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Bildt Press Conference

The High Representative, Carl Bildt held a press conference at the Holiday Inn on 20 December to explain to journalists his view of the important challenges to be faced in the coming year. He paid particular attention to the issues of refugee return, economic regeneration and war criminals, calling that for peace to be sustainable these fundamental issues had to be gripped more seriously by the BiH authorities in the forthcoming consolidation period.

On the subject of refugee and displaced person returns, Mr. Bildt stressed that for this to occur all authorities in BiH would have to comply with the Property Laws. There had been insufficient progress on returns so far, he argued, and the prospects for the future would be even worse without the right legal framework. "If we don't have Property Laws that allow people to come back, then they won't come back, and ethnic partition will be a fact", he warned.

Responding to a question about the possible establishment of an international police force for the apprehension of indicted war criminals, Mr. Bildt said that the message from the London Peace Implementation Council (PIC) meeting had been clear. In the first instance the Parties in the region should not be allowed to renege on their responsibility to deliver indicted persons to the Hague. If they failed to comply, there was now something of a shift in the international community's willingness to take specific measures to ensure compliance — "the shift is underway — and has been underway for some time", he said. He added that it would be incorrect to publicly announce any details on modalities or timing on what actions might be taken. The issue would certainly be on the table for the next PIC Steering Board meeting, he said.

The adoption of a Central Bank Law, Rules of Procedure and of

a State Budget, as well as the solving of customs issues were high on the list of priorities for moving ahead with economic reform, said Mr. Bildt. "Creating the right conditions for trade" was of crucial importance for economic viability, he added. Failure to do so quickly could have a negative impact on the forthcoming Donors' Conference. Countries would be less likely to contribute if there was insufficient evidence of economic reintegration and the willingness to undertake radical economic reforms.

Mr. Bildt said that implementing the Constitution of Bosnia and Herzegovina was the main agenda item for 1997, as the military annexes had been the main achievements of 1996. Referring to the official translations of the BiH Constitution, which have been produced by the OHR and are being made available for distribution, Mr. Bildt said that it was the responsibility of the new Joint Institutions to press on with the nation-building work ahead. This was of particular importance in the coming two years of consolidation.

BiH Federation

The second session of the BiH Federation House of Representatives was held in Sarajevo on 18 December. Federal Government representatives nominated by Kresimir Zubak in his function as Federation President were approved by the House of Representatives resulting in the appointment of the following 15 Ministers and their deputies:

Prime Minister	Edhem Bicakcic
Deputy PM and Finance Minister Deputy Minister of Finance	Drago Bilandzija <i>Mehmed Alijagic</i>
Minister of Defence Deputy Minister of Defence	Ante Jelavic Sakib Mahmuljin
Minister of Interior Deputy Minister of Interior	Mehmed Zilic Jozo Leutar

Minister of Justice Deputy Minister of Justice	Mate Tadic Safet Pasic
Minister of Energy, Mining and Industry Deputy Minister of EMI	Izudin Kapetanovic Perica Jukic
Minister of Traffic and Communication Deputy Minister of T& C	Rasim Gacanovic Pavo Boban
Minister of Social Affairs, Displaced Persons & Refugees Deputy Minister of SA, DPs & R	Rasim Kadic Damir Ljubic
Minister of Health (no deputy)	Bozo Ljubic
Minister of Education, Science, Culture and Sport Deputy Minister E,S,C & S	Fahrudin Rizvanbegovic Jakov Pehar
Minister of Trade Deputy Minister of Trade	Ile Krezo <i>Amir Zukic</i>
Minister of Agriculture, Water and Forestry (no deputy)	Ahmed Smajic
Minister of Urban Planning and Environment (no deputy)	Ibrahim Morankic
Minister without portfolio	Nikola Antunovic
Minister without portfolio	Nedeljko Despotovic

- In addition to the appointment of a Federation Government, the House of Representatives appointed a legal commission and a commission on mandates and immunity and accepted the government's nominations for the Federation Prosecutor and his deputies.
- Amendments to the law on the coat of arms and flag and regulation of the usage of these symbols, as well as a

government proposal for the temporary financing of the Federation in January until March 1997 were approved. In addition, two government law proposals concerning income tax, as well as the law on public income and financing of the Federation, were also adopted. The House of Representatives also unanimously adopted the proposal to abolish the proclamation of the imminent threat of war on the territory of the Federation.

• President of the Federation, Kresimir Zubak, sent an open letter to HR, Carl Bildt and Assistant Secretary of State, John Kornblum announcing the official disbanding of the "Croatian Republic of Herzeg-Bosna" (HZBH). The letter said that since decisions and regulations regarding the transfer of authorities and revenues had recently been passed at the final BiH Government session held on 17 December, "the political and legal assumptions for the transfer of the remaining state functions of HZBH to the state authorities of the Federation of BiH [had] been created". The letter continued, "In accordance with this…….the need for the functioning of the Government and Ministries of HZBH has ceased, and ceases from this day on".

Mr. Zubak called for the dissolution of the remaining state institutions of the Republic of Bosnia and Herzegovina, as well as stamps, memorandums, titles and such which were in contradiction with the Constitutions of BiH and the Federation. The letter also requested the speedy scheduling of a Federation Forum session to discuss reorganisation of the Radio-Television BiH (RTV BH), as well as the reorganisation and establishing of new municipalities.

Stabilisation Force

A ceremony for the official handing over of duties from the Implementation Force ($\underline{\text{IFOR}}$) to its successor Stabilisation Force ($\underline{\text{SFOR}}$) took place in Sarajevo on 20 December. General

George Joulwan (Supreme Allied Commander Europe) and General William Crouch, the Commander of SFOR, attended the ceremony at the SFOR headquarters in Ilidza, as well as the High Representative, Mr. Carl Bildt.

Brcko

On a recent trip to Pale, President of the RS, Biljana Plavsic addressed the troops referring to the arbitration procedures for Brcko she said that the "enemy" was "trying to destroy the Serb organism". "They want to divide the Serb state in two. This would be equivalent to cutting a person's throat.... of course no organism would be able to survive". She warned that if the international community intended to do such a thing "it would be much better if they gave up now". Challenging Plavsic's comments, Chairman of the Joint Presidency of BiH, Alija Izetbegovic announced at a press conference that the BiH Federation's right was very clear — and it would be defended, to start with by arbitration. "We are the stronger side. If there is a war over Brcko there is certainly no doubt about who would win such a war" he said.

In his press conference of 20 December, Mr. Bildt made clear that a political war of words would not contribute to a settlement. The Peace Agreement provided for a judicial arbitration which was due in mid-February. Political statements would not affect this process.

Indicted War Criminals

- ICTY announced that the joint trial of four men accused of atrocities at the Celebici detention camp would begin on 28 January. The accused (three Bosniaks and a Croat) are charged with the murder, rape and torture of Bosnian Serb detainees at the camp in 1992.
- The UN announced that the chief prosecutor for the International Criminal Tribunal in the former

Yugoslavia, Louise Arbour had accepted the invitation from RS Prime Minister, Gojko Klickovic to visit the RS in January. In his letter of invitation Mr. Klickovic also pledged to cooperate fully with ICTY.

Human Rights

- A UN IPTF monitor was hit in the face and threatened at gun point by an RS policeman in Zvornik on 15 December. The monitor had been trying to stop the policeman from beating up a woman on the street. The Zvornik Chief of Police informed UN IPTF that the officer had been removed from his post as a result of the incident.
- On 12 December, the Human Rights Ombudsperson for Bosnia and Herzegovina, Gret Haller, issued a special report on Brcko concerning the right of access to health care and to practice one's profession. This follows a 28 November decision by the municipality that until the arbitration is settled, local hospital representatives must temporarily suspend contacts with IFOR and with doctors from the Federation, and that patients from the Federation may not be admitted or treated at the Brcko hospital. Haller concluded that the municipality's decision contravenes the International Covenant on Economic, Social and Cultural Rights and the Peace Agreement, and recommended that it be suspended and that the municipality nullify its operative provisions by 27 December.

Right To Return

Three Bosniak houses were recently blown up in Capljina. The UN reported that the incidents of property being blown up in this area had totalled 35 in the past three months alone.

Freedom of Movement

- UN IPTF reported that of six Serb men arrested by local police near the Croat majority town of Odzak on 17 December, four were still being held on suspicion of "observing military installations". The Odzak Chief of Police informed UN IPTF of his superior's instructions to detain the four men for exchange with three HVO (Croatian Defence Council) soldiers arrested nearly three weeks ago in Doboj. The Chief of Police in Orasje denied any linkage of the two incidents and refused to intervene. International monitors are following up.
- UN IPTF report that a Federation-registered ambulance travelling through Rogatica was stoned on 15 December. This follows more than 15 incidents of stoning in the same areas since 1 December. UN IPTF have intervened with the local police to improve security for drivers in the Rogatica area.

Economic Issues

On 16 December the <u>World Bank</u> announced a further strengthening of its commitment to help the people of BiH rebuild their economy and their lives with the approval of credits for three further reconstruction projects totalling 32 million US\$:

■ The Local Initiatives Project — 7 million US\$

The Local Initiatives Project aims to create jobs for war widows, demobilised soldiers, displaced persons and returning refugees by providing credits for up to 10,000 micro and small enterprises and other income generating activities in both the Federation and the RS. Local institutions and NGOs will be contracted to provide financial and non-financial services to the self-employed and micro-enterprises. The Government of Italy is providing a further 3.3 million US\$ for the project.

Essential Hospital Services Project – 15 million US\$

This project consists of the foremost priorities of a broader programme identified by the BiH Government. It aims to support the development of a modern, costeffective, and fiscally sustainable network of hospitals as part of the overall health sector reconstruction and reform effort. Specifically, the project will strengthen priority hospital services at the secondary level, and establish and support initial steps in health finance reforms through: rehabilitation and reconstruction of hospital facilities; provision of priority medical equipment and supplies; upgrading of clinical skills and practices; and support for the early phase of health finance reform. The Government of BiH will provide an additional 1.2 million US\$ and the Italian Government has confirmed 5.2 million US\$ co-financing.

Emergency Industrial Re-Start Project — 10 million US\$

Both local and foreign investors willing to do business in BiH are not prepared to undertake the risk that political events, particularly the possibility of a new outbreak of hostilities, pose to their investments. The Emergency Industrial Re-Start Project will support the Investment Guarantee Agency, an independent corporation established by the government to operate the Political Risk Guarantee Facility. Building from small low-cost investments that can be quickly brought back into profitable operation, the project aims to rekindle confidence in the BiH economy allowing the chance for further growth, larger investments and so aid a sustainable recovery. Switzerland is providing a further 7.5 million US\$ for the project, whilst the Netherlands and the US will contribute 200,000 US\$ and 130,000 US\$ respectively for the set-up and marketing costs.

Additional funding for all three projects is being sought from other donor countries.

The European Commission Humanitarian Office (ECHO) announced that the European Commission would be allotting 65 million ECU (~124.8 million DEM) to BiH as part of its emergency assistance winter programme. A further 20 million ECU would be spent in Croatia and FRY. Financial aid from ECHO to the region now amounts to over 1.3 billion ECU.

Looking Ahead

09-10 January

Donor's Information Meeting, Brussels

12 January

Economic Policy Forum, Sarajevo

20 January

Governing Council of the Open Broadcasting Network (obn), Brussels

21 January

Steering Board of the Peace Implementation Council, Brussels

See our <u>Chronology</u> for a full list of activities
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