DPA implementation, saying that Oriccould have had only a private visit to BiH Presidency Chair, since his visit was not announced neither was it included in protocol. Radulj also warned that authorities should not leave space for any sort of reaction, which will come from Oric' reception at BiH Presidency Chair Cabinet. **Nezavisne Novine** pg 6 'Verdict to Oric is victory of justice' by M.C., **Vecernji List** pg 4 'Sulejman Tihic: [to Naser Oric] You are personification of all Srebrenica people we are searching for' by Eldina Medunjanin, **Dnevni Avaz** pg 3 'e defended homeland and his people from destruction' not signed – reports on mtg Tihic-Oric
RS Pres critical of mtg Tihic-Oric, saying it serves pre-election campaign	**Glas Srpske** cover pg splash 'Meeting beyond protocol' inset 'Cavic', **Nezavisne Novine** pg 6 'Tihic received Oric to gain political benefit' by Fena, **Oslobodjenje** pg 3 'Tihic is collecting political profit' by Fena – RS President **Dragan Cavic** is of the view that the meeting **Sulejman Tihic-Naser Oric** would contribute to radicalisation of political relations and strengthening of national passions on the eve of elections. He reiterated ICTY verdict against Oric is a reward not punishment for the crimes.
Bosniak Caucus in RS CoP: RS President Cavic's statement reflects never achieved desire of certain politicians	**Nezavisne Novine** pg 8 'Cavic's statement is reason for abolishment of RS name' by Srna, **Oslobodjenje** pg 3 'All patriots living in RS are being threatened' not signed– Bosniak Caucus in RS Council of Peoples stated that statement of RS President **Dragan Cavic** sent to RS National Assembly deputy Speaker **Sefket Hafizovic**, shows "*need and necessity for this area of BiH to stop being called the RS*". Bosniak Caucus also expressed concern due to "indolent behaviour of International Community", adding that this is not only the election campaign, but could be reflection of "*never achieved desires of certain politicians on division of BiH*". **Dnevni Avaz** pg 4 'Cavic;'s statement is showing why RS needs to be abolosied' not signed– also reported.

BiH HoR Spiric says British support no imposition of solution on constitutional and police reforms	**Nezavisne Novine** pg 2 'British pro no imposition of solution' by G.M. – During the official visit of the BiH parliamentarians to London, **Nikola Spiric,** says that Great Britain supports no imposition of solution on police reform and constitutional changes. Spiric said that BiH Parliament delegation had meeting with Chair of Lower House **Michael Martin**, representatives of Upper House and former High Representative **Paddy Ashdown,** adding that the British believe *"police reform and constitutional changes have to be BiH product".* **Glas Srpski** pg 5 'Dayton older than Resolution' by Z. Markovic – Member of BiH Parliament **Goran Milojevic** told daily PACE Resolution was also a matter for discussion. On meeting with Ashdown, Milojevic said former HR believes that Dayton Peace Agreement is an international document, which is older than any resolution, Bonn Power should be abolished and BiH politicians should take over responsibility from OHR. **Dnevni Avaz** pg 5 'BiH Parliamentarians met Ashdown as well' by Fena, **Oslobodjenje** pg 4 'Britain would support us' by Fena – also reported of the meeting with Ashdown and Martin.

Audits and economic issues

Auditors established numerous irregularities in the work of BiH institutions, including Presidency and all state ministries; discover ITA allocated revenues by fixed coefficients	**BHT1** by Marina Boskovic – According to the latest report by the Audit Office of the BiH institutions, state bodies have once again "broken record" in unclear ways of spending budgets, frauds and violations of regulations. Auditors concluded that, for example, BiH Presidency has spent just for mobile phones 128,000 KM to be paid by the taxpayers. Report reads only 13 out of 41 audited institutions actually obey the Law on Public Procurements. According to BHT1, BiH Presidency, majority of Agencies and Directorates and all state Ministries spend public money in "irregular ways", salaries are unrealistic, while invoices and duty travel reports were often unjustified. Only 70 out of 217 recommendations previously made by the Audit Office of the Institutions of BiH have been implemented, and the situation is even worse that the year before [says BHT1]. "*If we compare those two years, we can see that there has been a decrease in financial discipline of budget users*", stated member of the Audit Office, **Dragan Kulina**. The worst situation, according to BHT reporter, is in the CIPS Implementation Directorate, where at least four duty travel reports are being issued per working day. However, their representative, **Amina Tahirbegovic**, denied those accusations. Auditors also established that the Indirect Taxation Administration (ITA) have distributed money collected through taxes on the basis of fixed coefficient, although political agreement on the coefficients has not been reached. "*Steering Board has been delivering to us the coefficients for the distribution of revenues, and we only implemented the decisions of the ITA Steering Board*", explained ITA Spokesperson **Ratko Kovacevic**. The work of auditors has been completed; now, according to BHT reporter, it is up to the BiH Parliament whether it would be futile once again. Auditor General of the Audit Office of the Institutions of BiH **Milenko Sego** stressed that the issue of political and moral responsibility, as well as criminal responsibility, could be launched in 28 out of 41 audited institutions. However, Sego stated that he has nothing to offer to the BiH Prosecutor's Office, because he did not noticed a single striking example of criminal activities. Therefore, concluded BHT reporter, it is hard to expect that criminal charges will be brought against somebody, especially since audit reports contain very few information on individual responsibility for irregularities in the work of BiH institutions. **Hayat**, **FTV**, **PINK**, **RTRS, Dnevni List** pg 5 'State institutions wasting money' by R. Dautefendic, **Dnevni List** pg 7 'Misuse in CIPS' by Arijana Beus, **Nezavisne Novine** pg 5 'Financial discipline slackened' by N.Krsman, **Oslobodjenje** pg 6 'Auditors preparing extraordinary report on salaries in commissions for public acquisitions' by Az.Kalamujic, **Dnevni Avaz** pg 4 'Negative opinion only for CIPS Directorate' by Agencies – also covered.

FBiH Government orders urgent privatization of FBiH telecommunication operators	**Dnevni Avaz** cover splash, pg 3 'BH Telecom and HT Mostar go to privatization urgently' by M.Kukan– As DA learned, the FBiH Government at the session held on Thursday, which was closed for public, has decided to go into urgent privatization of two telecom operations in the FBiH: 'BH Telecom' and 'HT Mostar'. The Government, DA reports, decided on this after FBiH Transport and Communications Minister **Nedzad Brankovic** presented analysis on possible consequences which would privatization of 'Telecom Srpske' cause. Therefore, the Government tasked Brankovic and FBiH Privatization Agency to prepare package of measures necessary to launch of privatization process and announce tender, which could be discussed in 15 days. FBiH Deputy Prime Minister, **Gavrilo Grahovac**, confirmed this for DA and added the Government brought unanimous decision. The Government also expressed "*disappointment*" with the International Community for first insisting on simultaneous privatization of telecom operators, and now allowing the RS to start with the process alone. Inset 'Damage for the State' – Under the analysis, one telecom is sold independently of others, state would suffer a damage that could reach an amount of a billion KM, while FBiH operators would be damaged for KM400 million. **Oslobodjenje** pg 13 'BH Telecom goes to privatization', mentioned on cover by B.S-A.Av. – Daily also reports of this upcoming sale of telecom operators.

New Chair of ITA SB Nicholl: first thing is audit of the system for collecting of VAT incomes; that is a reasonable thing to do	**Dnevni Avaz** pg 5 'I would carryout the audit of the system for collecting of VAT incomes', mentioned on cover by Sead Numanovic– In interview for DA, newly appointed Chair of Indirect Taxation Administration Steering Board, **Peter Nicholl**, stated one of his tasks is audit of system for collection of VAT revenues. *"That is a reasonable thing that needs to be done. I would be glad if that is carried out so that I would know where I stand and what I have to do. I would recommend this to the Board among other issues,"* said Nicholl. In addition, he stated that series of amendments and by-laws must be passed so that ITA SB could also deal with other issues. *"I hope that by end of the year, ITA SB would be able to reach agreement on, at least, temporary method of VAT revenues allocation. Also I hope that agreement for the next year would be reached as well,"* said Nicholl. He emphasised that which ever formula is accepted, it has to be flexible, as economy and authorities' structures are changing, hence it is impossible to have one formula for all times. Nicholl also said that he still has no firm position on how to solve the issue of allocation of public revenues from the single account, stressing that there are there is no "right formula" for this issue. *"In debate we have now every side has it own formula and claims that it is right. The thing is that there is no formula that can prove that and compromise has to be reached. It is possible that we would have to change law because of that. If it turns out that current formula is not good, that a law is too rigid, then that is, I believe, a possible way out,"* said Nichol. Inset 'Credits to Joly Dixon'- Nicholl complimented his predecessor **Joly Dixon,** saying that implementation of VAT was smooth and that he is not to be blamed for politicians' disputes.
Osl: Replacement on ITA SB lead will not bring changes if other members continue by the old ways	**Oslobodjenje** pg 9 'Dixon instead of Dixon' by Aldijana Omeragic– Commenting on Wendesday's appointment of new Chair of Indirect Taxation Administration's Steering Board, **Peter Nicholl**, who replaced former Chair **Joly Dixon**, author notes this development has disrupted harmonic relations between the Chair of the Council of Ministers **Adnan Terzic** and **OHR.** Omeragic comments Terzic has no objection against Nicholl, but has one to address to the HR **Christian Schwarz-Schilling** believing the HR 'renounced' Dixon "*in order to satisfy RS PM **Milorad Dodik**. And even more, because OHR Chief passed a decision on Nicholl's appointment without consulting CoM, contract to current customs,"* comments Omeragic. Reminding to problems within the ITA SB, regarding the allocation of public revenues, Omeragic emphasises this is not only Dixon's fault, but also of other members of ITA SB. "*Replacement on ITA SB head would not bring necessary changes if other members continue in the old ways and don't do what they needed [to do] long time ago,*" concludes Omeragic.

RS Fin Min points Auditors observed VAT money was divided beyond legal regulations	**Nezavisne Novine** pg 4, announced on cover 'Even Auditors can see that we are right' by P. Klincov – In a page long interview to daily RS Minister of Finance and member of ITA SB **Aleksandar Dzombic** states that report of BiH Office for Audit of state institutions, which reads that ITA illegally distributed money from VAT, shows that RS officials were right when they have pointed at those irregularities. Daily says that Audit observed the VAT money until 31 May 2006 was divided according fixed coefficients beyond legal regulations. On appointment of **Peter Nicholl** at the position of ITA SB Chair, Dzombic expresses expectation that RS would have good cooperation with Nicholl and that mistakes would be corrected.
DL claims that ethnic division in Mostar's health care system lead to death of a patient	**Dnevni List** cover splash 'Died because of doctors neglect' pg 3 'Ethnic division takes first victim' by Ivana Culina – DL runs a page long story claiming that patient **Ante Antic** from Opine in Mostar died several days ago because of division in the health care system in the city of Mostar. Article reads that Antic, who had been a diabetic for years and previously had a leg amputated, was recently in need of urgent medical attention but, because he was a Croat living in the east [predominantly Bosniak] part of Mostar, health services could not decide whose responsibility his transport to hospital was, resulting in inadequate medical care and subsequent death.

War crimes

Sarajevo Commission establishes the Draft Rules of Procedure	**RTRS** – The Commission for Establishing the Truth on Suffering of Serbs, Croats, Bosniaks, Jews and Others in Sarajevo between 1992 and 1995 established the Draft Rules of Procedure. The commission is expected to adopt the final Rules of Procedure within 15 days, and the Agenda within 30 days. Head of Commission **Ivica Marinovic** stated that the Commission is going to pass its decisions by consensus. In cases where consensus can't be reached, the Commission will use decision-making model used by BiH Council of Ministers, which means that at least two representatives of all three peoples will have to vote in favour of certain decision [six out of ten possible votes will be necessary for any decision to be adopted]. **BHT1**, **FTV, EuroBlic** pg RS3 'Six votes for valid decisions' by D. S., **Dnevni Avaz** pg 4 'Decision to be passed as in Council of Ministers' by Agenciesalso covered.

59 RS MPs support motion field with BiH Constitutional Court on BiH suit versus SiCG supporting its withdrawal	**Glas Srpske** pg 2 'Lawsuit on the agenda' by Z. M. –- Fifty nine delegates of the RS National Assembly on Thursday supported the motion Serb member of BiH Presidency **Borislav Paravac** filed with BiH Constitutional Court regarding withdrawal of BiH lawsuit against SiCG before ICTY and proclaiming lawsuit as legally null and void. Chair of RS NA **Igor Radojicic** forwarded the demand of the delegates for withdrawal of the lawsuit to BiH Constitutional Court on Thursday. The Constitutional Court should discuss Paravac's motion during its session today and tomorrow (Friday and Saturday). **Nezavisne novine** pg 8 'Delegates demand BiH lawsuit against SiCG to be withdrawn' by V. P., **Oslobodjenje** pg 2 'Demand for withdrawal lawsuit against SCG', **Dnevni Avaz** pg 15 '59 RSNA deputies joined Paravac' demand – reports on Radojicic' memo

Belkic (MP, BiH HoR, SBiH) asks that commission for investigating into crimes committed in Prijedor be established	**Dnevni List**, pg 8 'Belkic asks establishment of commission for Prijedor', by D. P. Mandic – reports that the President of SBiH Caucus in the BiH House of Representatives, **Beriz Belkic**, has asked from the Collegium of the BiH HoR to include in Friday's agenda of the chamber a conclusion according to which the BiH HoR would task the BiH Council of Ministers to establish a mixed (composition) commission that would investigate into suffering of civilians in the area of Prijedor municipality between 1992 and 1995. Belkic decided to do so after the same initiative of his party colleague (**Senija Kapetanovic**) got rejected at the last session of the BiH HoR. Belkic insists that Prijedor is, after Srebrenica, the second area where many crimes were committed against civilians, underlining that authorities of Prijedor and RS are not helping reveal the crimes.

OHR BIH MEDIA ROUND-UP

Latest radio news broadcast at 12.00 on 7 July

RADIO HERCEG-BOSNA (12,00 hrs)	**BH Radio 1** (12,00 hrs)	**RTRS** (12,00 hrs)
No news broadcast due to strike	PACE President address BiH MPs	PACE Chair addressing BiH Parl
	Primary health protection in RS	BiH CC on Paravac' motion
	Regional News	RS Govt convened

TV news broadcast on 6 July

RADIO HERCEG-BOSNA (18,00 hrs)	**TV PINK** (18,00 hrs)	**BHT 1** (19,00 hrs)
No news broadcast due to strike	Presidency adopts decision on AFBiH	Audit of the work of BiH institutions
	Van der Linden visits Sarajevo	PACE President visits BiH
	Public debate on Law on high edu.	Pack on EU visa regime
	Audit reports on state institutions	Size and structure of BiH Armed For.

NTV Hayat (19,00 hrs)	**FTV** (19,30 hrs)	**RTRS** (19,30 hrs)
BIH Presidency on BiH Armed Forces	PACE President visits BiH	Presidency adopts decision on AFBiH
Discussion on higher education law	Size and structure of BiH Armed For.	Audit reports on state institutions
Statistics on unemployment	The Law on Higher Education issue	Hearing on foreign currency deposits
BIH authorities' treatment of youth	Education-related problems in ZDK	RS Government in session

Oslobodjenje	BH Telecom and HT Mostar go in urgent privatization [FBiH Government session]
Dnevni Avaz	Army for all BiH peoples [Radovanovic on Armed Forces]
Dnevni List	Died because of doctors' neglect (death of a patient in Mostar)
Vecernji List	Praljak's [Croatian general] gift insults SDA (about Praljak's book on OldBridge)

Slobodna Dalmacija	Small, tiny bugs bite like devils (local story about insect plague)
Nezavisne Novine	BiH will have 10 thousand soldiers
Glas Srpske	Meeting beyond protocol
EuroBlic	Government demands Mihajlovic and Bojat to resign (BL-Gradiska highway)
Vecernje novosti	Features Serbian related splash

LATEST NEWS OF TODAY

PACE Chair addresses BiH Parliament calling on MPs to continue negotiation on const. reform right after election	**BH Radio1** by Samija Saljihi– President of the Parliamentary Assembly of the Council of Europe [PACE], **René van der Linden,** addressed the BiH Parliament and invited MPs to continue with negotiations on constitutional changes, right after election. *"Europe wasn't to help BiH, but entering the EU is solely the responsibility of domestic politicians,"* stated PACE President. Van der Linden stressed that he is convinced that BiH would find its place in EU family, only if BiH peoples leave their past behind and start with creation of new constitutions right after elections, in order to establish more functional state. PACE President warned that administration increase of the administration has to stop, since it spends 60% of GDP, adding that this means should be invested into higher education, economic and social security. BiH MPs have also have the chance to address the plenary session. FBiH politicians have expressed their support to recently passed PACE Resolution [which asks for abolition of entity vote and defining of vital national interest], while RS MPs have expressed protest with the content of the Resolution, as well as with the manner it was passed in, stressing that Resolution is anti-Dayton. **RTRS** announced the session.

BiH Constitutional Court will decide on BiH Presidency member Paravac request regarding BiH and RS relations over BiH lawsuit against SCG for genocide	**RTRS** – At its session on Friday, BiH Constitutional Court should decide on BiH Presidency Member **Borislav Paravac'** s request regarding BiH and RS dispute over BiH lawsuit against SCG for aggression and genocide before the International Court of Justice. **Slobodan Radulj,** advisor to Serb member to BiH Presidency for legal affairs and DPA implementation said that BiH Constitution was violated by bringing this lawsuit. Radulj criticized BiH Constitutional Court for not bringing decision on Paravac's request prior to its two-day session, which should start on Friday.

Elections 2006 and other political issues

Dani: Everyone uses Naser Oric release for their own election purposes: Serbs to show there is anti-Serb conspiracy, Bosniaks to manipulate Srebrenica citizens	**Dani** cover splash 'Justice hasn't prevailed', pg 3 'Naser Oric – currency for settling accounts' op-ed by Senad Pecanin – Commenting on the recent release of Srebrenica war-time commander **Naser Oric** who, as the author says, was "*mysteriously withdrawn from the enclave before a fall of the city*", Pecanin notes justice hasn't prevailed in this case. He further argues that if Oric was innocent, then two years he was sentenced to are too much, and if he was guilty [of war crimes against Serbs] than it is too little. Underlining that both, Bosniak and Serb, politicians have exploited this case for "*additional homogenization of their peoples*", Pecanin elaborates that Serb politicians are using this as "*proof of anti-Serb character of ICTY…To **Vojislav Kostunica, Tomislav Nikolic, Milorad Dodik** and other champions of Serb nationalism, sentence to Oric came as ordered, as a proof of global anti-Serb conspiracy*." Bosniaks on the other hand welcomed Oric as a hero, though they have priory condemned Croats who have done the same in several occasions. "*This way Bosniak public…has shown the same face that is so offending when used by Serbs and Croats,*" concludes the author. Further on, Pecanin says the case of Oric also points to two other worrying details: one being a failure of the ICTY to set lowest sentences for crimes defined as the most severe, and second is support of the Bosniaks politicians which shows their opinion of crimes he committed. Pecanin concludes that files on Oric's criminal past were "hidden" in exchange for his silence about responsibility of Bosniak leaders in Srebrenica fall, "*as well as post-war manipulation of unfortunate Srebrenica residents for election purposes of SDA*". **Slobodna Bosna** cover splash 'Naser Oric Criminal, Hero or a Criminal', pgs 22-23 'Naser Oric proved in The Hague that he is not a war criminal. It's up to him now to prove he is not a criminal!' by Mehmed Pargan – SB features the story on Naser Oric, the background of the case, noting he has been welcomed by the Bosniak politicians. Note that headline of the article has not been elaborated or mentioned in the story itself.

Dani's analysis on October elections: Crucial battle is for Bosniak electorate between SBiH's Silajdzic and SDA's Tihic	**Dani**, pgs 18-23, mentioned on front 'Lagumdzija for Tihic, rest for Silajdzic', by Vildana Selimbegovic – carries a lengthy article in which the author argues that the biggest battle during the October elections will be waged for the Bosniak electorate, namely between the SDA and SBiH, with the SDP and its leader **Zlatko Lagumdzija** waiting for the outcome of the battle. Apart from repeating names of election lists' holders of the 3 abovementioned parties, Dani notes the main aim of both the SBiH and SDA is to win the race for the Bosniak member of BiH Presidency. Namely, the SBiH is concentrating the whole campaign to have **Haris Silajdzic** (SBiH President) elected, and that the same applies to the SDA and efforts to have **Sulejman Tihic** (SDA President) elected, which would also strengthen Tihic's position within the SDA. According to Selimbegovic, the outcome of the Tihic-Silajdzic battle will shape the future of the SBiH, namely should Silajdzic lose, it would mean that the *"eternal officials"*, as Dani describes the SBiH, would be out of the picture, which would mean enter the SDP and their possible coalition with the SDA. Inset 'Sahbaz Dzihanovic and some new folks', by F. B. – notes that the current FBIH Vice President, **Sahbaz Dzihanovic** (**NB:** he used to be in SBiH) has remained loyal to his idea of 'Pokret za Promjene' (PzP) (Movement for Changes), despite the fact that many PzP members left for Silajdzic's SBiH.

Dani's analysis on October elections: HDZ's Covic cannot longer count on absolute victory; SDS's Cavic seems not to whish to leave BL	**Dani**, pgs 18-23, mentioned on front 'Lagumdzija for Tihic, rest for Silajdzic', inset 'Dragan Covic against Tobinsons'' by A. Obradovic – Analyses the situation on the Croat political scene in BiH, arguing that the HDZ BiH leader, **Dragan Covic**, cannot sleep tightly like 4 years ago i.e. he cannot count on an outright victory of his party given the charges pressed against him at the BiH Court and establishment of the HDZ 1990. The author however suggests that whoever wins the race, the two HDZs are too much alike to bring about any changes, namely there will be no changes towards the attitude towards BiH as a state since it is about same people who have been in power for past 15 years. (regarding the headline of the inset, Dani says the HDZ BiH officials call HDZ 1990's officials 'Tobinsons' (referring to **Toby Robinson**, provisional administrator for Hercegovacka bank) since some of them were involved in the Hercegovacka bank related unrests from 2001, such as former Head of Mostar's Municipality Southwest, **Stipe Maric**. Inset 'Cavic will not go from Banja Luka' – retells names of candidates for different offices from the RS, underlining that the SDS and RS President, **Dragan Cavic**, will again run for the office of RS President.

At its convention also aired in cities around the RS, SNSD presents programme and candidates for October elections	**Dani** pgs 24-26 'Dodik's nationalism and balloons of social democracy' by Faruk Boric – Reporting from recently held SNSD Convention in Banja Luka, Dani carries that the party officials presented programme and candidates for the forthcoming elections in October, adding that RS Prime Minister **Milorad Dodik** and his party colleagues talked mostly about possibilities for referendum and national interests. Ceremony was also transmitted on the screens in Prijedor, Doboj, Bijeljina, East Sarajevo and Zvornik. Promising smashing victory at the elections, RS National Assembly Speaker **Igor Radojicic** noted that his party would have opportunity to choose partners in FBiH: "*There will be no stabile government without participation of SNSD and appreciation of its stances*." Candidate for RS President **Milan Jelic** stressed that the highest national interest is the economic interest, adding that aim of SNSD is to "*strengthen RS institutions for all the citizens*." Candidate for BiH Presidency **Nebojsa Radmanovic** underlined: "*We are not for changing Dayton Peace Agreement. Every unitarism is inappropriate, it led to the consequences of war and it is its cause*." Repeating his previous stances on possible referendum, Dodik closed the convention: "*RS is permanent entity and that it cannot be changed… Let them [FbiH] leaver RS alone, if not, we will respond with referendum.*" Dani concluded that only what left after the convention were empty words of nationalism and balloons of social democracy.

SB: BiH is divided in two sides: 'political converts' and parties with loyal, but 'worn out' politicians	**Slobodna Bosna** pgs 18-20 '80% of list leader are in power for years' by Asim Metiljevic – Analyzing candidates lists for the October elections, article notes that regardless to the outcome of the forthcoming elections, no one should expect significant changes, for there are only few of new people and fresh energy appearing on the lists. "*Even the most shallow analysis of elections lists of eight most influential parties in BiH [SDA, SDS, HDZ, SNSD, SDP, PRP, SBiH, HDZ 1990] clearly reveals that there is a special caste of professional politicians… Almost 80% of all proposed candidates have already been in political power*." Metiljevic adds that some of the list leaders are on power for longer than a decade up to now. Article also reads that one of the reasons for such situation is that most of the parties give in the blackmail by candidates, who are threatening they would transfer to some other opponent party if they are not on the list. Metiljevic concludes that BiH is divided in two sides: parties led by 'political converts' [SBiH, SDU, HDZ 1990] and parties with loyal, but 'worn out' politicians [SDA, SDP, SDS, HDZ]. Inset 'Nikola Spiric wore five different party dresses' – Article carries that only 80, out of 450 list leaders, never changed the party.
RTRS calls on SDS to withdraw report accusing them of supporting SNSD, and criticising SDS	**Nezavisne Novine** pg 9 'False data presented, we will ask for the court protection' by V. Popovic – Following the accusation of SDS based on the report prepared by the agency 'Eter' by which RTRS is inclined toward SNSD and critical of SDS, RTRS asked from SDS to withdraw the report and disassociate from false data and unprofessional methodology used by the Agency. It also warned that RTRS would otherwise ask for the court protection. **Nezavisne Novine** pg 9 'Editorial policy exclusive competence of media and editors' by V. P. – Association of BiH Journalists strongly protested against report of 'Eter' Agency, which was presented by SDS.

RS President Cavic informs representatives of Congress that DPA is the only guarantee of stability and future in BiH	**RTRS, Nezavisne Novine** pg 2 'Everyone in RS for Dayton' by Srna – RS President **Dragan Cavic** informed the representatives of the US Congress in Banja Luka Thursday that the only guarantee of stability and future of BiH is in the Dayton Peace Agreement. Cavic stressed that there is a single stand in RS all matters of importance for BiH can be resolved exclusively through agreement within BiH, among the representatives of the three constituent peoples and both Entities, was announced by Cavic's Cabinet.
Serbian Minister of Finances Dinkic: if Kosovo is granted independence, RS Serbs might demand to have an equal right	**Vecernje Novosti** pg 2 'Independence for Srpska too' by M. B. – **Mladjan Dinkic** [Serbian Minister of Finances and Deputy President of G 17 Plus party] stated it might be possible that, in case Kosovo is granted independence, RS Serbs would demand to have an equal right. '*The international laws must be the same for everyone. If someone wishes to change the Dayton Peace Agreement, they must know this would open a number of options that are not realistic at this moment*', Dinkic stated.
Feral Tribune op-ed: Belgrade's daily Politika says RS secession referendum would bring Serbia into conflict with IC	**Feral Tribune** 'Beckett's state' by Mile Stojic – The columnist writes about the trip RS PM **Milorad Dodik** made to Germany during the Football World Cup and points out he traveled by an BiH airplane despite the fact that the purpose of the trip was for Dodik to support a foreign country's [Serbian] team. As for Dodik's statement on a possible secession referendum in RS, Stojic quotes Serbian newspaper Politika as writing that '*to initiate the issue of RS independence as compensation for lost territories would necessarily bring Serbia into conflict with the IC*.' (In the commentary author calls BiH a '*land of absurdity*' and makes reference to playwright Samuel Beckett, hence the reference in the title).

Marking of Srebrenica anniversary; other war crimes issues

Preparations for commemoration in Potocari almost completed: 505 identified bodies to be buried	**BHT1** – The preparations for the burial of 504 identified victims of genocide have been almost completed in Potocari, four days before the 11th anniversary of the Srebrenica massacre. The building of commemorative wall, with engraved names of 8,372 people killed or disappeared in Srebrenica in 1995, has been completed as well. According to Srebrenica Municipal Head **Abdurahman Malkic**, members of the Organizing Committee for marking the 11th anniversary of Srebrenica massacre will do all they can to avoid traffic collapse, which prevented more than 2,000 people from attending the commemoration in 2005. **Dnevni Avaz** pg 9 '505 victims to be buried in Srebrenica' by N.O.– Director of 'City Cemetery' in Visoko, **Asmir Hodzic**, stated that total of 505 killed and fully identified Srebrenica victims would be buried on July 11.

Int press on ongoing exhumation of Srebrenica victims possibly from the biggest mass grave Jaz near Zvornik	**New York Times** 'More Victims Found as Srebrenica Anniversary Looms' by Reuters – Article reports forensic experts said on Thursday they had unearthed the remains of 268 victims of the 1995 Srebrenica massacre at Jaz mass, days before its 11th anniversary. According to press, the digging continues and more bodies are expected to be found at Jaz, which is the eighth and possibly biggest mass grave found in the village of Kamenica, near the eastern town of Zvornik. "*The bodies are mostly articulated, skeletonized, with a good degree of preservation,*" Canadian forensic anthropologist **Renee Kosalka** told Reuters, noting victims' ages ranged from 16 to 60 and they were mostly male. Washington Post carries same report.
Delegation of the RS Government to attend the ceremony in Srebrenica	**Dnevni Avaz** pg 7 'RS Government's Delegation on marking of the genocide' by Fena– Officer of RS Government's Information Bureau, **Zlatko Juric**, stated that Government's Delegation would attend the 11th anniversary of Srebrenica genocide. Delegation would be composed of two Deputy RS Prime- Ministers, **Omer Brankovic** and **Anton Kasipovic**, and Advisor to RS PM **Miladin Dragicevic.** RS PM **Milorad Dodik** will not attend due to scheduled business trip. **Dnevni Avaz**pg 9 'RS Government represented by Brankovic and Kasipovicnot signed – also carried.

EUPM Head Coppola visits Memorial Centre in Potocari to discuss security	**Oslobodjenje** pg 2 'Tribute to genocide victims' not signed– Head of EUPM General **Vincenzo Coppola** *visited Memorial Centre in Potocari and paid the tribute to the victims. "I have talked to Head of Srebrenica municipality* ***Abdurahman Malkic****, RS Police Director* ***Uros Pena*** *and Police Commissioner of Tuzla Canton,* ***Dzevad Koroman****, and I am certain that they would professionally conduct all necessary measures, in order to provide secure area, during the commemoration on July 11," said Coppola.* **Dnevni Avaz** pg 9 'General Coppola pays tribute to victims of Srebrenica crime' not signed– also carried.
EU's Rehn informs Belgrade full cooperation w/ ICTY and arrest of Mladic are condition to continue negotiations on SAA	**Dnevni Avaz** pg 23 'Goal of Serbia action plan has to be apprehension of Mladic' not signed, **Nezavisne Novine** pg 2 'Mladic still condition for EU' by agencies, **EuroBlic** pgs 2-3 'No Mladic, no talks' – EU Enlargement Commissioner **Oli Rehn** informed officials in Belgrade that full cooperation with the ICTY, including arrest of war crimes suspect **Ratko Mladic** is condition for continuation of negotiations on Stabilization and Association Agreement (SAA). Rehn welcomed decision of Serbian Government to establish the Action Plan for the cooperation with the ICTY.

Economic and return issues

RS Govt adopts program on construction of Gradisnja – BL highway	**PINK**, **BHT1**, **RTRS** – RS Government on Thursday adopted the information on construction of Gradiska – Banja Luka highway. The Government also requested from General Manager of "Putevi Srpske" (RS Roads) **Dragan Mihajlovic** and Head of RS Roads Directorate **Vladimir Bojat** to resign within three days. RS Government holds these two officials responsible for the fact no construction permit had been issued for this project as yet. **PINK, RTRS –** RS Minister of Transport and Communications **Nedeljko Cubrilovic** stated that the deadline for construction of the first part of highway in length of 5,7 km expires on 7 September, stressing that despite of all efforts of RS Government, the construction permits were not issued yet.

Association of old foreign currency savings holders claims: 85% of hose savings were spent	**FTV,BHT1**– BiH House of Representatives' Investigative Commission for establishing the old foreign currency savings of BiH citizens announced that 80% of those funds [estimated at $2 billion] have been spent through banking system. Member of the Commission **Izet Hadzic** stated that the Commission often has problems obtaining necessary information. The main goal of a public hearing organized on Thursday in Sarajevo was to establish the exact amount of old foreign currency savings. **Dnevni Avaz** pg 4 '85% of old foreign currency savings were spent' by Onasa – the article reports the Commission had estimated 85% of old foreign currency savings were spent through banking system and also quotes Chair of the Steering Board of the Association of Old Foreign Currency Savings **Amila Omersoftic** as saying the documentation on transactions of these funds exist but BiH could get these documents only through a UN arbitrage. **Hayat,Dnevni Avaz** pg 4 '85% of old currency savings spent' by Onasa, **Oslobodjenje** pg 5 '2 billion KM secretly disappeared' by Dk.Omeragic – also reported.

BiH HoR Commission for Finances and Budget adopts changes to Law on Old Foreign Currency Savings	**BHT1 –** The BiH House of Representative's Commission for Finance and Budget adopted the changes to the Law on Old Foreign Currency Savings, which foresee that the old foreign currency savers are fully paid during next five years, instead of thirteen as it was originally planned. The bonds, which would replace old foreign currency savers' money, could be used for trade on stock markets, as well as for buying real estates and construction fields. At the same time, representatives of BiH Finance Ministry stated that the requests for payment are not realistic, because new loans would mean that BiH would exceed a limit of debt set by EU. "*I know that the old foreign currency savers are not satisfied, but we have to take into account the macroeconomic possibilities of BiH. In other words, we must not implement a solutions that would endanger the macroeconomic stability and fiscal sustainability of BiH*", stated **Jusuf Kumalic** from the BiH Ministry of Finance and Treasury, adding that international institutions – especially International Monetary Fund and World Bank – would not allow something like that to happen.

RS Auditor publishes reports on entity institutions: five institutions receive negative mark	**Glas Srpski** pg 3 'Five negative reports' by D. Vrhovac- Mihajlovic – RS Chief Audit Office has completed audit of 66 financial reports of budgetary users for 2005. RS Chief Auditor **Bosko Ceko** told daily that 5 of 66 reports were evaluated as negative, 19 were evaluated with reservations, 41 were evaluated as positive while opinion-giving on 1 report was abstained (on consolidated financial report of cultural institutions due to unclearness and limitations). Financial reports of RS Ministry of Education and Culture, high and secondary education, Employment Bureau and RS NA House of Peoples were evaluated as negative. Ceko reminded that audit of RS Government's report for 2005 should be finished by the end of July.

DL op-ed criticizes Croat politicians and IC for not helping Croats return to Posavina	**Dnevni List** pg 2 'Return to Posavina' op-ed by Pejo Gasparevic – Gasparevic asks why so few Croats have returned to Posavina since the war and mentions one **Ivica Sedlovski**, displaced person from Derventa area, who has written to virtually all national and international officials asking for their help in order for him to return to his home, but to no avail because obstacles are many. Sedlovski, says Gasparovic, is only one of many Croats who are owners of large properties in Posavina which are, however, still inaccessible to them. Editorial criticizes Croat politicians who '*keep ignoring Posavina and are easy to forget injustice done to it by the Dayton Agreement*' but also the IC which has done almost nothing to help Croats return to Posavina.