

Statement by the High Representative Valentin Incko at the State Property Inventory Press Conference

Thank you all for coming today.

On August 12th I announced that the OHR would compile an inventory of real property. I am pleased to be able to say that the state property inventory is complete.

The boxes next to me contain the documents that add up to BiH's State property and represent the result of the inventory.

My aim has been and remains clear – I wish to enable an OHR to EUSR transition. As you know, state property is one of five priorities set by the PIC in February 2008.

After this press conference, this whole material containing details on 979 units in BiH and 21 abroad, will be submitted to the Council of Ministers, and copies to all other governments and institutions. With this handover, the OHR's State Property Inventory Team has finalized its work.

It is now up to the political leaders of this country to engage in the apportionment of the state property. I would like to invite them to start, as soon as possible, political negotiations which would result in an intergovernmental agreement.

This agreement will ensure that each level of authority in Bosnia and Herzegovina owns the property it needs to exercise its respective constitutional and legal competencies.

I wish to use this opportunity to publicly commend my team. They have done a tremendous job.

The team consisted of 18 BiH citizens and two international members. They are all experts in the field of geodetic administration, property issues and project management, and some of them have had more than 20 years of experience in this field.

These 20 individuals collected, within 13 weeks, data from 48 Land Registry Offices and over 140 Cadastre offices in BiH.

We could have completed this process some weeks ago, but did not because access to information from the RS was denied to us until on 9 November.

It was only then that the Director of the RS Administration for Geodetic and Property-Legal Affairs, Tihomir Gligorić, indicated that Prime Minister Dodik had given the green light, and that he would be in a position to cooperate fully.

What follows? The OHR will now deliver a copy of the inventory report as well as an electronic copy of the inventory database with access to all supporting documentation to the Entity governments and the Brcko District Government. As I said before, the negotiations on the apportionment of the state property among local political leaders can now start.

Here, I would also like to mention that I have informed the PM Spiric today that we have concluded the inventory. I pointed out to the PM that local institutions need to self assess what real property they need for their functioning in the future.

I want to take this opportunity to thank the PIC for their full support to this project and express my sincere gratitude to the governments who funded this project: the United State of America, Sweden, Italy and Germany.

It is worth for a moment considering the history of the question of the state property and the benefits this

inventory brings.

In 2004, the SFRY Succession Treaty entered into force and laid out how the movable and immovable assets of the former SFRY would be distributed among the former republics. Only after that did it really become practically possible to resolve these matters within BiH itself.

In 2004, the Council of Ministers initiated a process of resolving this issue, adopting a decision to establish a state property commission and define state property. The subject of the inventory is based on the definition of the Council of Ministers. Despite efforts in 2004 by the Council of Ministers to begin dealing with these issues, entity governments nevertheless continued to sell and dispose of State Property.

That is why in March 2005 the High Representative prohibited the entities and the state from disposing of any such properties until the State Property Commission could resolve the matter.

Political disputes over the past four and an half years have prevented the Commission from completing its work, and so the bans on disposal remain in place.

In February 2008 the Steering Board of the Peace Implementation Council identified an acceptable and sustainable resolution of the issue of apportionment of property between state and other levels of government as the first objective for OHR's closure and transition to an EU led mission in BiH.

OHR closure aside, maybe the most important reason State property needs to be resolved is so that this country can house the institutions that it will need to develop as a part of the EU accession process.

Equally important fact is that tax-payers money will be saved. The rental costs for BiH institutions for next year alone amount to 28 million KM. This puts the costs of renting property for the BiH institutions over 2008, 2009 and 2010 at a staggering 73.5 million KM.

BiH taxpayers will be happy to see their tax money paid for something other than rent, especially as State may already own some of this property.

So if political leaders manage to resolve this matter quickly huge amounts can be saved, and better spent on other projects as for example support for refugee return, development projects, or to propping up the Entities which have a sizable social aspect to their budgets.

Equally, by resolving the disputes over property title the values of these properties goes up as they become attractive to investors. This is good news for cash strapped Entities and Cantons.

Still, I am sure that we can expect that none of the local political parties involved in the process of apportioning state property will be wholly satisfied with the contents of the inventory.

Disputes over specific property will occur, but the point is that now there is a register that collects all the information held by the various institutions in this country. Disputes will have to be settled in the normal way – through the Courts.

Ultimately, this inventory is just an inventory. OHR will not decide who owns what; the authorities in BiH will have to do that. The inventory now allows for an informed discussion leading to an intergovernmental agreement on apportionment.

Let me add that, as promised earlier, the OHR will make the results of the inventory public. You will find copies of the CD with the searchable database, developed in the course of this project, which will be made available after this press conference, while the results of the inventory will also be available on our website.

Once again, thank you for coming. My colleagues and I stand ready to answer any of your questions.