BiH must establish both Single Customs Administration and VAT at State Level

The European Union ambassadors in BiH follow very closely developments as regards the issue of the adoption, at a state level of single customs administration and of a BiH-wide VAT, and urge the parties concerned to reach an early agreement on the establishment of a Tax Policy Commission.

According to a press release from the OHR, this will enable all necessary technical steps to be taken in time for the system to be applied as of 2005 as targeted. It added the European Union is firmly supporting this.

“We believe that a state-level collection of customs and VAT will be beneficial for the citizens of BiH, as it will allow the state government and the governments of the two entities to provide revenues which will be allocated to sectors of direct interest to the citizens, such as education, health care, pensions, public utilities and services, thus ameliorating their everyday life. Today, large sums of revenue are lost to fraud and crime,” the release read.

“We also have in mind the positive effect this is going to have on the overall economy of the country, as it is going to create a business-friendly single economic space and help generate more investment and create more jobs, which BiH desperately needs,” the release read.

In preparing for progress towards its integration to European structures, which we all wish and BiH itself has declared to pursue, BiH needs to adopt European standards and generally harmonize its legislation and systems with those of the other states, already members, or members-to-be of the European Union.

Within this context, the VAT and Customs reform are of crucial importance. “We consider these reforms as an important sign and a strong message of the willingness of BiH to adopt the overall reforms necessary for progress towards Europe. We recall that both the President of the Council of Ministers, Mr. Papandreou, and Mr. Solana, urged the authorities of BiH recently to reach a decision on this issue, and further, that the Council of Ministers of Foreign Affairs of the European Union in its latest conclusions last week reiterated the need for such a decision,” the release read.

Also Commissioner Patten, in his letters addressed to BiH leaders in January, stated that he could hardly conceive that a positive conclusion to a Feasibility Study would be possible were reforms such as these not carried out and, further, that these reforms will be extremely important for the disbursement of the European Union’s current macro-financial assistance program, worth 60 million euro, to BiH, the release read.

To sum-up, it is the firm view of the European Union that if BiH is to make progress within the Stabilization and Association Process (SAP) it must establish both single Customs Administration and VAT at state level.

BiH Presidency, PIC Members Meet on VAT Introduction

Chairman of the BiH Presidency Mirko Sarovic and presidency’s member Sulejman Tihic met on Friday in separate meetings with ambassadors of the countries-members of the Steering Board of Peace Implementation Council on the customs system reform and the introduction of Value Added Tax (VAT). The presidency’s press office said in a statement the officials discussed the principles of tax and customs reform aimed to set up a mechanism for the VAT introduction.

The ambassadors of Great Britain, Canada, France, Germany, Greece, Italy, Japan, the Netherlands, Russia, Turkey, the U.S. and the European Commission in BiH stressed that implementation of these reforms is a condition for BiH approaching European integration.

Topic Meets with CoE Delegation

BiH Deputy Foreign Minister Lidija Topic met on Saturday in Sarajevo with a delegation of the Council of Europe’s monitoring group to discuss the cooperation of the Council with the BiH institutions, the Foreign Ministry said.

Topic emphasized that the determination of BiH is to meet all tasks on its path towards the European integration process, but also the awareness on huge responsibility of the participants in the process. According to the Ministry, a representative of the delegation Jean-Louis Laurens said he has, during his five-day stay in BiH, discussed with the BiH authorities the conditions that BiH must fulfill to respond to its tasks in the first year of membership in the Council.
Republika Srpska President Dragan Cavic said there is a fear in the RS “that it might lose sources and regularity of revenues and that the entity would lose any meaning” by the establishment of the single customs and value-added tax (VAT) at the state level.

In an interview with Banja Luka daily Nezavisne Novine, Cavic said he has clearly informed the international organizations of this fear.

He emphasized that the international organizations have told BiH authorities that if they want to join the European Union, they must bear in mind that all European countries have transferred their customs integrity to the EU, and that all EU members and candidates for the membership have VAT as a method of calculating taxes. According to Cavic, the RS authorities have proposed the establishment of a commission that would work on the application of single principles, bearing in mind the internal entity arrangement of BiH.

He added that the commission, composed of the representatives of the entities, BiH Council of Ministers, European Commission (EC), International Monetary Fund (IMF) and international organizations in BiH, will create a strategy, which will be then discussed by the entity parliaments.

Cavic said that if the High Representative in BiH imposes the VAT, he is not sure that it would function in the field. Therefore, he warned, hasty moves should not be made.

According to the RS president, entity parliaments should first discuss this issue. However, he said, it would not be an easy task in the Federation “because there is a two-level tax system - the cantonal and entity.”

**RS Priorities - BiH Constitutional Arrangement, Position of Entities**

Republika Srpska President Dragan Cavic told reporters on Friday in Banja Luka that the entrance into European integration processes and reforms in BiH at all levels must not endanger the construction structure and entity arrangement of BiH, Onasa reported.

“The constitutional arrangement of BiH and the position of its entities will be primary for the RS representatives in seeking solutions to meet the European Union (EU) standards,” Cavic said after a meeting with the monitoring group of the Council of Europe’s Secretariat, led by Jean Louis Laurens.

Cavic said the RS is ready to meet its obligations and to carry out the necessary reforms in order to ensure the opening of the process of the stabilization and admission into the European Union.

Laurens said today’s visit of the group was the first visit after BiH met one of the main political conditions of the Council of Europe related to the conduction of free and democratic elections in BiH. He said the officials today discussed the measures that must be taken by BiH authorities to meet the obligations that BiH has taken over by the admission into the Council of Europe in April last year.

**SDA Condemns Control of Ministers in OHR**

The Party of Democratic Action (SDA) believes that the way in which the Office of the High Representative (OHR) has been checking candidates for ministers “is a classical misuse of the control institute and that it is not in accordance with democratic principles of a modern world.”

According to SDA Vice President Suada Palavric, although they have the right to choose and to be chosen, citizens have been brought to situation not to have concordance and answer and possibility for complaining.

The SDA believes that this kind of behavior of the OHR is absolutely unacceptable. It says it will use all instruments for protection of human rights and freedoms to protect BiH citizens.

Palavric said that the SDA is disappointed with proposed principles of reform of the customs and introduction of the value-added tax, which foresee the parallelism of the entities and state in the collection, control and distribution of funds of the value-added tax and customs.

If the laws are based on these principles, that will not be in spirit of reforms that have been advocated, because the influence of the entities will still be the limiting factor.
The Institute of School of Economy of the Sarajevo University has completed the research “Analysis of Introduction of Value-Added Tax,” Vice President of the BiH Federation Chamber of Commerce Avdo Rapa told Onasa on Saturday.

“In cooperation with the Institute of School of Economy, the Chamber of Commerce has tried to accelerate the reform measures in the field of introduction of the value-added tax. The research lasted two months, and it was completed few days ago,” Rapa said.

The presentation will take place on today in the Chamber of Commerce in Sarajevo.

Republika Srpska Minister of Education Gojko Savanovic met on Friday with members of a Council of Europe Secretariat’s monitoring team and discussed the education reform in the RS. Savanovic said that drafting of laws on education was underway and that all other reforms are carried out as planned. He added that reform of education in primary schools has already been completed. Head of monitoring team Jean Louis Lorant announced that the CoE will continue supporting the RS.

Republika Srpska Minister of Refugees and Displaced Persons Jasmin Samardzic and Deputy High Representative for reconstruction and return Peter Becker agreed on Friday that it is necessary for us.

Unfortunately, political documents that are legal, verified, such as Dayton Agreement, did not touch those aspects. They did not define the real causes of the war. They did not say what was all that about but “pro futuro” they looked for solution in the area.

As politics did not do it, due to common relations, political and military powers, etc, and as BiH was field for competing of all then relevant factors in the world, it means that obviously it was not possible to be done by the Dayton Agreement.

But, one independent and impartial international court, which has the greatest reputation and which is the top justice body of the United Nations, should use legal, not political means to establish facts and determine consequences for those facts.

Because of that I think that this process, led before the International Court of Justice, should have been done long time ago, that relevant facts were supposed to be presented there and on the basis of then impartial and highly rated court should say what was all that about and to order parties to make suitable steps.

In this sense I think that, as it was the case before, it is unnecessary to use various process possibilities and to avoid facing evidence process.

The essence of recent intervention of the Federal Republic of Yugoslavia was, actually, to delay facing with establishing of relevant facts and concrete responsibility on the basis of that.

Now all prerequisites are met to have it done. Of course, this requires some preparations such as legal, financial and any other teamwork.

For BiH it is especially significant that media, public, and especially expert circles define that this is interest of the entire state of BiH and that there is no reason for national identification in the case.

The court will establish whether it was national conflict.

In that case all BiH citizens, which were on any way touched by the latest events, have reason and interest that impartial court establishes what has actually happened here.

President of the Alliance of Independent Social Democrats (SNSD) Milorad Dodik said on Friday that crime and corruption are the dominating processes in the Republika Srpska and they are carried out by the current authorities.

Dodik said that the Serb Democratic Party (SDS) is robbing the electricity and oil industries, while the Party of Democratic Progress (PDP) is robbing the financial and banking sector.

“This is a proof that we need one customs administration and state-level VAT,” said Dodik.

Dodik said that the current authorities have already agreed to that, as it was the only way the international community would accept them as authorities, and that all current actions, such as parliamentary discussions, are just a farce, of which the SNSD wants no part.

SNSD representative to the BiH House of Representatives Nikola Spiric said that the introduction of state-level customs and VAT would mean the abolishment of entities, and added that RS Prime Minister Dragan Mikerevic’s office was supported because he said in his inauguration speech that customs and VAT should be controlled by the entities.

“Now however, he calls for acceptance of reforms,” said Spiric, and added that the current RS authorities will in three years complete the process of abolishment of the entities in BiH.
BUSINESS OF POLITICS

What Conflict of Interest?

The Bosnian Election Commission warns politicians moonlighting in the private sector to forfeit their careers or step down

By Ames Alic
Transitions Online

A t least 50 Bosnian politicians who came to power on the coattails of last October’s elections are violating the conflict of interest law, according to the Bosnian Election Commission. Despite orders from the commission that politicians cease activities that conflict with their government duties, the response has been minimal.

On 2 February, four long months after the elections, the Election Commission revealed that there are at least 50 politicians - some among the highest-ranking - that are violating the law. The conflict of interest law was put in place in May 2002 by the Office of the High Representative in Bosnia (OHR) - the international body that governs the country - after local politicians spent over a year discussing the bill without coming to any agreement.

The law states that certain government officials cannot simultaneously hold a job in a state-run company or institution, and if they own a private company they cannot receive government contracts. The regulations also apply to politicians’ family members. It was a common practice before the law’s inception that members of government who owned private firms awarded themselves or their family members lucrative government contracts.

The idea for the law took root when it was discovered that many politicians held as many as five other jobs while serving in the government. After the law was implemented, then-High Representative Wolfgang Petritsch said that the law was less about fighting corruption than about creating some sort of moral standards and strong work ethic.

“When the average salary is $200, it is not moral that politicians have several, very high salaries,” Petritsch said at the time. Since then, however, the word corruption has crept back into the vocabulary.

In late January, Election Commission members handed Bosnian parliamentarians a form to fill out concerning their employment status - a form that sparked many negative reactions among politicians. One of them, Nijaz Durakovic, a representative of the Party for Bosnia and Herzegovina (SBiH) in State Parliament, called the members of the commission “idiots.” Aside from his parliamentary duties, Durakovic is member of the management of the Sarajevo Tobacco Factory - a position the commission says he must give up.

Other members of parliament are equally dismayed at being forced to reveal their employment status to the commission. So far, 42 members of parliament, only four have handed in their forms - four, of course, who are not moonlighting elsewhere.

Nijaz Skenderagic, a member of the largely Bosniak (Bosnian Muslim) and Croat Federation Entity Parliament said during a recent parliamentary session that if he had to choose between politics and business, he would always pick business, because it is more profitable. Skenderagic owns a private company.

Election Commission President Lidija Korac told the daily Oslobodjenje on 4 February that based on politicians’ reactions, it is clear that the law is revolutionary. “We shall in the future have politicians who are doing their jobs, because they like politics - not because they see easy money in it,” she said.

Furthermore, Korac said, the commission has no intentions of waiting for parliamentary members to finish filling out their forms - a task she says could stretch until the next elections. The commission’s research department has already begun checking into politicians’ employment and asset status, using property cards candidates were required to hand in before elections.

An anonymous source from the Election Commission told TOL on 5 February that this is just a simple investigation. Candidates had to include their salaries - among other things - on their property cards. Just in the first round of investigations, the commission discovered that approximately 50 politicians from all levels of authority are in violation of the conflict of interest law.

Among them is a former member of the Bosnian rotating presidency, Beriz Belbic, who is now a member of the Bosnian parliament and co-chair of the Sarajevo Economic Development Agency (SERDA). SERDA was designed to enhance economic and political cooperation between Sarajevo and Serb Sarajevo, the capital city's surroundings located in the largely Serb Republika Srpska entity.

Bakir Izetbegovic, the director of the Sarajevo Development Institute for the past 12 years, is also a newly elected member of the Federal Parliament. When the commission warned him about violating the law, Izetbegovic said that he was confused about some of the law’s regulations. When those regulations were further explained, he promised the commission he would leave his post at the institute “soon.” Bakir Izetbegovic is the son of the Bosniak wartime leader, Alija Izetbegovic.

Korac said that first sanctions against violators of law would be implemented in the next couple weeks, adding that law is very clear, and violators should have no doubt that they must change their status. “They have had eight months to read that law. They shouldn’t wait four months after elections to ask for explanations,” Korac told Oslobodjenje in a pointed comment directed toward Izetbegovic.

After the commission receives all forms from politicians it will launch the second round of investigations - a round that promises to be more complex and will include politicians’ family members. The commission hopes to finish all investigations in the next two months.

But TOL’s source at the commission says that the process may take as long as a year. The commission departments that are dealing with those cases have just begun to...
function, the source said, adding that “there is no deadline for politicians to step down, so no one can force them.”

The Election Commission was naïve to expect the violators to step down from their company positions as soon as the election results were confirmed, he said. The conflict of interest law calls for sizable sanctions against violators - up to $5,000 in fines and/or forbidding violators from running in future elections.

Still, according to local media reports, the 50 suspected violators represent only a small portion of the real problem. In the past seven years there have been hundreds upon hundreds of politicians who had other jobs outside their official duties - some of them holding as many as 10 different jobs in business, sports, cultural, and other organizations.

TOL’s source said that until the law was created, there was no means available to punish those who clearly performed conflicting duties. And, in the meantime, some politicians have managed to amass so much money over the course of several years that they don’t fear fines or an early end to their political career. As such, the commission may find it difficult to see its policy through to the end - especially, in the face of a $5,000 fine that is likely to be handed to violators who can easily afford to pay.

### Roundtable Discussion on Terrorism, Role of Media in BiH

A roundtable discussion “BiH and Terrorism, Role of Media - From Manipulation to Truth” took place on Saturday in Mostar, organized by Mostar Radio Station “Studio 88” and Konrad Adenauer Foundation.

The participants in the discussion were the representatives of governmental and non-governmental organizations, and journalists of several BiH media. President of the BiH Council of Ministers’ Coordination Body for Fight against Terrorism Milan Lovric and member of the Federation Crime Police Ante Simic spoke about the problem.

Lovric said the security in BiH is threatened by numerous illegal border crossings that are not under control. He emphasized the importance of media in warning the public of the danger of terrorism in BiH.

Lovric said that many people in BiH possess several ID cards, of which none are valid. He also said that humanitarian organizations in BiH need to be checked up, since some of them could represent a danger. Simic warned that terrorism is the most dangerous threat to the political and economic security in BiH.

“The fight against terrorism, we need to use all legally allowed means,” Simic said, adding that BiH must cooperate with its neighbors on this issue.

The journalists emphasized that media must fall into nationalism while dealing with the terrorism problem in BiH. They also criticized the work of the BiH institutions, saying that they have not reached significant results in the fight against terrorism so far.

Pejo Gasparevic from the Hina news agency said that terrorism is not appearance of the present days, adding that a long list of terrorist acts in BiH could be made. Oslabodjenje journalist Zija Dizdarevic said most local media are “blackmailed,” adding that the fight against terrorism in BiH is additionally complicated by unclear legislation.

Editor-in-Chief of the Slobodna Bosna weekly Senad Avdic emphasized that there are very few media in BiH that really deal with disclosing the truth about terrorism that is present in BiH.

### Ashdown, Beecroft Meet Young Entrepreneurs

HR Paddy Ashdown and OSCE Mission Head Robert Beecroft, who visited Travnik on Friday, addressed students of the Economic School in Travnik and the Economic Faculty from Zenica and Sarajevo who attended a seminar for young entrepreneurs.

The goal of the seminar, organized by the OSCE, was to identify ways to encourage investors to set up new businesses because small and medium firms are the future of BiH economy.

“I wish to say that if BiH economy fails to kick-start, it could have catastrophic consequences and cause a huge crisis in BiH,” Ashdown said. He mentioned an example of a group of young people who had launched small business and succeeded.

The new Republika Srpska Government is absurd because it cannot do anything good for the RS people, since half of the ministers or their associates are openly in favor of the RS disappearance. Those people come from the parties that did not mean well to the Serb people or were even prosecuting it. Due to all these reasons, I expect the RS to find itself very soon in a very difficult situation related to the human rights violations and social problems.

The claims that the nationalistic parties have changed are nothing but empty words, because these parties meet their obligations related to the BiH’s admission into the Council of Europe only when the international community pressures them do so. I am worried that the political parties – the Party of Democratic Action (SDA), the Croat Democratic Community (HDZ) and the Serb Democratic Party (SDS) - which have committed the most human rights violations in the past decade, won the past elections and continued the same practice. These three parties have not given up their goals which have caused the war in BiH.

**Branko Todorovic**,  
*President of the Republika Srpska Helsinki Committee for Human Rights*

Serbia believes that the interests of the Republika Srpska residents have not been considered properly regarding the single customs administration and value-added tax (VAT) at the state level. One of the goals of my visit to Banja Luka is clear support to the RS, particularly in this moment, when we are noticing some efforts aimed at strengthening the centralization in BiH.

Serbia has several times emphasized that it fully supports the Dayton Agreement, as a framework that must be respected in BiH. But, with concern, we are also noticing that the interests of the RS residents have not been taken into consideration sufficiently in the discussion in the field of finances, particularly the customs and VAT.

**Bozidar Djelic**,  
*Serbian Minister of Finances and Economy*

This case [by Bosnia against Yugoslavia before the International Court of Justice] is not so much about the damages claim. It seeks to define the [nature of the] conflict in Bosnia.

**Predrag Simic**, foreign-policy adviser to Yugoslav President Vojislav Kostunica
A senior United Nations official is demanding that her colleagues involved in the sex trade in Bosnia should be stripped of their immunity and prosecuted.

Madeleine Rees, the UN High Commissioner for Human Rights in Bosnia, has broken ranks to demand that UN officials, international peacekeepers and police who are involved in sex crimes be brought to justice in their home countries.

In recent years there has been a massive increase in the trafficking of women in Bosnia, including girls as young as 12. The women are taken from their homes in eastern Europe by organized criminal gangs and brought to Bosnia, where they are forced into prostitution.

The trade in these so-called ‘sex slaves’ hardly existed until the mid-1990s. It was fuelled by the arrival of tens of thousands of predominantly male UN personnel in the wake of the signing of the Dayton Peace Accord by Bosnia, Croatia and Yugoslavia in 1995.

Rees said: “Visiting brothels where women have been gang-raped into submission, into slavery, is not part of the UN’s mandate.

“Without an enforceable code of conduct, immunity often means impunity. We should look at ways of waiving that immunity.

“I would be very happy to see the possibility of prosecutions for rape or assault in the UK. There is no question this should happen.”

Rees, who has served in Bosnia since 1998, said she had encountered stiff opposition from western officials in her attempts to tackle the trafficking of women.

“They don’t want to know about it,” she said.

“There is this whole ‘boys will be boys’ attitude about men visiting brothels. There’s a culture inside the UN where you can’t criticize it. That goes all the way to the top.”

Referring to Klein, she added: “He doesn’t take this issue at all seriously.”

Last year, Rees testified in support of Kathryn Bolkovac, a UN police officer who was sacked for exposing the sexual abuse of women and children in Bosnia by her colleagues.

Bolkovac’s former employer DynCorp, an American security firm which supplied staff to the UN, was forced to pay £10,000 in compensation.

The chairman of the British employment tribunal which heard the case described DynCorp as “callous, spiteful and vindictive”.

Bolkovac had revealed UN peacekeepers went to nightclubs where young girls were forced to dance naked and have sex with customers, and that UN personnel and international aid workers were linked to prostitution rings in the Balkans. At the time, Rees described it as “the biggest cover-up I have ever seen”, adding that she believed 30% of those visiting Bosnia’s brothels were UN personnel, peacekeepers or aid workers.

DynCorp insists it has the highest ethical standards of business “and encourages employees to speak openly”. However, Rees said the private defense contractors, whose British office is based in Salisbury, should be banned from the country.

“DynCorp... should not be allowed anywhere near Bosnia,” she said.

In January, a 500 strong European Union police force replaced the UN’s 1,800 member multinational International Police Task Force (IPTF).

Dedicated anti-trafficking teams were formed and assigned to raid nightclubs across Bosnia suspected of operating forced prostitution rackets.

Rees said the counter-trafficking efforts had mostly been a failure. “They were basically for show and completely amateurish,” she said.

Referring to the EU police force, Rees added: “They are still very much on probation. These men must understand that going into brothels is illegal in Bosnia. The sex is not consensual if the woman is a 13-year-old girl trafficked from Moldova.”

Although there have been many cases of police officers being sent home in disgrace for their involvement in the sex trade, the UN can only remove them from service and is powerless to prosecute them. It is up to member countries to take any further action.

Rees said: “People will say the UN is not practicing what it preaches. It is double standards, and it looks like western imperialism. Brothel raids find UN police inside, and then no one is prosecuted. The UK is prosecuting no one.

“If you send people home, countries get wild. But if you don’t enforce the rules, you can’t serve in the United Nations.”

Human Rights Watch is equally downbeat in its assessment.

A spokesman for the organization said: “Foreign nationals serving in Bosnia enjoy almost complete immunity. It was assumed countries would prosecute and discipline their citizens upon their return home from for crimes committed in Bosnia and Herzegovina. This has rarely happened in practice.”

Soldiers from SFOR, or Stabilization Force, Bosnia’s 18,000 strong NATO-led peacekeeping force, were granted “immunity from personal arrest or detention” by

Continued on page 7
the November 1995 Dayton Treaty which authorized their deployment. SFOR troops are banned from attending brothels but Rees said the marketing strategy of suspected new brothels opening near SFOR bases makes it clear who they are catering for. “Outside the Russians’ base, there is a brothel called Odessa,” she explained. By the Americans’, its Texas or Philadelphia. There’s even an El Cid near the Spanish base. While there are foreign troops in Bosnia, there will be always demand for trafficked women.” Jan Oskar Solnes, spokesman for the European Union Police Mission in Bosnia and Herzegovina, said: “It's correct we have diplomatic immunity, but I imagine any incident of sexual misconduct would be a personal rather than professional matter. “We have a zero tolerance approach to this issue and anyone involved will be removed from the mission.” Kirsten Haupt, spokeswoman for the United Nations Liaison Office (UNLO) in Bosnia, dismissed Rees’s claim that Jacques Paul Klein had not taken the illegal trade sex seriously. She said: “All cases have been thoroughly investigated. We have sent a number of officers home. There is absolutely no tolerance of a ‘boys will be boys’ attitude here.”

Klein left Bosnia on February 1 and is no longer working for the UN. He is understood to be on holiday in the United States, and could not be contacted by Scotland on Sunday. On Saturday, a spokesman for DynCorp said: “We do not make it a practice to comment on opinions. “However, we are familiar with previous public statements Ms Rees has made about involuntary servitude and DynCorp continues to share her concerns for women held against their will in Bosnia, just as we condemn all human rights abuses anywhere in the world.”

**From page 6**

**HUNTING WAR CRIMES FUGITIVES**

Cutting Karadžić’s Financial Lifeline

Western officials hope that a new plan to restrict the money flow that funds Radovan Karadžić’s support network and pays for his fugitive lifestyle may finally bring the ex-Bosnian Serb leader to justice.

Karadžić is wanted by The Hague tribunal on charges of genocide, but despite the might of NATO’s military and intelligence network he has managed to evade international justice for more than six years. Tribunal chief prosecutor Carla Del Ponte has said several times that Karadžić and his bodyguards are hiding in the remote and inaccessible mountains of eastern Bosnia-Herzegovina, close to the border with Serbia and Montenegro.

Paddy Ashdown, the West’s High Representative in Bosnia and its most senior official, recently announced the plan to disrupt the finances of Karadžić’s supporters. However, Oleg Millisic, spokesman for the Office of the High Representative, OHR, refused to reveal concrete details on how this will be implemented.

Money is already a weapon in the hunt for Karadžić. Pierre Richard Prosper, US ambassador at large for War Crimes, promised American material and technical help in the operation. In his visit to Bosnia on January 23, Prosper revealed that more than 200,000 US dollars have already been paid from the five million dollars fund set up by the US to pay for information that would lead to Karadžić’s arrest.

Prosper refused to provide details on the identity of the person or persons who collected the money. But revealing that such leads exist is also a means of increasing psychological pressure on Karadžić and his network of supporters, as it shows some are prepared to talk for monetary reward.

The arrest of Karadžić is increasingly seen as an important step towards the normalization of Bosnia. Along with Bosnian Serb military leader General Ratko Mladić, Karadžić is one of The Hague’s two most wanted indictees. By continuing to elude the strongest military force in the world, he is exposing NATO and its Stabilization Force, SFOR, in Bosnia-Herzegovina and the rest of the international community to ridicule.

SFOR has already tried and failed to capture Karadžić. In the first and only publicly confirmed operation of its kind, SFOR troops supported by helicopters and armored vehicles descended on the small eastern town of Foca before dawn on February 28, 2002. The operation finished the same afternoon without results. SFOR has several times since blocked roads and checked traffic in an attempt to find the former Bosnian Serb leader, but without success.

NATO and other western officials often cite “lack of political will” in Republika Srpska, RS, as the main reason for Karadžić’s success in eluding justice. Bosnian Serb officials usually claim they have no clue about Karadžić’s whereabouts. Last week, the new RS interior minister Zoran Djeric went a step further and confirmed that Karadžić was not in the entity at all. But most local and western analysts are convinced that Bosnian Serb officials would never arrest their wartime leader - even if they knew where he was hiding.

Few believe that the new tactics will eventually lead to Karadžić’s arrest. The genera
RS, Serbia Tax Administrations Sign Protocol on Cooperation

Directors of the Republika Srpska’s and Serbian Tax Administrations Milica Bicic and Marija Drco Ugren on Saturday in Banja Luka signed a protocol on cooperation between the two administrations in the fight against illegal actions in the field of tax evasion and money laundering.

The protocol was signed during the visit of Serbian Finance and Economy Minister Bozidar Djelic and the tax administration director to Banja Luka, where they met with RS Finance Minister Simeun Vilendecic and Bicic.

“It has been noticed that some RS and Serbian residents open accounts in the RS and Serbia through some banks and use these accounts for illegal activities,” Vilendecic told reporters, emphasizing that the protocol will open a possibility to exchange information on such actions and their prevention.

He said the officials also discussed the prevention of smuggling across the RS, that is BiH border with Serbia.

Vilendecic said they also talked about 20 million KM of old debts that the RS has towards Serbia in the field of providing health care services, and about launching an initiative before the central monetary authority to enable more efficient conversion of KM into dinars and vice versa.

Djelic said this was his first visit to Banja Luka and a proof that he will work harder in the future on the activation of special links between the RS and Serbia.

“The first goal of my visit is to improve cooperation from the aspect of combating smuggling, money laundering, prevention and sanctioning of ‘fictive companies’ in the RS and Serbia, so our today’s visit to the people who break laws is that we are from now on much better organized to prevent such crimes,” Djelic said.

He said another goal of the visit is the exchange of mutual experiences.

Drco Ugren said the signed protocol on cooperation is very important because the establishment of tax administration offices is underway in the RS and Serbia. She added that these are some of the most important institutions in a country, so the exchange of experience, knowledge and data can only improve their work.

Bicic said the protocol is one of the steps towards rapid and efficient prevention of tax evasion.

No Oil Shortage in BiH; Vojnovic

President of the Republika Srpska’s Association of Oil Distributors Vukasin Vojnovic told Onasa on Friday there will be no oil shortage in BiH.

He said 630 gas stations work in BiH at the moment, and their reserves, plus the reserves of crude oil in the Srpski Brod Refinery, total to 250,000 to 300,000 tons of fuel in BiH, which is sufficient for three months. Vojnovic said the Oil Refinery might start working this year with the capacity of 70 to 80 percent. He said this would satisfy the needs of the BiH market, so the import of this product would be reduced.

Jaeren Donates Refrigeration Plants to Konjic Cooperative

Humanitarian organization Jaeren Produktutvikling from Norway, which has assisted in founding agricultural cooperative Konjic-Milk, has donated over KM 200,000 to the cooperative.

Konjic-Milk Director Naim Osmancevic has said the donation includes 26 refrigeration plants for milk (18 of 900 liters capacity and eight of 1,200 liters capacity). The refrigeration plants will be ceded to sub-contractors dealing with milk production.

Osmancevic stressed the donation has special importance in improving the quality of milk and creating increased purchase and the association of new sub-contractors.

Bihac’s Tehnopek Launches Fodder Production

The Dutch Government has donated EUR 660,000 to Bihac’s Tehnopek in fulfilling a fodder production program. The project Tehnopek bidding has met all requested criteria and the company management obliged to secure conditions at facilities by March in order to gain modern equipment for fodder production.

“We with the new equipment we’ll product food for rabbits and we plan to start producing fish food,” Tehnopek General Manager Alvir Henda said.

If these investments found justified, we plan to open more factories of in Una-Sana Canton, which has all predisposition for health food production, said Ljiljana Ivanisevic, a representative of Dutch Mostconsultancy firm, the project’s executor.

“In order to help the Refinery work in the full capacity, we must ensure 10 million KM for the production of lead-free gasoline and continued crude oil supplies to the Refinery,” he said. Vojnovic did not respond to a question whether the prices of fuel would increase, but said the price will depend on the price of barrel of oil and the dollar exchange rate at the world market.

WB Approves Credit Line to BiH Agriculture

BiH and the World Bank have signed in Washington a Protocol on conditions of the credit line “Project of Small Commercial Agriculture Development”, intended to improve agricultural production in BiH, the BiH Foreign Trade Ministry said on Friday.

Negotiations took place from February 3-6. According to the project document, the WB will approve the credit by attracting IDA terms. The credit is allotted to the BiH entities - Federation BiH and Republika Srpska - which will further place it to final users via domestic commercial banks and micro-credit organizations.

The BiH delegation in Washington was headed by Deputy Trade Minister Momir Tosic.
It is Imperative that Leaders Recognize Higher Education as Driving Force behind a Modern and Prosperous Bosnia

By Rory J. Conces
University of Nebraska at Omaha

HIGHER EDUCATION REFORM IN BIH

P"articpating in any enterprise over a sustained time period can dull our sensibilities toward that endeavor. As the writer Samuel Beckett wrote, “Habit is the great deadener.” Habitual ways of doing things can diminish skills of observation and analysis and restrict how we perceive the world, as well as how we evaluate what is seen. This diminished capacity becomes more troublesome when we remember that some of our actions are connected with how we perceive and understand the world that we live in.

This holds true for activities like child rearing and voting. However, it also holds true for other familiar activities such as the teaching conducted by university professors in their classrooms; the oversight and vision of administrators who operate at the department, faculty or university level; and the guidance of bureaucrats and politicians who help define the state of higher education within a country like Bosnia.

To understand the state or condition of something so familiar to us, we can find it useful to look at our routine from another perspective. This difficult experience of retrospection is a practice with which we must struggle from time to time. Perhaps it is time for many to take such a look at higher education in BiH.

Having taught at American universities for over a decade and having lectured on applied philosophy to students at universities in Asia and Europe, including third and fourth year students as a Fulbright Scholar at the University of Sarajevo in 2001, I believe I can give that sort of fresh retrospective to those who strive for reform higher education in BiH.

Some find in American universities the benchmark by which to judge higher education around the world. That this view itself is ethnocentric is in some ways true. The extent to which financial resources have been channeled to improve the material infrastructure of America’s universities can be seen in terms of technology. What has become demanded by professors on American campuses is the so-called high tech classroom. To have all the latest that technology can offer is the dream of many professors who teach the current generation of university students. The issue of technology is clearly part of what it means to be a “progressive” educator, praised for being on the “cutting edge.”

The building of institutional structures and the implementing of policies at the national, as well as the state level, have resulted in a greater opportunity for a university education. Even members of those groups that were the targets of institutional discrimination—African Americans, Mexican Americans, and Native Americans—have moved into the ranks of the university educated.

Curriculum changes, as well as changes in the vision or philosophy of education, have increased curricular relevancy to real world problems and promoted “interactive learning” in the classroom. The increasing development and promotion of international studies programs and internships has afforded students an opportunity to develop sensitivity and a base of valuable experience and knowledge about the world and how they can better fit it as agents for good. Academic exchange programs such as the Fulbright Scholar Program and the Fulbright German Studies Seminar benefit scholars and ultimately students.

Centers for advanced study have been created in the U.S.: the first of its kind, the Institute for Advanced Study in Princeton, opened its doors in 1933; the most recent addition, the Radcliffe Institute in Cambridge, formed in 1999. Such centers offer scholars the opportunity to acquire support for their research in ways that would not be possible within the university framework.

Curricular reform and a change in the dominant philosophy of education may be classified as “cutting edge” improvement. Developing a curriculum that encourages and equips students with the means to know and respond to the concrete, everyday realities of their world and to make that curriculum as interactive as possible would help to move Bosnia’s universities into the 21st century. Even a discipline like philos-

Continued on page 10
ophy, including courses that have a more “applied” focus such as development ethics, can be cutting edge. Attending a university need not simply be a matter of putting “bread on the table,” though that is a very important part of one’s duties. Perhaps it should also include a set of experiences that inspire the student to transcend boundaries and to open up a dialogue with “different worlds” and to imagine new possibilities for thought itself. In Bosnia, the university should prepare young people of Bosnia to be informed and active citizens. Another part of the remedy can be to revise how education is thought of so that it is no longer an “act of depositing” - a move away from the banking conception of education - but also an act of mutual transformation that highlights the student’s creative power. Education is quite good at creating habits, the most important of which is the habit of enjoying learning as one of life’s greatest pleasures. The enhancement of exchange programs and other education programs for students and scholars of Bosnia’s universities is another important area of reform. Several programs are already available: the Bosman Project between several universities in BiH and Norway, U.S. government academic exchange programs like the Fulbright Visiting Scholar Program and the Ron Brown Fellowship Program, and the programs offered at the Inter-University Centre in Dubrovnik. These and similar programs expose both students and scholars from Bosnia to viewpoints different from their own, to encourage mutual understanding, to increase their knowledge of the world, and to sharpen their intellectual abilities. Finally, there is the need for independent centers for advanced study in BiH. There are Atelier for Philosophy, Social Sciences and Psychoanalysis; International Forum Bosnia (IFB), which was founded in 1997 under the guidance of Rusmir Mahtucelajic; as well as its various centers, but these are forums, not residential centers. Forums are important, but are not “places” that provide scholars with the financial support to do their best work, and that offer an environment that sustains and challenges the scholar with new ideas and criticisms. A residential centre is, in other words, a special community - a community. Such a setting would enhance scholarship that would ultimately “trickle down” to the students in Sarajevo and elsewhere in BiH. Suggestions for higher education reform need to be tailored to the situation in BiH. If there is ever a campaign to take Bosnia into the 21st century, higher education reform is a good starting point. The first step, perhaps the most difficult of all, is to see the situation in a different way. It is from there that a new plan of action can take shape.

ALMOST 90 YEARS LATER

Sarajevo to Reinstall Assassin Memorial

Today, probably half of Bosnia thinks Gavrilo Princip was a hero, the other half thinks he was a simple criminal

By Nick Hawton
BBC, London

Germany. The First World War had begun. And it all started here. There is nothing, absolutely nothing, to mark the spot. There used to be a little museum, a plaque and footsteps in the pavement where Princip stood when he fired those fateful shots. But all were destroyed at the start of the last Bosnian War in the 1990s. There has been nothing to replace them, partly through lack of money, partly because of one very tricky issue - how to remember Gavrilo Princip. Was he a hero or was he just a simple criminal? Princip himself escaped execution at the time because the law said he was too young. He died in an Austrian prison four years later in 1918 after contracting tuberculosis. But the arguments as to who he was and what he represented have continued long after his death. During the communist years under Tito, Princip was officially recognized as a hero. The old plaque honored him for ‘fighting tyranny’ (which meant the Austrians) and praised him for trying to free the people from foreign occupation. And the little museum was, in effect, a shrine to Princip and his fellow conspirators. But Princip was a Bosnian Serb nationalist, and it was Bosnian Serb nationalists who, during the 1990s, kept Sarajevo under siege for three and a half years. Having a memorial to Princip was not popular in the city. Bit by bit, the old museum was destroyed. Ironically, some of it was destroyed by shells from the Bosnian Serbs. Some of it destroyed by the people in Sarajevo. Today, probably half of Bosnia thinks he was a hero, the other half thinks he was a simple criminal. “But that doesn’t matter,” says Ramiz Kadic from the Sarajevo city authority. “This is our history. This is what Sarajevo is famous for. We have to mark the spot.” Mr. Kadic is heading a new project to restore the museum and put up a new plaque. And the issue of whether Princip was a hero or not will be carefully side-stepped. The new plaque will merely acknowledge the fact that this was the spot where it all happened. The museum will just give the facts - and avoid interpretation. Anything else would invite vandalism from one side or the other. The aim is to have it all open by the start of April. Continued on page 11
Svetlana gives me a free orange juice from the bar she runs in a back street in Sarajevo. She sits down next to me and opens a little paper bag. Black and white photos of her family fall out. She shows me them. She’s proud. Svetlana is the closest relative to Gavrilo Princip still living in Bosnia. She is in a good mood and keen to try out her broken English. “I’m very happy,” she tells me. “It’s right that the place of the assassination should be marked again. I hope many people will come and visit it.” But can a common history ever be agreed in such a divided country? Can Serb, Croat and Muslim ever agree on what went before - and so look to the future together? Or must history always be the rock on which this country, every now and then, shipwrecks itself? The organizers of the new museum are trying to find some common denominator. Something that all sides can accept. And good luck to them. It’s just a shame it’s taken so long to do. They say that truth is the first victim of war. But perhaps, sometimes, it is history itself.

Serbia Targets Software Pirates

Zoran’s computer software shop is, like dozens of others dotted around Belgrade, closing down. The shelves remain cluttered with the latest in pirated games and DVDs once sold at knockdown prices. The stock includes everything from expensive Microsoft Windows operating systems to newly-released blockbuster movies, which could be bought from as little as two and a half euro each. But new legislation, introduced at the beginning of last month, is putting paid to the thriving and lucrative trade in counterfeit goods. The businessman shakes his head sadly as he tears down the “Sale” signs and prepares to pack away his stock for the last time. “Though this new copyright legislation is not being strictly enforced, for now, it is getting harder to conduct business,” he said. “We are never sure when the authorities may turn up to take our goods away and press charges against us. I am tired of hiding from the police - this is the end.”

Zoran, who did not want to give his full name, is one of many such owners who have been forced to clean up their acts. All over the city, shops are closing down and adverts for cheap computer programs no longer appear in Belgrade’s newspapers.

Serbia has long been an international centre for technological piracy - and the authorities have a tough task ahead of them if the traders of counterfeit software pirates are to be stamped out for good.

“Many of my colleagues are going to carry on selling counterfeit discs on the street from parked cars - and simply move away when they see the police coming,” warned Zoran. This illegal trade has been widespread in Serbia for more than a decade, encouraged by the international isolation the country suffered until the fall of Slobodan Milosevic in October 2000. Now the authorities are fighting back. Any shop owner or street-seller caught peddling pirated software will have their goods confiscated and could face severe financial penalties - even prison. A turning point in the fight against the piracy was Serbia’s adherence to a contract on strategic partnership signed with Microsoft in 2001, following a meeting between Serbia’s Prime Minister Zoran Djindjic and the corporation’s owner Bill Gates. A Microsoft representative office opened soon after in Belgrade, containing a team from the international business association of software producers for the protection of intellectual property, BSA. The Microsoft office then began the task of trying to legalize the mountain of illegal software in Serbia - on terms that people might accept.

Nebija Momcilovic, a Microsoft expert in charge of fighting computer piracy in Belgrade, told IWPR that around 80 per cent of all software in Serbia was pirated, compared to around 30 per cent in the European Union and 20 per cent in the United States. “We want to raise people’s consciousness, because the majority is not even aware that the software they use is illegal,” he said. “Even if the level of piracy is lowered only to 60 per cent, that will be acceptable.”

Taking the low purchasing power of the Serbian public into account, Microsoft analysts announced a compromise solution. In the last three months of 2002, private companies with at least ten computers could approach the corporation and legalize the software by paying the license fee in installments over three years. Aleksandar Bojovic of Microsoft’s Belgrade office told IWPR that there had been a lot of interest in the scheme. “Several large companies have already legalized their programs, including the directorate for building land and the development of Belgrade; Mobtel, the Serbian mobile telephone company; and the Dunav Osiguranje insurance company,” he said. The cheapest offer included legalization of some older operating systems for only 80 dollars, and users were also offered free upgrades over the coming three years. However, as of last month, these favorable conditions have been replaced with a much harsher system. Larger companies with dozens of computers will be targeted first over the coming two years - along with those who produce the pirated software, and those who sell them. “The penalties are expected to be harsh and may include prison,” said Branislav Andjelkovic, secretary of the Serbian agency for the development of information technology and the internet. “During this period, small retailers offering software on the street, or through advertisements, will have their goods confiscated and face fines.

“In the third and final phase, the law will be used fully against all subjects, regardless of the size of the company and the number of computers running illegal programs. Prosecution of small retailers will be stepped up as well.”

The new legislation is expected to spark an increase in police activity in the spring, when the authorities take action against those vendors who persist in plying their illegal trade in Belgrade. One police operation last year, at a warehouse in the suburb of Zvezdara, netted several hundred thousand euro worth of counterfeit goods and smashed an illegal compact disc manufacturing ring. More than a quarter of a million discs were confiscated in the raid.

Slavisa Stijak is a journalist with the television station, Yu Info
Sarajevo Winter Festival Officially Opens

The “Myth of Europe” performance directed by Faruk Loncarevic on Friday marked the opening of the 19th International Festival Sarajevo “Sarajevo Winter.”

The Myth project is based on the opening ceremony of the World Ice Hockey Championship, presenting a special story about Europe, raising two key issues: what is Europe in the world, and what is Europe for itself.

The festival was officially opened by Sarajevo Mayor Muhidin Hamamdzic, the Head of the EC Delegation to BiH Michael Humphreys, and the special envoy of the Council of Europe General Secretary, Sonja Moser Starrach.

“For us, the Sarajevo Winter is a challenge and a chance to stress our cultural and spiritual identity, but also to get acquainted with cultural values of countries and cities where our guests come from,” Hamamdzic said.

The festival’s motto this year, ‘Made in World of Art’, sounds like an invitation to create a world of beauty, invention, curiosity, openness and peace, whose creation is certainly helped by citizens artists,” said Humphreys.

The general sponsors of the festival are the European Union, the Council of Europe, the BiH Federation Government, as well as the City and Canton of Sarajevo. The festival was first held back in 1984, while its programs have been visited by more than 2.5 million people. Traditionally, its last day is 21 March.

Today, as part of Sarajevo Winter Festival, Gallery Mak at 7 pm is opening an exhibition of a group of Egyptian artists. At 8 pm Army House is featuring “Immortal Greek Songs.” Artists are Luis Manikas and Miki Hashinoto.

Vaccination Program Starts Soon in FBiH

The FBiH Health Ministry announced on Friday that it would soon launch the 2003 program of the immunization of population against contagious diseases. It said the vaccination against diseases is the most important public-health program in every country and is one of the most efficient measures for the prevention and combating of diseases. “Thanks to occasional vaccination, the children are protected from many very dangerous contagious diseases, such as tetanus, children paralysis, tuberculosis, B type hepatitis, etc.” the Ministry said. It added that the Federation Government last year allocated additional funds from the budget and purchased quality vaccines that provoke minimal reactions and ensure reliable protection from diseases.

Planjaj Wins International Technology and Quality Award

The election commission of the New Millennium from Madrid has informed publisher from Bobar near Tesanj “Planjaj” that it is the winner of a prestigious world award for technology and quality, which is to be handed over to the company leadership on March 10 in Geneva, Planjaj director and owner Hajrudin Planjac said on Saturday.

He added that these awards will be given to 150 businessmen from 30 countries in the world. The technical school of the Bihač University is also to receive an award. Thanks to this award, Planjaj is entitled to membership in the Trade Leaders Club, which is formed with the goal to promote exchange of business ideas between companies and businessmen around the world.

WEATHER OUTLOOK

Sarajevo

Today: Partly cloudy skies. High 0°C. Winds light and variable.
Tonight: Mostly cloudy skies. Low -7°C. Winds light and variable.
Tuesday: Mostly cloudy. Highs around 0°C and lows near -6°C.
Wednesday: Snow showers at times. Highs around 0°C and lows near -6°C.

Banja Luka

Today: Mostly cloudy skies. High 0°C. Winds light and variable.
Tonight: Considerable cloudiness. Low -6°C. Winds light and variable.
Tuesday: Mostly cloudy with a chance of flurries. Highs near 1°C and lows near -5°C.
Wednesday: Cloudy. Highs around 0°C and lows near -9°C.

CINEMAS

TESLA
Obala Kulina Bana 2
443-617

RESIDENT EVIL
Cast: Mila Jovovich, Michell Rodriguez
Director: Paul W.S. Anderson
6 pm, 8 pm

APOLO
Mis Irbina 2
445-201

LIKE MIKE
Director: John Schultz
Cast: Lil Bow Wow, Morris Chestnut
6 pm and 8 pm

IMPERIAL
Marsala Tita 56
443-021

ZONA ZAMFIROVA
Director: Zdravko Sotra
Cast: Katarina Radivojevic, Vojin Cetkovic
6 pm and 8.15 pm

OBALA MEETING POINT
H. Kresevljakovica 13
668-186

SWET HOME ALABAMA
Director: Andy Tennat
Cast: Reese Witherspoon, Josh Lucas
5 pm, 7pm, and 9 pm

BOSNIAN CULTURAL CENTER
Branilaca grada 24
205-538

THE LORD OF THE RINGS : THE TWO TOWERS
Director: Peter Jackson
Cast: Elijah Wood, Cate Blanchett
6pm, 8pm

CLASSIFIEDS

For Rent.

House for rent. 3 floors. 2 comfortable, furnished apartments, central heating. Ground floor has furnished room of 40 m2. Garage, courtyard. Ilidza district.
Tel. 033 410 714
061 199 176 Bosnian
For Rent. ❧❖❖
Three-room apartment in the center of Sarajevo, Drvenija.
Phone: 061 192 231; 061 214 121