Transcript of the Press Conference in Mostar

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		Special Audit on EPHZ HB
		• OHR on security incidents
		• OHR condemns desecration of tombstones in
		Trebinje
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Avis Benes - OHR:

Good morning ladies and gentlemen and welcome to yet another press conference of the international organizations based in Mostar.

On behalf of the OHR, we have three issues for you today.

The first issue refers to the report of the Special Auditor on Elektroprivreda HZ HB, which Principle Deputy High Representative Ambassador Donald Hays talked about at a press conference in Sarajevo an hour ago. Certain parts have already been published in media. We have prepared copies of the full report for you. I shall mention a few things from this report.

It is estimated that only in the year 2001, 50 million KM has been lost through mismanagement, favoritism, conflict of interest and fraud. The period this audit refers to is between

March 1999 to mid November 2002. As for the summary of the greatest problems it can be said that they refer to the following: the practice of paying debts was inadequate and partial; there is a group of preferential users who remained connected to the electricity net for years despite significant delays in paying enormous debts. For instance, this report reveals that this Elektroprivreda was systematically used for financing of the political empire of the HDZ and individuals that profited from that. In principle what happened is that residents of Herzegovina i.e. users of Elektroprivreda services who regularly paid their debts were robbed. that those with political connections do not need to pay, in principle only 55% of the electricity consumed was paid for. An interesting example concerning a political party, HDZ, which considered this company as their own feud and did not pay debts for electricity for years. Herewith OHR calls on the HDZ and all other non-payers, and there is a significant number of them as you will see in the report, to pay their debts. Also, an appeal was sent to the Federation Government to review contracts with all companies such as Antonio Trade, Soko and Mondo since there are strong indications that these companies are nothing else but organised money laundering. Also, let me mention some of major non-payers — HVO, Elektro Bosna Vitez and Vitezit. The debt of only these three companies or associations exceeds 24 million KM. In principle, we expect them to pay just like all the others. Basically, total unpaid debts amount to 117 million KM and as you will see in this report there is a series of examples of mismanagement from inappropriate donations, budgeting system, wrong priorities, and control of payment. Once again, I would like to appeal on all of you all to read this report, it is very interesting reading. The High Representative is currently analysing this report and will announce his positions on this matter tomorrow.

The other two issues regard the security incidents.

Yesterday the High Representative welcomed the statement from the BiH Presidency condemning the horrific incidents that have occurred in recent months. The High Representative two days ago expressed his condolences to the family of Smail Hrnjicic and his hope that his son Arman will have a full recovery. In relation to this tragic incident, Ambassador Jean-Pierre Bercot is also expressing deepest condolences to the Hrnjicic family and he also joins in condemning these incidents. incident and the other recent explosions have had an effect on everyone in BiH, no matter where they live. The High Representative fully supports the BiH Presidency's call for a full and through investigation of each individual case, which will result in those responsible being brought before the courts. Proper investigations are essential — whilst there is no statistical evidence to show that incidents related to return are on the increase - the OHR view that even one incident is one too many. In this regard the OHR is far from complacent and is following these cases and the investigations very closely. Two days ago, on Monday, 3 March, Ambassador Bercot met with the Cantonal Minister of Interior and his Deputy and urged them to do maximalize their efforts in order to present the full report of the investigation to the public.

Unfortunately third issue is also related to the incident. The OHR condemns and is concerned over display of vandalism and intolerance occurring last weekend, when 17 tombstones were desecrated at the Muslim cemetery at Gorica in Trebinje. Police investigation is under way and the OHR expects concrete results. It is also vital that Trebinje authorities, as it was done by Trebinje Mayor and the Orthodox Bishop Grigorije, take this incident with gravity that it deserves and fully condemn such uncivilised behavior.

That this all on behalf of the OHR. Now, I give the floor to Richard and OSCE.

Richard Medic - OSCE

Firstly, I would like to join the OHR in welcoming the Mayor of Trebinje's condemnation of what happened in Trebinje.

I just have one point today. I'll do it in local language so I do not think there is a need for translation.

OSCE RC Director Ambassador Thomas Young extends his condolences to the family of Smail Hrnjicic, who was killed in the explosion in Splitska Street 58, Mostar last Friday. The Ambassador also wishes Smail's son, Arman, a full and speedy recovery. In addition, OSCE would like to reiterate its call for a thorough, impartial and transparent investigation into the circumstances surrounding the explosion. OSCE particularly concerned by the press release issued on 3 March by Herzegovina-Neretva Canton Ministry of Interior, in which the Ministry 'completely excludes the possibility that this was an attack against returnees'. The press release also states that the explosion 'cannot be classed as terrorism'. Until the investigation is fully concluded, such statements should be avoided, since they only serve to inflame the media speculation the Ministry of Interior wants to avoid. OSCE is closely monitoring the case.

That is all on behalf of the OSCE today.

Avis Benes - OHR:

Thank you Richard. Now, I give the floor to Sanja and UNHCR.

Sanja Alikafic - UNHCR

Good morning on behalf of the UNHCR.

UNHCR SO SBIH strongly condemns all the recent incidents in particular the last one in Mostar when Mr. Smail Hrnjicic was killed by an explosive device set in the minority apartment while doing reconstruction works together with his son who was severely wounded. We urge authorised institutions to conduct urgent investigation and undertake all the necessary measures

in order to improve general security situation. UNHCR is extremely worried that previous incidents in Canton 7 have not been followed, investigated fully and persons responsible for this terrorists acts have not been arrested and imprisoned. UNHCR expects a professional, thorough and impartial investigation followed by EUPM and Federation B&H Ministry of Interior to take place as these acts are an absolute disgrace to the city of Mostar. Mr. Harry Leefe, HOSO visited the family of deceased and expressed condolences on behalf of UNHCR.

UNHCR also strongly condemns the act of sacrilege of a Bosniak graveyard in Trebinje this weekend. We again expect the full investigation to take place.

On this occasion UNHCR would like to announce the departure of Mr. Harry Leefe, whose position of HOSO SBiH will be taken over by Mr. Mohammed Karimul Huq. Mr. Huq assumes the appointment of Head of Sub Office in Mostar after 19 years of UNHCR working experience serving in different posts in Pakistan, Iran, Uganda, Indonesia, Somalia etc.

Thank you.

Avis Benes - OHR:

Thank you Sanja. A new Spokesperson of MNB SE Capt. Tomasso Magistretti is here with us today. Good afternoon and welcome.

Capt. Magistretti - MNB SE:

Ladies and gentlemen good morning.

My name is Captain Tommaso Magistretti, and I am the new Multinational Brigade South-East Spokesperson. Even though this is my fourth mission in the Balkans, it is my first time I am appointed in Mostar. My first mission here in BIH was in Sarajevo in 1999 and the second one in Kosovo in 2000 as

Squadron deputy commander. For the third time in 2001 I was appointed in Albania, as KFOR Multinational Head Quarter Spokesman. I am supposed to remain here for the next six month, and I hope that we will have enough time and opportunities to achieve good co-operation and to know each other. I am looking forward for the next six months and want to tell you that I will have the same mobile number as my predecessors, so you can reach me whenever you want.

Thank you.

Avis Benes - OHR:

Thank you and once again welcome. Now, your questions please.

Questions:

Q: Mirsad Behram (RTV Mostar): I have a question for OHR. Unfortunately, it refers to the latest incident in Mostar. We heard a number of objections to the work of the MoI, more precisely the Minister and Deputy Minister. I won't mention the names of all of them but a number of political parties and NGOs asked for re-examination of his competency and the competency of his deputy as well as their partiality. Let me remind you of last night's report of FTV in which Cantonal Minister was not able to hide that there are conflicts within the Ministry even in regards to this investigation. My question is the following — when and will the OHR undertake something in order for this man to be removed, along with his deputy of course?

A: Avis Benes: You have just asked me a question to which you know the answer. You are all aware that, in general, moves and actions of the OHR are not announced in advance. In any case, I can repeat what I said in my statement — our Office and Ambassador Bercot met with both the Minister and Deputy Minister on Monday afternoon. We stressed our interest in carrying out this investigation in the manner that

demonstrates full seriousness, professionalism and transparency. However, in the interest of the investigation the OHR will make no further comments until we receive full results of the investigation. I am not familiar with the report you referred to. However if there are serious conflicts within the Ministry it would certainly not be constructive, but at this moment I am not aware of them.

Q: Zvonimir Jukic (Onasa): I have two questions for the OHR. My first question refers to this report on EP HZ HB. This is the third in a series of great affairs amounting to several millions frauds. The first one was the Orao affair — illegal sale of weapons — while from the OHR I see absolutely no signs that somebody could be held politically responsible even though certain political parties were directly involved in this as well. Also, the new Administration of the OHR stated they would promote the principle of responsibility and then Grabovac was removed because of 1 million marks. This case involves 50 million marks which is sufficient for the removal of the entire Government.

Secondly, the new candidate for the post of Deputy Mayor of Mostar Ljubo Beslic is not known in public. There is information that upon Jelavic's call, when he was establishing Croat self-rule, he left Sarajevo and returned to Mostar. Is he an acceptable candidate for the OHR? Will this present an obstacle for the OHR to support his candidacy?

- **Q: Senad Efica (RTV Mostar):** I have a question related to this one. Is it true that Ljubo Beslic was a nominee of the HDZ after the removal of former Minister of Interior Mandic and that the OHR rejected his candidacy?
- A: Avis Benes: As for your first question and reaction of the OHR and IC, I think it would not be appropriate for me to speak about something before my boss, i.e. the High Representative Paddy Ashdown does. Mr. Ashdown is going to talk about this at tomorrow's press conference. As for the

political responsibility, the institutions in the Federation and the Republika Srpska are also expected to take appropriate steps in determination of responsibility for all these frauds.

Q: Zvonimir Jukic (Onasa): Which institutions?

A: Avis Benes: Competent institutions. The leaderships of the RS, Federation, Governments.

As for Mr. Beslic, his candidacy is internal affair of the party that nominated him to this post. The process that follows is that his name will be submitted to the Election Commission. In any case, this post is not a post for which the OHR needs to make additionally check or vetting.

As for your question Mr. Efica, I am not aware of that detail at this moment. Surely I will check it and get back to you.

- Q: Pejo Gasparevic (HINA): I have a question for Capt. Magistretti. You are probably aware about Carla Del Ponte's objections to your Brigade allowing the movements of Radovan Karadzic throughout your AoR. Is the arrival of the new Commander, Italian General Chiarini, a change in SFOR's attitude? Let me be direct —is the arrival of General Chiarini to Mostar a part of the unofficial plan that Karadzic and Mladic must be in the Hague in the first half of this year?
- A: Capt. Magistretti: We are not here to improve because the job French General did just looking now was a good job for stabilisation, for the peace in your country. The first aim of the MNB SE and SFOR is to improve also the economic and peace of this AoR under also either German, or Spanish, or Italian, or French. Are you satisfied?
- **Q: Pejo Gasparevic (HINA):** You have not replied to my question about the unofficial plan to extradite Karadzic and Mladic to the Hague in the first half of this year...?

A: Capt. Magistretti: This is probably a good question for SFOR because I think it is a good point for all the multinational army that are now involved in this mission. So all around BIH I think this is the first aim for troops here. So I think it is a good question for the highest level.

Q: Faruk Kajtaz (Youth Radio X): Why did you wait for two days to inform us about the meeting between Mr. Bercot and Ministry of Interior officials? In general my opinion is — and I think I share the opinion of my colleagues — that we do not have an opportunity to pose questions to Mr. Bercot; we can see him only at various concerts, performances, etc. Yesterday in an informal talk with German Ambassador Peters we accidentally learned that he met with Mr. Bercot and they talked about the future of Mostar.

A: Avis Benes: Thank you for your question. As for the discussions and meetings of Mr. Bercot you can hardly expect that every single meeting of his will be announced in public. Of course, this does not mean that these are secret meetings but there is no sense in announcing his protocol on a daily basis. It is correct that Ambassador Bercot met with Ambassador Peters, it is not a secret at all, and as in many other talks, the topic of discussion was Mostar. As for the meeting with the MoI officials, it was held in late afternoon hours on Monday. In principle today's press conference was the opportunity to inform the public about it. We do not think that the public is at any detriment because it was informed a day after the meeting. Of course, your observations regarding the availability of Ambassador Bercot will be passed on.

Q: Senad Efica (RTV Mostar): We have heard OSCE's position, which expresses concern with the press release issued by MoI in which the Ministry completely excludes the possibility that this was an attack against returnees or an act of terrorism. The OSCE is concerned because conclusions are being drawn before the full completion of the investigation. UNHCR

condemned this as a murder. What is the OHR's position regarding the fact that conclusions have been drawn before the end of the investigation?

A: Avis Benes: As much as the OHR knows and according to the information that we have — and we are not competent for the release of such information — there are various possibilities for conclusions. And exactly because of this, as I said, the OHR does not want to comment on any result of the investigation until it is fully completed.

Q: Senad Efica (RTV Mostar): Are you concerned as the OSCE is?

A: Avis Benes: I think the OHR completely clearly expressed its position on this issue at today's press conference.

Q: Faruk Kajtaz (Youth Radio X): Is the OHR taking into consideration the possibility that Mostar will be left without financial resources because of the privatisation of Elektroprivreda companies, which is to happen soon?

A: Avis Benes: We are familiar with this problem but at this point of time I cannot tell you anything else. We are indeed familiar with it and we are closely following the situation.