

Supervisor Of Brcko, Henry L. Clarke, Halts Privatization In Brcko District

Brcko District Supervisor Henry Clarke today, on 14 August 2001, issued an Order halting all privatization activity conducted by the Entities in Brcko District and declaring all Entity actions undertaken so far with regard to privatization in the area of the District to be without legal effect. The Supervisor decided that the Order was required to protect the interests of the Brcko District from the continuous violations by Republika Srpska authorities of the Final Award and previous Supervisory Orders on privatization.

At the beginning of this year the Supervisor developed the privatization program for the Brcko District taking into consideration the interests of the Entities as well. According to this plan, companies of strategic importance for the economic development of the Brcko District would be privatized by cash tender while vouchers would be used for no more than 33% of the capital of these companies. The remaining of District based companies would be privatized by the Entities in accordance with entity legislation but taking into consideration the interests of the District

Despite the Supervisor's persistent efforts in the following months, Republika Srpska continued with the implementation of its own privatization program in the area of the District in violation of the Supervisor's plan and the Final Award, and without consultation or even providing information to the District. In this respect, registration of vouchers to the Strategic companies was not adjusted to the Brcko

privatization program; members were appointed to the Steering Boards of District based Enterprises; tenders were opened and at least two auctions conducted that resulted in the sale of District based enterprises. The Supervisor has now declared all such actions to be without legal effect.

Privatization of District enterprises is critical to the economic health of the District and will continue under the guidance of the Brcko District Privatization office. OHR-N will continue to seek qualified strategic partners locally and among foreign companies. Unlike the measures taken by the RS, the process will be fair, transparent and open to participation by all District residents.