

# OHR SRT News Summary, 20 Jan. 1998

## Headlines

- No one can deny the legality of the newly elected RS Government
- Prime Minister Dodik met with Craig Buck, the Director of USAID for BiH, in Banja Luka earlier this evening
- The World Bank grants two new credits for the reconstruction of the RS
- Kondic and Schumacher met in Banja Luka
- RS teachers continue with the strike
- Clinton and Netanyahu met in Washington

RS Prime Minister Dodik met with Craig Buck, the Director of USAID for BiH, in Banja Luka. They discussed the support that the USAID have so far provided for the RS, as well as the support that this organization is planning to allocate for the post-war reconstruction of the RS. After the meeting, Dodik stated that: "We discussed concrete steps that will be taken to intensify USAID activities in different fields. These steps involve micro-credit projects, and 9 credits have already been authorized. We also discussed the possibility of expanding the 6-month grace period to 12 months, which would attract potential credit takers". Buck stated that urgent efforts must be employed to make up for the time lost and because of stronger activities by the USAID that now primarily focus on the funding and the implementing of employment and economic projects.

2:03

Following the statement by the SDS leadership contesting the election of the new RS Government and calling on peaceful demonstrations against it, the RS Ministry of Interior today released a press statement. The statement said that by not

recognizing the newly elected RS Government, the SDS continued to pursue the policy of obstructions not only in the RS, but also towards the IC. The statement went on to say that by doing so the SDS would continue to confront the IC, that could only harm the RS people, and the appeal to people to organize peaceful demonstrations against the new Government would only strengthen the current divisions.

1:39

The RS Minister of Finance, Novak Kondic, met with the Deputy High Representative, Hanns Schumacher, in Banja Luka today. The meeting stressed the necessity for the additional financial support for the RS needed to improve the production, to reactivate money market, and to ensure access for RS goods to international markets. The meeting also discussed the obligations and the activities of the Ministry in the near future. According to Kondic, specific projects had been agreed at the meeting that would be implemented in conjunction with the OHR, the IMF and the World Bank. Schumacher, on his part, stated that a detailed report containing all required data needed to be prepared now to ensure the allocation of funds for the RS. The same issue is expected to be discussed at a meeting scheduled for today, where the RS Ministry of Finance will determine specific figures and other information required.

1:43

Rory O'Sullivan, the Director of the World Bank for BiH, stated at the press conference in Sarajevo today, that the Bank had granted two new credits for the reconstruction of the RS and the BiH Federation worth U.S. \$ 17 million and U.S. \$ 10 million respectively. O'Sullivan specified that the granted credits would be spent to meet urgent humanitarian needs in the RS, particularly in the fields of agriculture, housing, water and electricity supplies and others.

0:30

A delegation of Greek-Serb Association for Economic

Cooperation met with the respective Directors of the three main RS banks, the Kristal Bank, the Banja Luka Bank and the Agroprom Bank. The meeting concluded that it was certain that the RS banking system would not be able to become part of international money market without a support from the international banks and donors.

1:34

According to the Spokesperson for the EU High Representative, Carlos Westendorp, Aisling Byrne, the HR today made the final decision on the common BH Currency, after a failure by the BiH joint Presidency to agree on the matter themselves. Byrne added that Westendorp had made the decision in cooperation with the Governor of the BiH Central Bank, Peter Nicholl.

0:22

The Deputy High Representative, Hanns Schumacher, met with the Deputy Speaker of the RS Parliament, Nikola Poplasen, who is also the President of the Serb Radical Party, in Banja Luka today. The meeting behind closed doors discussed the recent political developments in the RS related to the establishment of the new Parliament and the formation of the new Government. After the meeting, Poplasen described the meeting as correct, regardless of differences expressed. According to Poplasen, the meeting identified several common ground lines of activities that will be conducted jointly by RS political institutions and the IC, aimed at preventing possible conflicts, illegal and non-constitutional activities and at preserving the RS and peace. Schumacher stressed that he had passed three messages to Poplasen: firstly, that the new RS Government with Dodik at the head had been elected in a legitimate way; secondly, that all attempts to contest the new RS Government must be in line with the standard and legal procedures; and, thirdly, that it was necessary now to make it possible for the new Government to keep promises given to the RS people. Schumacher concluded by saying that requests contesting the new RS Government needed to be raised and

resolved at the RS Parliament.

1:52

Nenad Bastinac, the Secretary-General of the RS Part of Independent Social Democrats, expressed at the press conference in Banja Luka today his satisfaction with the election of the new RS Government, and assessed that this step was going to put a stop to the current political, constitutional and economic crisis in the RS. According to Bastinac, his party will strongly criticize the RS Government from the beginning of its work, should it, off course, fail to try to resolve problems that have built up. Bastinac went on to appeal to SDS and SRS representatives at the RS National Assembly to get involved in resolving current problems in the interest of all citizens of the RS.

1:03

The arbitration hearing on the status of the town of Brcko is expected to start in Vienna on 5th February.

0:18

Hanns Schumacher, at the regular international press conference in Banja Luka today, stated that the main goal of the IC was to help create a responsible government in the RS that would struggle against crime, corruption and revenue evasion. "The priority now is to transfer the power from the outgoing government to the newly elected one." Expressing disappointment at the still unconfirmed information that the Speaker of the RS Parliament had left the country due to the illness, Schumacher hoped that the next session of the RS Parliament would, eventually, take place shortly. The Spokesperson for the OHR, Duncan Bullivant, expressed concern regarding the case of Veselin Cancar, a Serb who was declared guilty of committing war crimes by the Sarajevo Canton authorities. The Spokesperson for IPTF, Alun Roberts, stated that there had not been any cases of increased activities by IPTF officials, after the establishment of new authorities in the RS. On the blockade of state institutions in Pale, the

Spokesperson for SFOR, Paul Young, described this as precautionary measure that would remain in place during the process of the transfer of power in the RS.

1:52

After his return from Washington, the Brcko Supervisor, Robert Farrand, held a press conference in Brcko today where he expressed satisfaction at the formation of the new RS Government. Farrand believed that the IC would now be prepared to offer all necessary support for the development of the RS on the basis of a new and healthy economy. He stressed that he expected that the new RS Government would get constructively involved in the implementation of the DA , which, he said, would contribute to a speedy economic reconstruction of the RS, particularly of the town of Brcko. Farrand went on to tell the press that he had informed the recent meeting of the Contact Group in Washington about his idea regarding the Brcko supervision, and, also, about the necessity to support people living in the town.

1:14

(reactions to the election of the new RS Government) The official representative of the Russian Foreign Ministry today stated that the conditions in which the new RS Government had been elected were fraught with new complications. The U.S. described the election of Milorad Dodik as the new RS Prime Minister as a major step forward in the Dayton peace process. James Rubin, a representative of the U.S. State Department, billed Dodik as a moderate and consistent politician and hoped that his Government would work to fully implement the DA. The Italian Foreign Ministry expressed satisfaction today at the establishment of the new RS Government. A statement released by the Ministry said that Italy highly appreciated the positive role played by the FRY in this very important step forward. The majority of Greek media, however, describe the statement by Dodik saying that the new Government would work to fully implement the DA and to preserve a united and

integral RS, as being in contradiction with the real situation on the ground. The Greek media mainly agree that the new RS Government had not been elected in line with the will of the RS people, but rather based on the will of the IC, which is why the current political crisis and problems in the RS would only deepen. The Austrian media have positively reacted to the initial reports on the election of the new RS Government. Political analysts and commentators in Austria, however, stress that the political future of Milorad Dodik was still uncertain due to the resistance by certain politicians in Pale.

2:26

Representatives of the RS Teachers' Trade Union are currently negotiating with the new Ministry of Education on the possibility of the ongoing strike ending shortly. According to the leaders of the striking teachers, Misic, the strike will not end until an agreement has been reached with the responsible Ministry and the Government. Misic hoped to see a positive solution of the issue shortly.

0:34

In his regular report to the UN Security Council on the SFOR mission in BiH, the NATO Secretary -General, Javier Solana, identified the situation in Mostar as the biggest problem in BiH. The report states that the media, the police along with the implementation of the local election results in the RS and the BH Federation continued to make inter-ethnic relations even more complicated, especially in Mostar.

0:32