

High Representative Acts to Protect BiH Assets

The High Representative, Paddy Ashdown, today enacted State and Entity legislation temporarily prohibiting the disposal of state property anywhere in Bosnia and Herzegovina . The High Representative took this action in order to protect BiH's assets. This has become a matter of urgency in view of the fact that recent legislation in the Federation Parliament has made it easier to sell state property used by the Defence Ministry. A sell-off at this stage could render the work of the Commission for State Property, when it is established, meaningless, as there is a danger that by the time the Commission began its work there would be very little property left to consider. On top of that, BiH civil servants do not have sufficient workspace, and huge sums of money are being spent annually in order to rent offices.

In a letter to the members of the BiH Presidency informing them of this Decision, the High Representative noted that it has been necessary to act in order to protect state assets. The Decision "preserves on behalf of the State the right of ownership and management so that the appropriate authority – the Commission for State Property – can conduct its work safe in the knowledge that those assets will not be sold off, and the citizens of Bosnia and Herzegovina can be assured that there will not be improper private gain from public goods."

Currently, state property may be sold without reference to the work of the Commission on State Property. And much state property is still not properly identified or regulated.

As part of an agreement reached in October last year the Council of Ministers undertook to arrange a freeze on the sale of state assets with the Entity authorities, but this was

never done.

“The purpose of this Decision is not to decide on the disposal of property of the State,” the High Representative wrote, “but to preserve the ability of a BiH Institution to take these decisions.”

The Commission will enable a systemic approach to be taken in resolving state property issues and will not stop the privatisation process.