

# OHR BiH Media Round-up, 8/9/2004

| <b>RADIO HERCEG-BOSNA</b><br>(18,00 hrs) | <b>BH TV 1</b><br>(19,00 hrs) | <b>FED TV</b><br>(19,30 hrs) | <b>RT RS</b><br>(19,30)     |
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| Vakufska Banka co-owner                  | BiH HoR session               | Abuse of authorities-Konjic  | Tihic and Mikerevic met     |
| Explosion in Drvar                       | Audit into RS MoI             | BiH HoR session              | Ethnic interests protection |
| Veterans on flags burning                | Bank robbery in Sarajevo      | FBiH internal debt           | Payment of pensions in RS   |
| Audit into RS MoI                        | Witness defends Milosevic     | Witness defends Milosevic    | BiH HoR session             |

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| <b>Oslobodjenje</b>       | Mikerevic announced to Tihic removal of SDA ministers                   |
| <b>Dnevni Avaz</b>        | FBiH Minister Vignjevic: There is no fear that pensions will be reduced |
| <b>Dnevni List</b>        | Fines for bad fuel are not being paid                                   |
| <b>Vecernji List</b>      | BiH's mini Hague being built  |
| <b>Slobodna Dalmacija</b> | Bin Laden's financier co-owner of bank in BiH                           |
| <b>Glas Srpske</b>        | Update to Buk Bijela: We should not yield in                            |

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| <b>Nezavisne Novine</b> | BiH Prosecutor's Office is investigating whether firms and banks finance terrorists: Prosecutors looking for network of financing of A' Q'Aeda in BiH; The biggest clients of Privredna Banka Serb Sarajevo were RS institutions: Millions of marks vanished in the bank of Momcilo Mandic; Update to audit report on RS MoI: Policemen awarded following investigation on Visegrad action; SDA and PDP agreed they would reduce tensions |
| <b>Blic</b>             | Audit report shaking RS MoI: They squandered the money; Scandal in BiH: "Vakuf Banka" financed Al Q'Aeda  |
| <b>Vecernje Novosti</b> | Features Serbian related topics   |

|  | <b>Political developments/cooperation with ICTY</b>   |
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| <b>Ashdown meets with Solana: EU's door is open to BiH</b> | <b>Herceg-Bosna Radio, Oslobođenje</b> pg 4 'BiH's progress within the EU's SAA process', <b>Vecernji List</b> pg 3 'HR for BiH in Brussels' <u>by vr</u> – The EU Special Representative and the High Representative, <b>Paddy Ashdown</b> , met in Brussels on Tuesday with <b>Javier Solana</b> , the EU's High Representative for Common Foreign and Security Policy. The EU Special Representative Ashdown and Javier Solana discussed BiH's progress within the EU's Stabilization and Association Process. Both agreed that BiH's full cooperation with the ICTY remains an indispensable condition for progress. EU Special Representative-High Representative Ashdown underlined that BiH needs to make very significant improvements in its cooperation with the ICTY, without which there is a real danger that its progress towards integration with the Euro Atlantic institutions could be blocked. |
| <b>Statement of Day: Paddy Ashdown</b>                     | <b>Dnevni List</b> pg 2 carries in its 'Statement of Day', the High Representative for BiH, <b>Paddy Ashdown</b> , as saying: <i>"The RS must make decisive break with the past."</i>   |
| <b>OHR's Braithwaite on BiH's European prospects</b>       | <b>Nezavisne Novine</b> op-ed pg 7 'Don't miss train for Europe' by <u>Julian Braithwaite</u> – In the op-ed, outgoing OHR Director of Communications <u>Julian Braithwaite</u> says that when asked for advise regarding BiH, he just briefly said <i>"DO not miss train for Europe"</i> . The author is of the view that in spite of evident post-war problems with which BiH is facing, he believes BiH has all the chances possible to become a sustainable and a modern European state – but only if it joined NATO and European Union.  |

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| <p><b>Dnevni Avaz pg 3 'BiH's relations with EU jeopardised'</b></p>                             | <p><b>Dnevni Avaz</b> pg 3 'BiH's relations with EU jeopardised' by <u>S. Numanovic</u> – The next phase of talks on BiH's Stabilisation and Association with EU is jeopardised over the decertified police officers. <b>Michael Leigh</b>, the EC Deputy Director for External Relations, during Tuesday's meeting with HR <b>Paddy Ashdown</b>, expressed concern about a continued rejection by BiH authorities to implement UN recommendations when it comes to IPTF decisions (on de-certification of police officers).</p>   |
| <p><b>RS Government says ICTY request for documentation delivered to relevant Ministries</b></p> | <p><b>FTV, Oslobođenje</b> pg 3 'Ministries will deliver requested records', <b>Dnevni Avaz</b> pg 4, <b>Nezavisne Novine</b> pg 6 'We know where documentation about Karadzic and Mladic is' by <u>FENA</u>, <b>FENA</b> – RS Government has forwarded the ICTY request for delivering the records from the meetings of the RS Army General Staff between 1992 and 1995 to the relevant ministries, said the Chief of the RS Government's Public Relations Bureau, <b>Cvijeta Kovacevic</b>, on Tuesday. She told a press conference in Banja Luka that the Government knows what, where and from whom to seek the relevant materials with regard to the ICTY's request. <i>"This request was then forwarded to the relevant ministries that have very clear commitments and deadlines"</i>, she noted not specifying details.</p> <p><b>Glas Srpske</b> pg 2 'They are going through archives' by <u>M.Dz.</u>, <b>Dnevni List</b> pg 3 'Search after wartime minutes from sessions of the RS army Headquarters' by <u>NINA</u>– <b>Zeljko Marjanovic</b>, Head of Policy Department at the RS Defence Ministry, yesterday confirmed to GS that Ministry yesterday started to go through its archive upon ICTY request.</p>  |
| <p><b>VL feature on Special war crimes department of BiH Court</b></p>                           | <p><b>Vecernji List</b>, front and pgs 18-19 'BiH's mini Hague being built', by <u>Zdenko Jurilj and Dalibor Ravic</u> – VL's reporters apparently were the first journalist in BiH who entered a former JNA's "Viktor Bubanj" barracks in Sarajevo, which is getting reconstructed for the needs of the Special war crimes department of the BiH Court, which should be taking over war crimes cases from the ICTY in March 2005. VL reports that there will be two courtrooms, which will be exactly the same as courtrooms in the ICTY, as well as detention cells that will accommodate war crimes suspects. VL goes on to say that international judges will have the leading role in the "BiH's mini-Hague", who got the necessary experience whilst working with the ICTY. In that context, VL says that according to a proposal, which was completed with the help from the OHR and which was completed by legal experts from the ICTY, the department's President will be a foreign national. The proposal needs to be adopted by the BiH Parliament and BiH Presidency. VL also notes that all issues pertaining to the organization, funding and logistics will be taken care of by the Office of registry (a term unknown to BiH legal system), which will be led by a foreign national. The said Office will apparently be hiring foreign judges, who will be allegedly appointed by the OHR.</p> |

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| <p><b>Del Ponte knows Mladic's whereabouts</b></p>   | <p><b>Nezavisne Novine</b> pg 5 'Carla del Ponte claims she knows where Mladic is' by <u>BETA</u> – After his visit to The Hague Tribunal, SCG Minister for Human and Minorities' Rights <b>Rasim LJajic</b> said that the meeting with the Chief ICTY Prosecutor had been difficult and lacked confidence, noting no progress has been achieved. He added: <i>"Del Ponte told me that she had information about Mladic's whereabouts, but that she could not share this information with any one, because she did not believe this information would not be passed on to Mladic. I asked her why she does not pass those information to international officials, I got no response."</i></p>  |
| <p><b>BiH HoR refuses to discuss set of judicial laws in urgent procedure, VAT law to be discussed today</b></p> | <p><b>Herceg Bosna Radio, BHT, FTV, RTRS</b> – BiH House of Representatives rejected the initiative by CoM to consider a set of laws from the sector of judiciary in an urgent procedure. Draft Law on VAT will be considered on Wednesday. The CoM initiative to discuss amendments to the Laws on BiH Court, prosecution office and transferring of cases from ICTY to courts of countries of former Yugoslavia in urgent procedure did not get the necessary entity majority. A SDP-proposed resolution on forbidding sending soldiers to Iraq or any other similar mission before passage of an appropriate law on the issue was not included in the agenda of the session at all. Chairman of SDS caucus <b>Momcilo Novakovic</b> called on Justice Minister <b>Slobodan Kovac</b> to resign. He explained this demand with the fact that Minister had sent into procedure certain laws that were against the demands of Serb deputies.</p> <p><b>BHT</b> – The BiH House of Representatives (HoR) postponed discussion on the draft VAT Law for Wednesday. Despite the fact that representatives were not ready for this discussion at Tuesday's session, most of them believe that Parliament should adopt the law, which foresees different VAT rates, said BHT reporter. Parliamentary Finance and Budget Commission president, <b>Nikola Kraguj</b>, believes that a single VAT rate would be a tremendous strike on already difficult social situation in BiH. Chair of the CoM <b>Adnan Terzic</b> stated: <i>"We are in pre-election period. The CoM's and my personal opinion is that the best for the country would be what representatives in the parliament decide."</i> The European Commission believes that too many tax rates would leave too much space for tax evasion and other irregularities.</p> <p><b>Oslobodjenje</b> pg 3, mentioned on cover 'SDP proposal rejected' and pg 6 'SDS requests for resignation of Justice Minister', <b>Dnevni Avaz</b> pg 9, <b>Dnevni List</b> pg 8 'Resignation of Justice Minister requested', mentioned on front, by <u>Danka Polovina-Mandic</u>, <b>Vecernji List</b> pg 2 'SDS wants resignation of BiH Justice Minister', by <u>Eldina Medunjanin</u> also covered the issue.</p> |

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| <p><b>FBiH Finance Minister Vrankic on VAT</b></p> | <p><b>Dnevni List</b>, pg 4 'Vrankic supports introduction of single VAT rate', by <u>De. L.</u> – Amid discussions and initiatives pertaining to introduction of the VAT in BiH, which deal with the levels of VAT rates in BiH, the FBiH Finance Minister, <b>Dragan Vrankic</b>, issued a press release in which he notes that he, as a member of the Steering Board of the Indirect Tax Authority, strongly supports one, single rate of VAT. Minister Vrankic explains that decreased rates are not efficient ways to help individuals and families with poor incomes, noting that introduction of several rates mean complex system and expensive applications of the law. Vrankic believes BiH needs foremost an efficient way how to collect tax revenues, whilst social issues should be dealt with through social programmes.</p> |
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**Tihic,  
Mikerevic fail  
to resolve  
political  
differences**

**Dnevni Avaz** pg 2 'Tihic and Mikerevic failed to reach agreement', **FENA** – The chairman of the Party of Democratic Action (SDA), **Sulejman Tihic** (also the chairman of the BiH Presidency), on Tuesday had talks with RS Prime Minister **Dragan Mikerevic** about a possible dismissal of the SDA ministers from the RS Government. *"We did not agree about this issue, especially regarding a possible dismissal of the SDA ministers. I presented clearly my stance that the ministers are doing their job well and are representing the interests of their constituency but, at the same time, are not working against the interests of the government. The fact that our parties do not always agree about all issues is not a reason to dismiss ministers,"* Tihic told FENA after meeting Mikerevic. He stressed that it was up to Mikerevic and Serb parties to decide whether to dismiss the SDA ministers, who – as he put it – gained legitimacy through the elections and were supported by deputies in the RS National Assembly, and replace them with Bosniaks who did not enjoy that type of legitimacy and who *"will be yes-men"*. *"Depending on a decision to be made by the premier, the SDA will draw its own conclusions and react in line with its interests,"* Tihic said. The Serb Democratic Party, the Party of Democratic Progress and the RS Serb Radical Party demanded that the three SDA ministers in the RS government be removed.

**RTRS, Glas Srpske** pg 3 'Tihic does not give up' by V.C.; **Nezavisne Novine** pg 5 'SDA and PDP agreed they would reduce tensions'; **EuroBlic** RSpG5 'Insurmountable differences with SDA', **Slobodna Dalmacija** pg 7 'Removal of SDA Ministers in the RS Government' by A. Macanovic, **SRNA** – At a meeting on Tuesday in Sarajevo, RS Prime Minister **Dragan Mikerevic** and the chairman of the SDA, **Sulejman Tihic**, failed to reach an agreement to withdraw the SDA initiative on assessing the legitimacy of the RS insignia. *"I asked Tihic to withdraw this proposal which he put forward in April, but he is of the view that it is legal and legitimate,"* Mikerevic told SRNA. Mikerevic went on to say that after holding talks with Tihic on a number of political issues, there were still insurmountable differences in their views. *"As prime minister, I need to draw some moves in the forthcoming period to resolve political issues in connection with the replacement of the SDA ministers in the RS government,"* Mikerevic said.

**Oslobodjenje** cover page, pg 5 'Mikerevic announced to Tihic removal of SDA ministers' – According to the daily, RS Prime Minister **Dragan Mikerevic** will remove SDA-nominated ministers from the RS Government, after which the SDA will join the opposition in the entity. One could draw such a conclusion from Tihic's statement made after the meeting with Mikerevic, according to the daily.

|   | Security/investigations/legal proceedings/judiciary   |
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| Audit of RS Interior Ministry's finances finds illegal spending | <p>Herceg Bosna Radio, BHTV, Oslobođenje pg 8, mentioned on cover 'They were buying suits, vehicles, apartments...', <b>ONASA</b></p> <p>– A review of the Republika Srpska Ministry of Interior's financial activities in the year 2003 has shown several irregularities and illegal asset spending. Illegal acquisition of suits, vehicles, weapons and equipment during the visit of <b>Pope John Paul II</b> to Banja Luka are just a part of the irregularities found by RS auditors. According to the audit report, the ministry purchased 150 handguns from the Zenica-based Sot company, of which 88 were shipped. Even though the handguns were to be acquired for police use, the minister of interior gave 22 handguns to individuals <i>"assigned to improve the ministry's work"</i>. Assets were illegally spent on 479 suits for men and 53 for women. Several people unemployed at the ministry, including a delegate of the RS National Assembly, former interior minister and president of the RS Union of Camp Inmates , were allowed to use several of the ministry's vehicles.</p> |
| RS premier criticizes Interior Ministry audit report            | <p><b>SRNA</b> – RS Prime Minister <b>Dragan Mikerevic</b> said on Tuesday that the final audit report on the work of the Interior Ministry contained assessments which were not true and did not correspond to the facts. <i>"Above all, the RS Government set aside 15-16m KM for contributions in arrears to the police pension and invalidity fund,"</i> Mikerevic told a news conference held in Sarajevo. He underlined that as an economist, an expert on book-keeping and as an authorized auditor, he would not agree with many points in the audit report on the work of the Interior Ministry. Mikerevic also said that this report took up too much public time. The RS prime minister believes that it is inappropriate that <i>"12 minutes of RTRS news bulletin is taken up with the Interior Ministry"</i>.</p>   |

**Reactions in RS,  
Serbian press to  
RS MoI audit  
report**

**Nezavisne Novine** pg 5 'They violated the Law through money-spending' mentioned on cover 'Policemen awarded following investigation on Visegrad action' by D. Risojevic; **EuroBlic** cover and RSpg 1 'They squandered the money' by Nedeljka Breberina – Dailies bring further information from the audit report on RS Interior Ministry, which noted that RS MoI was awarding its personnel (including the secretary and driver of Minister **Zoran Djerić** and 7 policemen, who took part in investigation following Visegrad action), which cost the Ministry BAM 40 thousand in total. The report also stressed Ministry violated Law on procurement.

According to NN inset 'Mikerevic: Not to make a fuss', **Dragan Mikerevic**, RS Prime Minister, yesterday in Sarajevo stated that such a big fuss should not be made regarding the audit report on RS MoI, *"because I myself am also the authorised auditor and I have noticed some information from **Ceko's** report are ungrounded. However, we would demand investigation be conducted within the RS MoI on basis of this Report, and if necessary, RS Prosecutor's Office would also engage in the investigation."* (**Glas Srpske** pg 5 Disputable assessments')

According to **EuroBlic** inset 'Crnadak: There were no irregularities', **Igor Crnadak**, President of PDP Chair Board in Banja Luka and owner of the firm "Braniko", where male and female suits of BAM 10,650 were bought upon a verbal order of **Zoran Djerić**, yesterday stated that *"there were no irregularities"* during the purchase of these suits. He said: *"I find this to be another attempt to discredit my reputation."*

**Nezavisne Novine** op-ed pg 7 'Where has the money from MoI vanished' by Dragan Risojevic – The author is writing about the audit report on RS MoI, of which he is very critical. In his view, **Bosko Ceko's** auditors observed one important fact which is that almost all procurement related affairs were performed through RS MoI management, meaning through **Zoran Djerić and Ljubinko Mitrović**, Head of Ministers' Cabinet. He is critical of **Djerić** and his most recent denial of all allegations against him, stressing that whoever reads the report would not believe **Djerić**.

The author further emphasises that we should trust **Ceko**, who is one of the rare people who did not hesitate to point at lawlessness and tycoon-like moves of those belonging to authority.

The author is also critical of **Dragan Mikerevic** who was critical of audit report. Risojevic notes that **Mikerevic** should have said something about the report and make those remarks he has observed previously, since he has seen the pre-liminary report.

The author concludes by saying that this affair gets us all back to the thesis that the member of the party – of PDP in this case – would always be protected by his fellow-colleagues, regardless of what he may have done.

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| <p><b>OHR checks on candidate for RS Interior Minister.</b></p>                             | <p><b>Dnevni Avaz</b> pg 4, mentioned on cover 'OHR checks on Darko Matijasevic' – RS Prime Minister <b>Dragan Mikerevic</b> has submitted to OHR for check name of Darko Matijasevic, current military attache at NATO Headquarters in Brussels, as a candidate for new RS Interior Minister. OHR might present its opinion on the candidate as soon as by the end of this week.</p>  |
| <p><b>Tihic and Covic receive FBiH Bar Association reps, talks on work of BiH Court</b></p> | <p><b>Dnevni List</b>, pg 8 'Work of Prosecution and BiH Court was main subject', by <u>NINA</u> – a delegation of FBiH Bar Association yesterday met with members of BiH Presidency, <b>Sulejman Tihic</b> and <b>Dragan Covic</b>, on the occasion of the forthcoming annual gathering of members of the FBiH Bar Association scheduled for September 17. The delegation informed Tihic and Covic about the situation in the judiciary in the FBiH, warning of shortcomings in the reform to the judiciary, focusing on the work of the BiH Prosecution and BiH Court. According to the FBiH Bar Association, fundamental rights of defendants are not being respected. The Association also expressed dissatisfaction with the work of the BiH Court, which allegedly does not abide by decisions of the BiH Constitutional Court, whose decisions are final and binding. Tihic and Covic expressed support to the work of the Bar Association and its contribution to protection of fundamental human rights and freedoms.</p> <p><b>Slobodna Dalmacija</b>, pg 14 'BiH Court treads on human rights', by <u>Zlatko Tulic</u> – apart from reporting as DL in the article above, SD reports from a press conference of the FBiH Bar Association during which the Chairman of Steering Board of FBiH Bar Association, <b>Branko Maric</b>, noted that fundamental laws in BiH are being created by inexperienced people. He also noted that the fundamental laws are being created through OHR's commissions, the laws that are eventually getting imposed.</p> |
| <p><b>Bin Laden's financier co-owner of Vakufska Bank in BiH?</b></p>                       | <p><b>Slobodna Dalmacija</b> front pg 'Bin Laden's financier co-owner of bank in BiH' and last pg 'Bin Laden's associate co-owner of bank in BiH' by <u>Z. Sagolj</u> carries the same article as published in Nezavisne Novine yesterday (see yesterday's OHR BiH Media Round-up), which says that officials of the Vakufska Bank from Sarajevo (<b>Edis Kusturica</b>, Deputy Manager of Bank) and F BiH Banking Agency (<b>Nerminka Hromic</b>, Head of Agency Department for Licences) yesterday confirmed that <b>Yassin A.A. Kadi</b>, one of financiers of Al Qaeda, was one of co-owners of Vakuf Bank. <b>Dnevni List</b> pg 7 'Vakuf Bank one of financiers of terrorism in BiH?!' by <u>A. Beus</u> carries a similar article on the same issue.</p>  |

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| <p><b>NN: Prosecutors looking for network of financing of A' Q'Aeda in BiH</b></p>                   | <p><b>Nezavisne Novine</b> cover and pg 3 'Prosecutors looking for network of financing of A' Q'Aeda in BiH' by <u>M. Cubro</u> – NN collocutor at BiH Prosecutor's Office yesterday confirmed that the BiH Prosecutor's Office is investigating whether the humanitarian organisations, firms and banks in BiH make a part of the network for financing of the terrorist net of Al Q'Aeda. The course said that: <i>"The investigation, which was launched several months ago, is focused on financial transactions. Accordingly, several firms, banks and humanitarian organisations have been placed under surveillance. F BiH Financial Police regularly controls all transactions in which these firms are involved."</i></p> <p>The sources added that this investigation is labelled as "strictly confidential". The firm "Risala" and Vakuf Bank are also under this investigation.</p> <p><b>Marinko Jurcevic</b>, BiH State Prosecutor, yesterday did not want to state anything about the investigation. Neither was <b>Zufer Dervisevic</b>, Head of F BiH Financial Police, willing to give any information related to this case.</p> |
| <p><b>Update to Privredna Banka S. Sarajevo affair</b></p>   | <p><b>Nezavisne Novine</b> cover and pg 2 'Millions of marks vanished in the bank of Momcilo Mandic' by <u>A. Sisic</u> – The author refers to a senior official of the international community close to OHR and SFOR, who said that RS Government and the authority from some municipalities in RS during the course of 2002 and on several occasions in 2003 paid the money onto accounts of Privredna Banka Serb Sarajevo, owned by Momcilo Mandic. <b>The aim of these payments was to steal on public funds of RS.</b></p> <p>According to the source, the biggest clients of Mandic's bank were RS Housing Fund, RS Finance Ministry, RS Employment Bureau, Children's Health Protection Fund from Bijeljina and Bijeljina Social Care Centre. The source notes: <i>"It is interesting to notice that exactly these institutions failed to get their money back, because Mandic, in collaboration with the leading officials of those institutions, used that money to ensure survival of his own firms and the bank as well. This is another proof that individuals from RSV authority were tightly connected with Momcilo Mandic."</i></p> |
| <p><b>RS Constitutional Court still not have council for vital national interests protection</b></p> | <p><b>Glas Srpske</b> pg 3 'No Law, no Council' by <u>M. Dzepina</u> – Council for solving objections of vital national interest in RS Constitutional Court is still not founded. Chairman of RS Constitutional Court <b>Mirko Zovko</b> says that RS National Assembly didn't pass the law on RS Constitutional Court. The Council cannot be founded even if the law was passed because member of Constitutional Court <b>Mehmedalija Bedak</b> died in the meantime. New candidate should be proposed to RS President <b>Dragan Cavic</b> and he to NA.</p>  |

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| <p><b>State Prosecutor Jurcevic: No evidence on recruiting volunteers in BiH</b></p> | <p><b>Nezavisne Novine</b> pg 3 'No evidence on deployment of volunteers' by M.C. – In the course of a 6-month investigation, the BiH Prosecutor's Office has not established whether there are organizations recruiting BiH volunteers to the Iraq, Chechnya and Afghanistan, BiH Chief Prosecutor <b>Marinko Jurcevic</b> said, noting that <i>"our investigation has not resulted in any concrete evidence, because that is in fact difficult to prove. Someone simply takes his passport and leaves."</i></p> <p>At the beginning of the year <b>NW</b> published the story told by the parents of two BiH youngsters who had been killed in Chechnya.</p> <p>Furthermore, the Chief BiH Prosecutor yesterday had no information about the alleged killing of a BiH citizen in Chechnya. BiH Minister of Security <b>Barisa Colak</b> promised on Monday that an investigation into this case would be conducted.</p>  |
| <p><b>Priest Matanovic case</b></p>  | <p><b>Nezavisne Novine</b> pg 7 'A female cry was heard when Matanovic's were taken away'; <b>Glas Srpske</b> pg 10 'The witness did not see weapons' – The trial of 11 former Prijedor police officers, charged with the illegal detention of Catholic priest <b>Tomislav Matanovic</b> and his parents, resumed yesterday before the Banja Luka District Court. The resumption saw the testimonies of three witnesses: <b>Milan Krnjajic</b>, who was the Chef of the Banja Luka State Security Sector in 1995, <b>Senada Stulic</b>, a neighbour of the <b>Matanovics</b>, and the BiH Interpol Director <b>Brane Pecanac</b>, who at the time was the Chief of the B. Luka PSC.</p> <p><b>Stulic</b> stated that she had seen priest <b>Matanovic</b> on several occasions walking in his parent's courtyard. She did not see whether the police officers securing him were armed. On the night when this family was taken away, <b>Stulic</b> was in her parent's house across the <b>Matanovics</b>. She said that she <i>"heard a woman cry"</i> and that this may have been <b>Bozana Matanovic</b>, the priest's mother and that two vehicles – a white van and a green Mercedes – had appeared in front of the house of the <b>Matanovics</b>.</p> |
| <p><b>Bjelica case</b></p>   | <p><b>Nezavisne Novine</b> pg 3 'SFOR resumes investigation against Milovan Bjelica' by A.S. – SFOR Lieutenant Colonel <b>Patrick Clark</b> stated yesterday that the former Srpsko Sarajevo Municipal Parliament Speaker and SDS official, <b>Milovan Bjelica</b> remains in a safe location, noting that <i>"the investigation against him is still ongoing."</i></p>  |

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|  | <p><b>Economic/social issues</b></p> |
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**WB President  
meets with  
representatives  
of top BiH  
executive,  
legislative  
bodies**

**Herceg Bosna Radio, FTV, RTRS, Nezavisne Novine** pg 2 'World Bank gave most loans' by M. Cubro, **Oslobodjenje** pg 6 'A billion dollars for post-war reconstruction', **Dnevni Avaz** pg 9, **Dnevni List** pg 2 'World Bank invested billion dollars in BiH' by E. Mackic, **Vecernji List** pg 2 'World Bank will help BiH to reach self-sustainability' by D. Jazvic and **Slobodna Dalmacija** pg 7 'With World Bank to stabilize BiH economy' by Z. Rerig, **FENA** – BiH Council of Ministers Chair **Adnan Terzic** and Entity Prime Ministers **Ahmet Hadzipasic** and **Dragan Mikerevic** on Tuesday held talks with the President of the World Bank Group, **James Wolfensohn**. After the meeting, Terzic said that the authorities in BiH today can speak of the country's development thanks to the partnership relations with the World Bank, reiterating that the greatest part of recovery of devastated infrastructure had been possible thanks to the WB funds. Wolfensohn stressed that it is a privilege of the World Bank being able to work with BiH, and added that the Bank would continue helping BiH become a self-sustainable society. He said that since 1996 to date the Bank has provided over one billion dollars for reconstruction projects in BiH, and allocated 100 million dollars of investments in companies. Wolfensohn congratulated the BiH authorities on successes in recovery of infrastructure, stressing that he remembers very well the degrees of infrastructure devastation back in 1996, when he had visited BiH for the first time.

**FENA** – World Bank Director **James D. Wolfensohn** on Tuesday also met with BiH parliamentarians.

**OHR welcomes  
harmonization  
of statute on  
FBiH veterinary  
Chamber**

**Oslobodjenje** pg 6 'OHR welcomes harmonisation of the statute', **Dnevni Avaz** pg 8, **FENA** – The OHR commends the representatives of the BiH Association of Veterinarians and the Herzeg Bosna Association of Veterinarians for agreeing on the final text of the statute governing the new FBiH Veterinary Chamber. The spokesperson of OHR, **Mario Brkic** , told a press conference in Sarajevo on Tuesday that this is a step forward on the road of resolving outstanding issues and thus removing remaining obstacles to the delivery of competitive modern veterinary services. This is crucial for food safety, for the fostering of a recovery of the agricultural sector and for BiH's integration into Europe , emphasized the OHR spokesperson. Establishment of the new Veterinary Chamber also fulfils a Phase II Bulldozer recommendation.

**PDHR and USAID  
Mission  
Director to  
visit Sarajevo  
Municipal Court  
Commercial  
Division**

**Oslobodjenje** pg 3 ‘How the Commercial Divisions function?’ – Principal Deputy High Representative **Donald Hays** and USAID Mission Director **Howard Sumka** will visit the newly established Commercial Division of the Sarajevo Municipal Court on Wednesday. Ambassador Hays and Mr Sumka will be briefed by President of the Court **Aida Salcinovic-Kuljunain** and by judges of the Commercial Division, according to OHR Spokesman **Mario Brkic**. *“Commercial Divisions have been set up through the reallocation of resources and personnel so that commercial cases can be heard on a dedicated basis by judges who are specialists in business law. The object is to clear the backlog of commercial litigation in BiH and to reduce the average time of commercial court cases from years to months,”* emphasized Brkic at a press conference in Sarajevo on Tuesday. *“This is crucial for securing more investment and creating conditions for economic takeoff. A cumbersome commercial litigation system drives away prospective investors. They will not put their money in BiH if they are afraid of being bogged down in the courts in the event of a dispute. In addition, a slow legal process sends a signal that the authorities are not serious about creating a competitive business environment. The establishment of the Commercial Divisions sends the opposite signal – BiH is very much open for business and is serious about attracting the investment that can create jobs and raise living standards,”* concluded Brkic.

**Merdzo,  
Omersoftic on  
old foreign  
currency  
savings**

**Dnevni List**, pg 3 'Defining of way of return of old currency savings postponed', mentioned on front, by Ivica Glibusic – with regards to law on internal debt, which also deals with old currency savings in the FBiH, DL carries Deputy Speaker of FBiH Parliament's House of Representatives, **Josip Merdzo**, as saying that the FBiH HoR is expected to continue with the extraordinary session which had started to discuss the law in the matter. According to Merdzo, the HDZ BiH has so far been against the proposed solutions, announcing that the party could be offering a few of its new proposals. *"According to the new version, in the law on internal debt, as far as old foreign currency savings are concerned, the deadline for determining of such claims would be defined, whilst the way of payment would be defined later. Namely, there are assumptions that the old foreign currency savings are not at the level it was talked about, it would appear it is a lesser amount"*, said Merdzo noting if the story on lesser amount proves to be true, it could result in more favourable versions of payment of savings to interested parties.

Inset entitled 'Old foreign currency savings stays on hold' – carries **Amila Omersoftic**, a representative of savers, as saying that the law (on internal debt) was removed from the agenda of the FBiH Parliament's HoR because of forthcoming elections. According to her information, the Principal Deputy High Representative, **Donald Hays**, gave consent that the law be enacted after the elections, which led Omersoftic to say: *"This is a piece of impudence covered by the authority of the High Representative, Paddy Ashdown"*.

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| <p><b>FBiH: Campaign against bad quality fuel</b></p> | <p><b>Dnevni List</b>, front and pg 6 'Fines for bad fuel are not being paid', by <u>N. Bise</u> – The FBiH Chief Inspector for liquid fuels, <b>Marko Pezo</b>, confirmed for DL that 19 misdemeanor charges have been filed against owners of 19 oil stations in the FBiH over bad fuel quality during the summer campaign on fuel quality checks. Pezo noted that fines for such violations range as much as 20.000 KMs for the companies and 5.000 KMs for the owners, and that the most severe sanction is closing of oil stations. He also noted that no fines have been collected yet, although in February 2004 alone, 4 fines should have been collected.</p>   |
| <p><b>Update to Buk Bijela affair</b></p>             | <p><b>Glas Srpske</b> cover page story 'We should not yield in' by <u>D.V.M.</u> – GS brings statement of <b>Mirko Djukic</b>, President of the RS Syndicate of Energy, who said that RS Government should resist to pressures of the OHR (to suspend works on construction of Buk Bijela and urge for privatisation of RS Elektroprivreda) in a stronger manner. He also warns that the interests of the multinational companies, who would like to become owners of this potential, are behind this case. He is of the view that OHR is actually more eager to see RS Elektroprivreda privatised than to protect the environment. He stresses that OHR and his first man <b>Paddy Ashdown</b> should not interfere in the case under an exclusive authority of RS.</p> |

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| <p><b>RS Government discusses budgetary payments to cities, municipalities</b></p>                      | <p><b>Glas Srpske</b> pg 3 'New deadline to old debt' by <u>G. Dakic</u> – At yesterday's session in Banja Luka, RS Government set the proposed Law on temporary delay of implementation of the payments from budgets of cities and municipalities. Government also set the dynamics of payment for unpaid pensions and compensation for gravestones. Paying of compensation for gravestones from regular budget resources is ongoing and pensions will be paid by the end of the month.</p> <p>Pensions should be paid by 16<sup>th</sup> of September. The Government asked from NA scheduling of special session where the proposition law on temporary postponement of receivables from the budget of towns and municipalities. According to the Government's proposal the postponement would be until 30<sup>th</sup> September next year and it is for receivables from 1992-1996. The Government dealt with the issue of privatisation. Offer from American Farmland was accepted for buying a farm from Nova Topola.</p> |
| <p><b>FBiH Minister Vignjevic says coming retirement of military staff will not reduce pensions</b></p> | <p><b>Dnevni Avaz</b> cover page, pg 2 'There is no fear that the pensions will be reduced' – FBiH Minister for Labour and Social Policy <b>Radovan Vignjevic</b> said there was no fear that the pensions in the entity would be reduced if the Federation Government does not ensure additional funds for coming retirement of military staff.</p>   |

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| <p><b>Tobacco factories threaten to sack its employees in case of higher excise tax on domestic cigarettes</b></p> | <p><b>Vecernji List</b>, pg 4 'Tobacco factories plan to sack 20.000 workers', mentioned on front, by <u>Z. Kresic</u> and <u>E. Medunjanin</u> – tobacco producers in BiH are threatening to shut down factories and sack some 20.000 people employed in the tobacco industry in case the State and entity authorities stick to their plans to increase the excise taxes on cigarettes by 15%. The proposal to increase the taxes, which was forwarded by the FBiH Government, is currently put on hold, pending the enactment of the state law on excise taxes expected to take place in September. Managements of tobacco factories in Sarajevo, Banja Luka and Mostar warn that in situation in which there are no subsidies to domestic production, the same treatment for domestic and foreign cigarettes means 'death sentence' to BiH factories. According to information at disposal of the Steering Board of the Indirect Tax Authority, the last proposal was imposed by a group of foreign 'experts', who were installed by the OHR.</p> |
| <p><b>On meeting of Bulldozer Commission and business people in Mostar</b></p>                                     | <p><b>Dnevni List</b> pg 'To change laws which hinder economy' by <u>NINA</u> and <b>Slobodna Dalmacija</b> pg 15 'Loss on vine' by <u>Z. Zekic</u> – A meeting of representatives of the Bulldozer Commission and business people was held in Mostar yesterday during which they talked about mutual cooperation and resolving of administrative and other problems between State bodies and business people. Talking about the current situation, Director of Regional Agency for Development of Herzegovina (REDAH), <b>Bozo Vukoja</b>, stated that changes should be made which will help BiH business people to work better and in an easier manner.</p>   |

|   | Other issues   |
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| SD on situation in Stolac                       | <p><b>Slobodna Dalmacija</b> pg 16 'Croat flags should be either sent to Croatia or set on fire' by <u>M. Erceg</u> carries an editorial on the fact that Croat flags were set on fire in the center of Stolac two days ago. According to the author, such practice is a result of the hegemonistic policy according to which Bosniaks are the only true patriots in BiH while those who feel like Croats should go to Croatia. The author mentions SDA Vice President <b>Bakir Izetbegovic</b>, Mostar Mufti <b>Seid Effendi Smajkic</b> as advocates of such policy.</p> |
| Issue of former Yugoslav Army's property in BiH | <p><b>Oslobodjenje</b> pgs 4-5, mentioned on cover 'Half of the wealth grabbed by RS' by <u>Azhar Kalamujic</u> – Military barracks, training fields, office premises and other real estates once belonging to the former socialist Yugoslavia's Army and Defence Ministry that are in the RS territory have been registered as the ownership of that entity although only State of BiH has right to these properties, according to the Agreement on Succession to the Former Yugoslavia's Properties.</p>   |

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| <p><b>Srebrenica Commission</b></p>                          | <p><b>Glas Srpske</b> pg 4 'Faster by October' – Members of Srebrenica Commission agreed to intensify and accelerate the work on final annex to the report that needs to be submitted to the Government by 15<sup>th</sup> of October. <b>Dnevni Avaz</b> pg 2 'It is necessary to speed up making of the final report', <b>Dnevni List</b> pg 2 'Session of Srebrenica Commission' <u>not signed</u> also reported on the issue.</p>  |
| <p><b>Ivanic on tenancy rights of Serbs from Croatia</b></p> | <p><b>Vecernji List</b>, pg 4 'Return of tenancy right', by <u>bs</u> – BiH Foreign Minister, <b>Mladen Ivanic</b>, stated at a press conference in Banja Luka yesterday that a solution to the issue of reinstatement of tenancy rights to the Serbs who left Croatia should be found by end of the year. Ivanic assessed as positive that Croatia has acknowledged that the problem does exist, stressing that the issue must be taken care of at the level of Justice Ministers of BiH and Croatia. <b>Sarajevo media</b> also covered the issue.</p> |