

High Representative removes Nikola Grabovac

The High Representative, Paddy Ashdown, today issued a decision removing Nikola Grabovac from his position of Minister of Finance for the Federation of BiH. Mr. Grabovac and his Ministry have been implicated in the AM Sped affair yet the Minister has refused to accept final political responsibility for the actions or inaction's of his Ministry and step down from this position.

Mr. Grabovac and his Ministry, have very specific responsibilities towards the citizens of the Federation, business enterprises and banking institutions to a much greater extent than other Ministries. These responsibilities include a control over public funds, and representing the FBiH to Independent Financial Institutions (IFIs) and international donors. The Minister, by refusing to step down, has failed to maintain the confidence of the public in the running of the financial affairs of the FBiH. By continuing in this position the FBiH relationship with the IFIs and international donors may also become difficult. By stepping down from this position Mr. Grabovac would have done what is expected of any Minister of Finance in a Europe.

This decision in no way reflects criminal responsibility. Mr. Grabovac has a right to due process before the courts and the criminal investigation underway must be allowed to take its course. It is however Mr. Grabovac's political responsibility to actively supervise his Ministry and perform the function of Minister of Finance actively and effectively – as Minister he clearly failed to do this.

The Peace Implementation Council (PIC) in December 1998 tasked the High Representative with ensuring transparency and eliminating opportunities for corruption, tax evasion and the

diversion of public revenues. The PIC in May 2000 required of “all public officials to give their active and unreserved support to this [Anti-corruption] Strategy”. The former Minister, who is ultimately responsible, has failed to show the required leadership by taking political responsibility. By failing to take the appropriate action Mr. Grabovac has eroded the principles of proper governance and transparency and the High Representative has been forced to make this decision.

The High Representatives decision is effective immediately. Mr. Grabovac is also barred from holding any future official, elective or appointive public office.