Consolidating Supervisory Order On Privatization In The Brcko District Of Bosnia And Herzegovina

In accordance with paragraphs 37 and 43 of the Final Arbitral Award dated March 5, 1999, and paragraph 12 of the Annex dated August 18, 1999;

In furtherance of the Supervisory Order on Privatization dated December 4, 1997, and the Supplementary Supervisory Order on Privatization dated June 26, 1999, prohibiting privatization in the Brcko District of Bosnia and Herzegovina;

Bearing in mind that in the last said Order it was provided that: "All transactions in violation of my December 1997 Order and the present Order that may have transferred ownership of any of the aforementioned property are null and void";

Reiterating that as a result of the aforesaid Orders, the Entities' privatization laws and regulations have not applied and continue not to apply in the Brcko District of Bosnia Herzegovina with effect from December 4, 1997, in respect of the Republika Srpska, and from June 26, 1999, in respect of the Federation of BiH;

Bearing in mind the principles of the privatization program for the Brcko District agreed with the Economic Task Force and the International Advisory Group on Privatization and specified in the Supervisor's letters to the Prime Ministers of the Entities dated January 31, 2001;

As a result of Republika Srpska's privatization of companies located in the Brcko District in continued and flagrant

violation of the provisions of the Final Award regarding public property, the Supervisory Orders on Privatization and the privatization program of the Brcko District;

Recalling my letter dated July 26, 2001, to the Prime Minister of Republika Srpska requesting him to direct the RS Privatization Agency to stop immediately all activities with respect to all companies located in the Brcko District until all aspects of cooperation in the privatization process have been agreed upon with my Office;

Concluding that the actions of Republika Srpska with respect to the privatization in the Brcko District jeopardize the interest of the Brcko District residents and that a vigorous, successful and transparent privatization is essential for the economic health of the Brcko District and BiH;

I hereby issue the following Consolidating Order:

The aforesaid Supervisory Order on Privatization dated December 4, 1997, and the aforesaid Supplementary Supervisory Order on Privatization dated June 26, 1999, are hereby consolidated and continued in full force herein.

All actions of the Privatization Agencies of the Entities with respect to privatization of publicly, state or socially owned companies or other such property located in the Brcko District undertaken since the dates set out in the previous paragraph are and shall remain without any legal effect as to transferring ownership or otherwise, except to the extent that such actions may be specifically validated and approved in writing by me after the date of this Consolidating Order.

Until a Brcko District Law on Privatization is adopted, publicly, state or socially owned companies and other property located in the Brcko District shall remain the property of the Brcko District, and no ownership of such property may be transferred unless I have given my explicit approval in writing.

This Order shall have immediate effect and shall be published in the Official Gazette of the Brcko District.

Henry Lee Clarke
Deputy High Representative
Supervisor for Brcko