** United Nations Office in Belgrade**

**Daily Media Highlights**

**Thursday, 13 March 2014**

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**LOCAL PRESS**

**Dacic: Kosovo case disastrous for the world (*RTS*)**

Outgoing Serbian Prime Minister Ivica **Dacic** has stated that both the Ukraine and Russia are friendly countries for Serbia, voicing hope that a political solution to the problems of these two countries will be found. He pointed out that Serbia wished to have a correct and constructive stand by respecting friendly relations with Russia but also the past correct stand on the Ukraine when it comes to Kosovo. “A political solution needs to be found, primarily on fulfilling the agreement and obligations reached earlier – the role of the international community and the EU is important here,” said Dacic. He opines that the situation has become more complicated “and agreements with the EU have not been implemented in the end,” saying he had in mind the agreement on resolving the crisis in the Ukraine. Dacic pointed out that Serbia would not impair relations with Russia over the needs to become the EU member. “Russia is our traditional friend and our EU membership doesn’t mean that our friendship should stop,” said Dacic, adding the EU countries are not doing this so why Serbia should be doing it. In the context of the events in relation to the Crimean and Ukrainian authorities, Dacic recalled that the example of the unilateral declaration of independence of Kosovo is disastrous for the international community. “We have been saying this at the very beginning (of the declaration of independence of Kosovo) because this places under a big question mark problems that exist in other regions in the world,” said Dacic. He noted that the crisis in the Ukraine “could reflect on Serbia if the distribution of gas is stopped,” but added that such danger didn’t exist at the moment. “When it comes to relations with the Ukraine, I regret this occurred, because we were supposed to sign a free trade agreement this year,” said Dacic, voicing hope that these talks would resume once the political situation in the Ukraine stabilizes.

**Belgrade ready to propose annex of Brussels agreement (*Novosti*)**

The Kosovo Security Forces in the north will reflect the ethnic structure, and the Serbs should have their regional commander in this formation. ***Novosti*** learns unofficially that Serbian officials should present this proposal to the EU and Pristina in the continuation of the dialogue. These well-informed sources state that precisely this idea should serve for introducing an annex in the Brussels agreement, mentioned by Serbian President Tomislav **Nikolic**. According to Novosti, “Serb units” would be operating in the system of provincial security, and the model applied in organizing the police in the north would be copied. That would imply a regional commander and composition of units that corresponds to the ethnic structure of the north. The operating of units in the north would be coordinated with the Union of Serb Municipalities. At the same time, there would be no other parts of Kosovo Security Forces in this region, as already agreed with the Brussels agreement. According to Novosti’s sources, such a solution would guarantee long-term safety of the north, since NATO structures in Kosovo and Metohija will not stay indefinitely. The model that is contemplated resembles the B&H army composed of three brigades – Muslim, Croat and Serb. According to announcements from Pristina, the Kosovo Army will have 5,000 members, while 3,000 will be reservists. The new armed force in the Balkans will be operative by 2019 when the Pristina authorities complete constitutional amendments, delivery with arms and military equipment, and training of personnel. The Kosovo Army will have an initial budget in the amount of 65 million Euros.

**North Kosovo councilors adopt municipal charters (*Tanjug*)**

Councilors of the North Kosovska Mitrovica municipality adopted yesterday their municipal charter and the newly-elected mayor Goran **Rakic** was sworn in. Of the total of 18 councilors present at the meeting late on Wednesday, 13 voted in favor and five voted against the document. The three other northern KiM municipalities - Zubin Potok, Zvecan and Leposavic - also adopted their own charters on Wednesday. Ksenija **Bozovic**, North Mitrovica municipal assembly president, said earlier that the draft charters were status-neutral. However, certain assembly members from non-Serb communities participating in the work of northern Kosovo local assemblies noted that the charters pending for adoption were unconstitutional as they were in contravention of Kosovo laws.

**Serbs in northern Kosovo cease cooperation with EULEX over suspended policeman (*Beta*)**

Serb representatives in northern Kosovo demanded today the command police in Pristina to return immediately the suspended deputy commander of the police station in Zubin Potok Jugoslav **Bogavac**. They stated they will cease cooperation with EULEX police and the Kosovo police command in Pristina until the demand is fulfilled, and that until then “they are banning entrance to all units” to the region of the municipalities of Kosovska Mitrovica, Zvecan, Zubin Potok and Leposavic that are not under the jurisdiction of the regional police directorate Mitrovica-north. The mayors, heads of municipalities and assemblies in northern Kosovo demanded at a joint meeting in Zubin Potok the withdrawal of the decision on suspending Bogavac and suspension of discipline procedures against him since they consider that he hasn’t violated authorities, but prevented escalation of incidents and clashes of wider proportions. “Yesterday’s decision on suspending Bogavac violated the Law on the Kosovo police that organizes precisely the manner of appointment and dismissal of police commanders in municipalities with a Serb majority in Kosovo,” Serb representatives in northern Kosovo stated. Bogavac was suspended over failures of police officers who secured detained Slobodan **Sovarlic**, who managed to leave the police station with the help of people who demanded his release in front of the station, the head of the regional Kosovo police for northern Kosovo Zeljko **Bojic** told ***Beta***.

**Everybody mentions Serbia in the Crimea (*Politika’s* special correspondent Miroslav Lazanski)**

Simferopol – Everything is heading towards a successfully organized referendum on Crimea’s state independence. Electoral lists have been sent already, monitoring boards and electoral commissions have been determined, and a press center opened in Simferopol yesterday, where the first press conference was held by the Vice Premier Rustam **Temirgaliev**. In a short address he looked back at the announcement of the OSCE that it will not recognize the referendum because it is “illegitimate”. Temirgaliev recalled that the OSCE didn’t have such a stand when Kosovo was concerned. Moreover, the Crimea will have a referendum on independence, while Kosovo didn’t have it. The Serbian Constitution prior to the break-up of the Socialist Republic of Yugoslavia (SFRY) and the SFRY Constitution from 1974 are the most frequently mentioned foreign legal documents in the media and among the local politicians in the context of the recently adopted Declaration on state independence of the Crimea on 11 March. Local politicians and experts for constitutional law simply show astonishing knowledge of the Serbian Constitution and point to double standards of the West, stressing that the Kosovo Assembly didn’t have the right to declare independence according to the Serbian Constitution, and that the autonomy of Kosovo inside Serbia was legally at a lower level than the autonomy of Crimea was inside the constitutional-legal system of the Ukraine. Consequently, the Crimea, in their opinion, has much more right to state independence than Kosovo. Regarding Washington’s stands that Kosovo “had the right to declare independence because the regime in Serbia tortured, harassed and discriminated local Albanians in Kosovo, and Kiev wasn’t doing this to the Russians in the Crimea,” Professor of International Law in Simferopol Alexey **Mironov** gives me an answer with questions: “Who on the international plane assesses what is torturing, harassing or discriminating of one ethnic group? How is this measured? How are the degrees of harassment estimated and what quantity of harassment is sufficient to permit secession of one part of state territory?” Does the west exclusively possess this power of assessment and concluding? Or the West in the Yugoslav-Serbian case took on the role of the prosecutor, judge and executor, so now it is surprised that it can’t apply it in the Crimea as well?

**The Price of the Kosovo precedent (*Radio Serbia*, by Vukomir Petric)**

According to many analysts, the situation in Ukraine is one of the biggest challenges to global peace, ever since the end of the cold war. There are many arguments for such claims: two big countries with large human and economic potential are in conflict, the point of argument is the strategic choice between Russia and Europe, and powerful countries of the West are directly involved with the conflict by supporting one of the two sides.

The territorial integrity of Ukraine is seriously threatened, Crimea is seceding and other parts of the country, especially those in the east, are destabilized. But no matter how dramatic is the situation in that country, there is the impression that the actors in the crisis, with the exception of the current Ukrainian authorities, are not too excited. What is the reason for the rattling of arms, talks about the strong response from the West, isolation and sanctions to Russia, having turned into a mantra that nobody takes seriously anymore?

It is quite clear that Ukraine is another victim of the unprincipled policy of the West, its interfering with the conflicts in a selfish and one-sided manner, imposing solutions that are in discord with the international norms. Therefore, the “blank shots” from that side are not just the product of the West being energetically, economically and monetarily dependent on Russia, or the fear of the Russian military power. No, it is primarily the fear of Putin’s use of certain solution that the West has been arrogantly enforcing over the last couple of decades, and only now they have to actually face them.

While looking at Crimea and Ukraine, both the U.S. and Europe are able to see the former Yugoslavia with much more clarity, and especially the issue of Kosovo and Serbia, i.e. the precedent they had made in that case. In comparison with the carefully prepared arguments from Russia, the western interpretations about the bombing of the FR Yugoslavia look almost silly. Kosovo is being mentioned increasingly often, even in the U.S. and Europe, as a precedent that already has and will cost a lot more. Only now, a decade and a half later, we are witnessing the high instances admitting that the so-called state of Kosovo is a product of brute force, without ground even in a single provision of international law.

The confessions that a precedent was made with regards to Kosovo, but that international law ought to be obeyed now, are – mildly put – ridiculous. The western product, the “disposable law” was bound to come back as a boomerang at some point. In that sense the verdict of the International Court of Justice, regarding the legitimacy of the unilateral declaration of Kosovo independence, according to which the secession of a part of the Serbian territory was not in discord with the international law, is now an infallible argument for the proponents of Crimean secession, but in many other similar cases around the world, too.

After Putin’s question: “What is the dispute?”, the answers coming from the West are unconvincing and international law is sliding into chaos. Such situation is unsustainable, and the solution has to be initiated by those who had started the whole mess – the western countries, and particularly the U.S. The road to solution unavoidably entails a new analysis of the Kosovo issue, and why not be bold – maybe even the annulment of decisions from some countries that had sabotaged the territorial integrity of Serbia in order to make a new pseudo-state in its territory.

**REGIONAL PRESS**

**EU to support efforts of political party leaders (*Srna*)**

The EU High Representative Catherine **Ashton** said in Sarajevo that the EU will support every effort of political leaders which will bring real benefit to B&H citizens. Ashton reiterated that the EU is fully committed to a single, stable, prosperous and multiethnic B&H which will assume its place in the EU that belongs to it. “We are determined to stand by the citizens of this country and help them,” Ashton told reporters after a meeting with civil society representatives. She said that the key to meeting citizens’ requests is for the leaders to go beyond ethnic divisions and deal with the interests of all citizens in B&H. Ashton stressed that the legitimate fears arising from socio-economic problems were heard in the EU member states’ capitals. “These voices must be heard and understood here in B&H as well. We agree that violence is unacceptable and that urgent action is needed,” Ashton said, and called on political leaders to listen and assume responsibility. She added that people clearly expressed their ambitions for employment, a developing and growing economy, a functioning social protection system, the rule of law and an efficient judicial system. After addressing the press, Ashton concluded her visit to B&H.

**Radoncic dismissed by B&H House of Representatives; Radoncic: From this moment, I’m working as opposition leader (*Oslobodjenje*)**

B&H Minister of Security Fahrudin **Radoncic** said after voting on his dismissal that today, to his satisfaction, he was dismissed by those who scare the people and those who fear anticorruption forces. “As minister I pushed the snowball down the hill, that snowball of the fight against corruption is growing ever larger. I am very proud that this happened. Their fear pleases me and I am pleased that no one could compel me to form a crisis camp that doesn’t exist and batter a dissatisfied and impoverished people,” explained Radoncic. According to him, the right of parliaments is to vote as they wish, and he did not wish to do anything unconstitutional against the just protests of citizens. Responding to a reporter’s question connected with the issue delegates discussed during today’s session, or “what the uniformed police did on 7 February,” Radoncic said that on 6 February they had already formed a federal camp, and that public order and peace are exclusively the responsibility of the B&H Federation. “They didn’t have the need for laws nor did they await any sort of orders. The fact is that this camp was hidden behind the Ministry of Security, meaning that they waited for nothing,” he explained. “This position opens every possibility to me and from this moment I am acting as the leader of the opposition, and I am doing my job. The SDA and SDP have destroyed the Bosniak political factor, impoverished the people, wrecked regional links for Bosniaks, and they have no national program of their own,” said Radoncic. SDA caucus whip Asim **Sarajlic** in the House of Representatives said that “here there is no talk of any sort of internal Bosniak conflict.” “The delegates gave certainly two-thirds support to the initiative to dismiss Minister Radoncic and maybe this shows that a new climate in this election year is coming, and that maybe these protests have yielded results and we will have a more serious political scene in B&H in the future,” explained Sarajlic. The SDA, explains Sarajlic, with its initiative in general had no intention of entering into the composition of the Council of Ministers. “We simply want to start together in B&H to think differently and resolve problems that affect average citizens,” said Sarajlic. Speaking about how the Ministry of Security will function until the elections, Sarajlic says that “this is not the first time, certainly for this ministry, that an electoral term has been reached without a minister at the helm.” Responding to a reporter’s question of who will advocate for Bosniak interests instead of Radoncic, Sarajlic said that the Council of Ministers is not where vital national interests are protected. “I think that these events in the past month have induced many to think well about where all this gathering is leading and what can happen. I think that this is the start of a new political environment in B&H,” said Sarajlic. In order for the decision on Radoncic’s dismissal to be legally enforced, it must be confirmed by the B&H House of Peoples as well.

**Obradovic: Croatian operation “Storm” in Krajina was genocide (*RTS*)**

Serbia has presented enough evidence that the operation “Storm” of the Croatian armed forces in Krajina in 1995 meets all the criteria for the crime of genocide, as well as that Croatia had violated the obligations stemming from the Convention on Genocide Prevention, stated Sasa **Obradovic**, the head of the Serbian legal team in The Hague. While explaining the counter-suit of Serbia before 17 judges of the International Court of Justice, Obradovic has pointed to the statement of then Croatian President Franjo **Tudjman**, uttered on the island of Brioni on 31 July 1995 during the preparation of the “Storm”, which could prove the intent to destroy a large number of the Serbs who were living in Krajina, the area under the protection of the UN forces. Obradovic has added that the existence of the intent is also supported by the intensive criminal activity against the Serbs in Krajina during and after the operation. In that context, he has reminded of the towns that were shelled, forceful expulsion of the civilians, mass killings of the Serb who had decided to stay in the protected areas, attacks on the columns of refugees, mass destruction and looting of the Serb property and the administrative measures aimed to prevent Serbs’ return to their homes. While stressing that nobody in Croatia has been convicted for mass murders committed during and after the “Storm”, Obradovic has pointed to the data from the “Veritas” organization, according to which that operation resulted in the killing of 1,719 and exodus of some 200 thousand Serbs.

**INTERNATIONAL PRESS**

**Serbian support for EU membership falls as state journeys to accession (*Irish Times*, 13 March 2014)**

The impact on other countries of EU accession has not impressed Serbians

Ivanka Milenkovic is feeling optimistic. Having studied in Holland, the Belgrade native returned to Serbia in the 1990s to work as a biologist. Today her business employs 12 people, producing 150 tonnes a year of oyster mushrooms, a patented gourmet food product, helped by funds from the European Union.

“I’ve been in the business for 25 years, and it is extremely rare that there are supports for SME development. The support has made a huge difference,” she says.

Milenkovic is one of many Serbian entrepreneurs benefitting from EU funds, as the Balkan country embarks on the long road to EU accession. Formal accession talks between the EU and Serbia began in January, after the country agreed to “normalise relations” with Kosovo under a EU- brokered deal. Serbia hopes to follow the path of neighbouring Croatia and become the bloc’s 29th member in 2020.

Snap election

But 20 years on from the Balkan wars, significant challenges remain. Next Sunday, the country of seven million people goes to the polls after the Serbian Progressive Party called a snap election. The campaign has focused on Serbia’s faltering economy, as the state struggles to cast aside the legacy of communism and war and fully embrace modern free-market capitalism.

With an official unemployment rate of more than 22 per cent, Serbia is battling with the economic reality of a bloated public sector, rigid labour laws and corruption. The grey economy is worth about 30 per cent of GDP, says Ana Trbovic of the University of Belgrade, while clientelism and excessive red tape is zapping the interest of foreign investors.

“Less than €1 billion of foreign direct investment is expected next year, but at least €3 billion is needed for minimal growth,” she says. The once-thriving textile industry has given way to the inevitabilities of globalisation. Italian car-maker Fiat is one of the few examples of private enterprise – almost half the workforce is in the public sector.

Among ordinary Serbians the mood towards EU membership is mixed. Support has fallen to about 55 per cent, according to recent polls.

According to Trbovic, the impact of recent EU accession on countries such as Romania, Bulgaria and Croatia has been closely watched in Serbia and has failed to impress.

“People are not excited by the European Union any more. It’s no longer seen as the rich club we want to join.”

As with all former Soviet satellites there are plenty of contrarian voices eager to acclaim the benefits of Soviet- style socialism.

“At least we had jobs,” says a 33-year-old man, whose father, he explains, has borne the brunt of the “solidarity tax” introduced last year that on average knocked a third off public-sector incomes.

But Belgrade is also teeming with young, educated workers, born after the fall of communism and keen to make their mark in business. Many of these have been educated in the EU. (As part of the pre- accession process, Serbia already has access to the Erasmus programme and €200 million a year in EU “capacity-building” funds)

As the politics of the election campaign accelerates, Serbian officials are continuing to proceed with accession negotiations. The EU accession procedure involves 35 “chapters” covering everything from agriculture to environment, trade and regulation. The most contentious promise to be chapters 23 and 24, which deal with rule-of-law issues and the judiciary, and chapter 35, which covers Kosovo.

Kosovo

For ordinary Serbs, Kosovo remains a highly sensitive issue. Some believe the EU has prioritised the Kosovo issue to the neglect of everything else in its discussions with Serbia.

“In the eyes of some citizens, they see that the EU has in a sense blackmailed Serbia over the Kosovo issue” says Maja Bobic of the European Movement in Serbia. “Kosovo is undoubtedly the most important issue for the European Union.”

Others point out that Serbia is facing much tougher requirements than other recent accession states, because of a belief among some member states that the EU was too lenient in its law and order standards during the last rounds of accession.

Despite the stated commitment of Serbia’s political parties to undertake the reforms necessary to join the EU, officials believe the view of their country is still coloured by the Balkans war.

“We don’t have a champion in the EU. Croatia had Germany, Romania had France, the Baltics had the Scandinavians,” says one Serbian official involved in the negotiations.

“We are lacking a champion. You need someone to put us on the agenda.”

**Serbia: from pariah state to EU path (*Agence France-Presse*, 3 March 2014)**

Serbia, an ex-Yugoslav republic once seen as a pariah state, has set out on the road to European Union membership and holds early parliamentary elections Sunday.

Here are some key facts about the southeastern Balkan nation of 7.12 million people:

POLITICS: After years of single-party rule during and immediately after the period of the former Yugoslavia, Serbia is now a parliamentary democracy headed by President Tomislav Nikolic.

The 250-seat outgoing parliament is dominated by the pro-European Serbian Progressive Party (SNS), the senior partner in Serbia's ruling coalition. The SNS is seeking to capitalise at the polls on popular support after getting the EU membership process underway.

ECONOMY: Serbia's economy, based on industry, farming and services, was hit hard by the international sanctions imposed for its role in the 1990s bloody inter-ethnic wars that led to Yugoslavia's break-up.

Serbia's economy entered recession in 2012, contracting by 1.7 percent. Unemployment stands at 20.1 percent of the workforce, and average monthly salaries are just 350 euros ($482).

HISTORY: Serbia was the largest of six republics forming a new Yugoslavia that emerged as a federal socialist state after World War II.

But with the collapse of communism throughout central and eastern Europe at the end of the 20th century, Yugoslavia broke up in a series of bloody wars.

Serbia, led by nationalist strongman Slobodan Milosevic during the 1990s Balkans wars, remained allied with Montenegro until June 2006 when the latter voted for independence.

Serbia lost its southern province Kosovo following a 1998-99 conflict with separatist ethnic Albanians that was stopped by a NATO air campaign. Kosovo came under UN administration in 1999 and proclaimed independence in 2008.

After Milosevic's ouster in October 2000, Serbia began its transition into a democratic society. It opened EU membership talks in January after meeting demands to capture fugitives wanted by the UN's International Criminal Tribunal for the former Yugoslavia and to improve relations with Kosovo.

RELIGION: More than 80 percent of Serbs identify themselves as Orthodox Christians. Religion is one of the key issues in the dispute over Kosovo, which Serbia considers to be the cradle of its nation, but which is predominantly Muslim.

**EU hopes, economic woes key as Serbs go to polls (*EUbusiness*, 13 March 2014)**

(BELGRADE) - Serbs will vote in snap polls on Sunday with the ruling Serbian Progressive Party (SNS) tipped to capitalise on a wave of public support after opening membership talks with the European Union.

Some 6.7 million voters will elect new deputies for the 250-seat parliament in early legislative elections called by the SNS after Brussels opened accession talks with the Balkan country on January 21.

The centre-right SNS, the senior partner in the outgoing government led by Socialist Prime Minister Ivica Dacic, is riding high in the surveys, with 44 percent of voter support.

But observers warn that whoever is tasked with forming the next government will face an uphill battle to fix the ailing economy in Serbia -- the largest country to emerge after the bloody 1990s break-up of Yugoslavia and where a fifth of the workforce is now unemployed.

The SNS owes much of its current popularity to a high-profile anti-graft drive by party leader and powerful deputy Prime Minister Aleksandar Vucic, which has led to the arrests of several tycoons and former ministers.

"Corruption is suffocating Serbia, its politics, administration and justice, hampering economic progress and chances to implement reforms," Vucic told a recent election rally in Belgrade.

Tipped to become prime minister, Vucic -- once a fierce ultra-nationalist -- has also bolstered support by embracing the path to the EU, saying he wants to transform Serbia "into a modern European society".

Once seen as a pariah state, Serbia is now hoping to join the European Union by 2020, after reaching a historic Brussels-brokered accord with its long-time foe Kosovo last year.

"Vucic's omnipresence and a weak opposition can explain why the SNS ratings are high, despite the dire economy and the rise in unemployment," said analyst Zoran Stojiljkovic.

According to voter surveys, the Socialists, who joined forces with the SNS after general elections in May 2012, are polling second with 14 percent while the opposition Democratic Party is trailing behind with around 11 percent support.

- 'Can't wait for miracles' -

A convincing win at the ballot box would give the SNS a strong mandate to push through a package of painful austerity measures.

"The future government will have to take the bull by the horns: how to create jobs in the country," said analyst Vladimir Goati.

The unemployment rate stands at 20.1 percent in the nation of 7.2 million and many are stuck in the so-called "grey economy", where salaries are often delayed and there are no health or retirement benefits.

Those lucky enough to have a job struggle to survive on an average salary of 350 euros ($480) a month.

For some, the election comes too late to offer the prospect of progress.

Vera Peruncic, a 34-year-old graphic designer, says she has lost all hope after five years of job hunting.

"We have been listening to the same fairy tales for years and I have no time left to wait for miracles," said Peruncic, who is readying to leave her homeland to look for a job in Germany.

Amid a national mood of economic gloom, Serbia suffered another setback in January when ratings agency Fitch downgraded the country from "BB-" to "B+", blaming weak enforcement of tax collection and weak political will to introduce unpopular structural reforms.

Looking at the most urgently needed reforms, experts say Serbia's future cabinet will have to change obsolete labour laws, privatise dozens of state-owned companies, improve poor infrastructure and cut down on red tape.

Another key challenge will be to slash a bloated public sector that employs more than 700,000 people, almost half of Serbia's working force, suffocating its 8-billion-euro budget ($11 million).

"To do that, (the new government) will need political skill, acumen and fierce determination to reform," said economic analyst Borislava Ilic.

Polling stations will open at 0600 GMT and close 13 hours later with hundreds of international and local observers monitoring the vote.

Preliminary results are expected early Monday, with final results due by March 20.

Voters in the capital Belgrade will on Sunday also elect city hall deputies, where the opposition Democrats are hoping to win back control.

**Serbia opposition calls on supporters to mobilize ahead of poll (*Xinhua*, 13 March 2014)**

BELGRADE -- At the final pre-election convention, Serbian opposition Democratic Party (DS) called on its voters to secure their wellbeing by preventing of Progressive's leader Aleksandar Vucic getting total power.

"If the current government stays on power the country will go bankrupt within a year's time, employees will lose their jobs and pensioners their pensions," said the leader of the Democrats and the candidate for the mayor of Belgrade Dragan Djilas.

We have to replace the government that is represented in "spreading fear and the total control of Aleksandar Vucic," Djilas told supporters that their single weapon at the elections will be the pencil in their hands.

Djilas rejected the frequent accusations by the ruling progressives that Democrats wish to invoke "Ukrainian scenario and violence" in the case that they lose the elections.

He said that the Democrats are the only party that will make no compromises with the ruling Progressives and their leader Vucic, that according to all pre-election polls has significantly higher ratings than any of the other parties including the Democrats.

The convention started at 6 p.m. at the main Republic Square in Belgrade. Several thousand visitors filled the square with party flags and posters, with a deafening sound of whistles.

After the convention the crowd formed a line, and with a poster reading "Democracy is at the old address", walked along the so called "media route" trough the center of Belgrade in honor of their assassinated leader Zoran Djindjic.

Serbian parliamentary and Belgrade City elections will take place on Sunday. Starting from the evening of Thursday, the country will enter the election silence, and any kind of political campaigning will be banned.

**Serbia’s Vucic Promises U.A.E.’s Billions in Election Bid (*Bloomberg*, by Gordana Filipovic and Dana El Baltaji, 13 March 2014)**

Aleksandar Vucic, the favorite to become Serbian prime minister after elections this month, is campaigning as the candidate who can bring home investment from the United Arab Emirates, including a $4 billion plan to redevelop Belgrade’s waterfront.

The former nationalist, known in the 1990s for his anti-Muslim rhetoric, is stressing his ties with the Persian Gulf nation’s business and political leaders as a source of investment ahead of the March 16 ballot. Critics say there’s little information about what lies behind the deals.

The project in the Serbian capital, known as Belgrade on Water, would be the biggest development in the country’s history, capped by a tower modeled on Dubai’s Burj Khalifa skyscraper. The price tag is more than six times last year’s total foreign direct investment and 138 times the 2013 tally from the U.A.E. In addition, the 44-year-old deputy prime minister and Progressive Party leader has announced another $8 billion of U.A.E. investments and loans in the past 12 months.

“They talk every day about things that have been done or will be done, but haven’t provided any specific information on what this is all about,” said Nemanja Nenadic, the program director of Transparency Serbia, a branch of Berlin-based anti-corruption organization Transparency International.

Vucic, who said in 1995 that his country would kill 100 Muslims for every Serb who died, is trying to convince voters that his friendship with Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed Al Nahyan, seen here, will benefit the economy.

Vucic, who said in 1995 that his country would kill 100 Muslims for every Serb who died, is trying to convince voters that his friendship with Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed Al Nahyan, seen here, will benefit the economy.

**Sovereign Loans**

Vucic, who speaks of his personal friendship with Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed Al Nahyan, has announced U.A.E. deals including $4.5 billion for a semiconductor factory, a lending program for farmers, an aircraft-component plant and $2 billion to $3 billion in sovereign loans to the government to help tackle its budget deficit. Abu Dhabi, the Gulf state’s capital, on March 6 agreed to lend Serbia $1 billion for 10 years, the two governments said in a statement.

U.A.E. direct investment in Serbia last year totaled 21 million euros ($29 million), according to the country’s central bank. The biggest investor was the Netherlands with 110 million euros. Total foreign direct investment last year was $631.5 million through the end of November, the latest data available, and the biggest total in the country’s post-Yugoslavia history was 3.24 billion euros in 2006.

Serbian President and Progressive Party founder Tomislav Nikolic ordered the early elections on Jan. 29 following a request from Vucic and Prime Minister Ivica Dacic, head of the Socialist Party. The ballot will take place two years before the government’s term was due to end.

A construction crane stands as the city skyline stretches out beyond Belgrade. The U.A.E. sees an opportunity to expand into the Balkan region using Serbia as a base, and it tends to favor countries where they know the leadership well.

**Economic Struggles**

Serbia, the biggest former Yugoslav republic with 7.2 million people, started membership talks with the European Union on Jan. 21 after years of resistance to EU demands to give up suspected war criminals, renounce claims on the former Kosovo province and bring the judiciary into line with EU norms. The economy will grow 1 percent this year, according to the central bank, after the government stepped up plans to sell assets, narrow the deficit by 2016 and renew talks with the International Monetary Fund, which cut off ties in 2012.

Belgrade on Water was announced at a Jan. 18 presentation in the Serbian capital, where Vucic was joined by Mohamed Alabbar, chairman of Dubai-based developer Emaar Properties PJSC. A new company called Eagle Hills, headed by Alabbar, will develop and finance the project, with Serbia contributing the land, the government said. The company is registered with the Abu Dhabi Chamber of Commerce as a trading company with no employees and capital of 1.5 million dirhams ($410,000).

**Good Fundamentals**

The project is based on Serbia’s “good economic fundamentals,” Eagle Hills said in an e-mail, adding that Mohamed Alabbar will lead the company with his management team. The company didn’t respond to questions about its structure and how it plans to finance the development.

Eagle Hills plans to build 1.85 million square meters (19.9 million square feet) of residential, commercial and leisure space on 90 hectares (222 acres) of land, according to the presentation. The centerpiece will be the 210-meter (690-foot) Belgrade Tower with a design similar to Emaar’s Burj Khalifa, the world’s tallest building.

“The United Arab Emirates believes in the political stability of Serbia, in our human capital and it is the result of friendship and understanding between Aleksandar Vucic and Sheikh Mohammed,” Sinisa Mali, Vucic’s economic adviser and candidate for Belgrade’s mayor, said by phone from Cannes, France, where he was presenting Belgrade on Water to buyers and investors at the MIPIM real estate conference. “Belgrade on Water will employ the entire construction industry.”

**EU Aspirations**

Vucic has said the project on Belgrade’s Sava River will be completed by 2019. On Feb. 10, he said he expects Serbia to join the EU the same year, according to a government statement.

The deadline for completing Belgrade on Water is a “colossal bluff,” Nebojsa Bakarec, a member of the Democratic Party of Serbia, wrote on the party’s website on Feb. 9. “It’s very frivolous, amateur and most of all dangerous idea when it comes to its planning and construction.”

Asked about the lack of a public tender for Belgrade on Water, Vucic dismissed the need for one.

“The authorities will not heed possible obstacles and the job will be done,” he said at a Jan. 22 briefing. “What would you want, that we disrespect those who give $3 billion?”

Sheikh’s Friend

Vucic, who said in 1995 that his country would kill 100 Muslims for every Serb who died, is trying to convince voters that his friendship Sheikh Mohammed bin Zayed will benefit the economy. Serbia’s economic growth is expected to slow this year as the government tries to narrow the budget gap, curb public debt and halt rising unemployment.

Vucic and the sheikh met “completely by accident,” the Progressive Party leader told state-owned broadcaster RTS in October.

“I was invited to a restaurant for a lunch and he was there, totally surprised that I didn’t ask for anything,” Vucic said. “We talked about history, geography, philosophy. He personally saw me off to my room and after that, our friendship started.”

Vucic traveled to the U.A.E. on March 2 to meet with Alabbar and the Abu Dhabi leader and attend a presentation for Serbian journalists of the Belgrade on Water plan.

The U.A.E. sees an opportunity to expand into the Balkan region using Serbia as a base, and it tends to favor countries where they know the leadership well, said Ghanem Nuseibeh, founder of Cornerstone Global Associates, which advises clients on risk in the Middle East.

**‘Political Gains’**

“But if political factions in Serbia are indeed using U.A.E. investments for political gains, then they might scare off the U.A.E.”

Ahead of the election set for March 16, the Progressive Party has 45 percent support, followed by 13 percent for Prime Minister Ivica Dacic’s Socialist Party, according to a Feb. 22-25 poll by Belgrade-based Faktor Plus.

In February 2013, Vucic said he expected to reach a deal with Mubadala, an Abu Dhabi government-controlled investment company, to invest $4.5 billion in a semiconductor plant. Mubadala was less definite when it came to its deals with Serbia.

“There is no target figure and no specific amount agreed to,” Mubadala spokesman Brian Lott said by telephone on Feb. 26. “There is an ongoing process that’s designed to look for opportunities to invest and co-invest in Serbia. The production of semiconductors and aircraft components are some of the areas we’re considering.”

The contrasting views may reflect cultural differences between Europe and the Middle East, where negotiations are often more convoluted, according to Ghanem Nuseibeh, who created Cornerstone Global Associates to advise clients on potential risks in the region.

“In the U.A.E., like other countries in the Gulf, yes means maybe, maybe means no and no means I never want to see you again,” he said.

**Bosnia: How to drag a country out of the mire? (*BBC News*, by Guy De Launey, 13 March 2014)**

The world must have been tempted to forget about Bosnia. It was a protagonist in a conflict apparently resolved two decades ago - only the exploits of its footballers have made international headlines much since.

But then, at the start of February, Bosnians announced that all was far from well. Demonstrators burned government buildings around the country, exasperated after years of grinding poverty and desperately high unemployment.

The initial, explosive outpouring of anger in Bosnia may have passed. But the protests continue every day. And so do efforts to find a way to drag the country out of the mire.

The focus is on the country's politicians. But most of the initiatives for change are coming from citizens who regard those leaders with contempt.

Rotten system

Small groups gather in the main towns every day at noon to voice their dissatisfaction at a system under which officials are paid many times the average monthly salary of 400 euros. They complain the politicians live in comfortable villas and enjoy the use of official cars, but do little to alleviate the plight of citizens struggling to cover the basics of food, housing and heating.

But the ire of the protesters is not reserved for domestic leaders. They also hold outsiders responsible for doing nothing to correct a system which has been failing for years.

"Europe: we are the ones with whom you should talk," reads a placard that has become a familiar sight at demonstrations outside Sarajevo's fire-blackened government buildings. It reflects the feelings of many people sick of seeing international officials liaising with politicians they view as corrupt.

"The international community is not innocent in this story. They have to stop talking to the leaders of the parties," says theatre and film director Haris Pasovic, a veteran of the siege of Sarajevo, who put on festivals in the city while it was under attack.

"The biggest power is in the hands of the international community. It has been complacent in the economic destruction of the country. The IMF, the World Bank and many other organisations have been co-operating for years with the politicians. They could have imposed their rules on them, but instead they were pumping their money into a rotten political system and class."

This is the issue which really grates with many Bosnians. They say that politicians never seem to go short, while important institutions like the National Museum are forced to close through lack of funding.

A short walk across central Sarajevo, the Museum of Literature and Art is still open - but struggling. Its director, Sejla Sehabovic, rubs her arms and apologises that the heating is off to save money.

"I lead a national museum and we have no finance. If they sold just one official car from the Ministry of Culture, we could pay everyone here a year's salary," she says.

Ms Sehabovic is from Tuzla, the northern industrial town where the recent series of protests started. Thousands of people there have lost their jobs following a series of botched sell-offs of formerly state-owned companies.

Still awaiting miracle

They have been outraged by the lack of response from the government, and frustrated that the complicated system put in place by the Dayton Peace Agreement nearly 20 years ago, remains operational.

There are three presidents - one for each major ethnicity (Bosnian Muslim, Croat and Serb) - and 14 prime ministers across the two political "entities" of Bosnia - the Federation of Bosnia and Herzegovina (Croat and Bosnian Muslim) and Republika Srpska (the ethnic-Serb region).

It is a situation which seems guaranteed to ensure that little gets done.

Sejla Sehabovic says Bosnians have reached their limit.

"It's like people woke up from a dream that someone would come to save us. During war no-one came to save us and 20 years later we were waiting for a miracle - that the EU would say: this constitution is stupid, we'll make a new one for you. We finally realised that's not going to happen."

The citizens of Tuzla and other towns have been holding regular "plenums", where people queue up to voice their grievances, or make proposals for change.

"At the beginning there were so many requests only the law of gravity was off the agenda," says Boro Kontic, director of Mediacentar Sarajevo, an organisation which promotes independent journalism.

Gradually, the plenums have refined their demands, focusing on reducing pay and privileges for officials. But the participants admit there is little they can do to change the bigger problem - Bosnia's cumbersome constitution.

"Dayton isn't our responsibility," says Sejla Sehabovic. "We didn't write 'Dayton One' and I don't want to write 'Dayton Two'. Whoever did that has the responsibility to change it."

Local ownership

But so far there has been little sign of an outside intervention. Theoretically, the International High Representative could intervene. Previous holders of the post such as Paddy Ashdown used their powers to remove ineffective officials and centralise certain functions of the state.

The current incumbent, Valentin Inzko, admits that "people on the streets tell me I'm too soft." But he says the days of acting as the "Viceroy of Bosnia" have gone.

"The international community is more in favour of the philosophy of 'local ownership'. We always stress local responsibilities and local solutions. We have done a huge job, but later we relaxed a little bit [and] said it is time that the responsibility should be taken over by local leaders and the population."

In fact, far from calling for a new constitution, the International High Representative is one of the most enthusiastic proponents of the citizens' plenums.

"Maybe for the first time a general ownership philosophy is materialising. The international community should not interfere but allow this local movement to ripen," Mr Inzko says.

Plenty of protesters will be disappointed by this attitude. Others may be relieved that it seems there will be no meddling by outsiders this time. And with elections to be held in October, perhaps the time for transformation has come.

"We have to sit down and think of what can be changed - not just what can be burned," says Sejla Sehabovic.

"I hope that by the time of the elections we will have our requests clear, and whoever gets to power will not be able to do what they did up to now.”

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