

FBiH President's refusal to amend decision puts citizens and financial stability in jeopardy



In a meeting with FBiH President Zivko Budimir in Sarajevo on Monday, representatives of the Embassy of the United States, the Delegation of the European Union/EUSR, the International Monetary Fund and the Office of the High Representative reiterated the urgency of having a fully functional FBiH Minister of Finance capable of delivering the reforms that are needed to ease pressures on budgets in both entities. A fully functional Ministry is also necessary to ensure the undisturbed functioning of the institutions of the Federation by securing payments to all Federation budget beneficiaries. Representatives of the international community raised concerns that, by his decision of 3 January 2014, President Budimir created a political and legal vacuum that could have serious repercussions for the functioning of institutions in the FBiH and budget payments to the most vulnerable populations such as pensioners. If not resolved, the current situation will also impact the ability of BiH as whole to fulfil its obligations towards creditors and put at risk continued funding from the IMF, since the implementation of policies agreed with the IMF depends critically on having a fully functioning FBiH Minister of Finance.

While individual laws could be amended to address some of the short-term gaps, such a procedure would not result in a

comprehensive solution that would ensure both a fully functioning Minister of Finance and Ministry of Finance.

By persisting in his refusal to annul or amend his decision under such circumstances, President Budimir will be responsible for the impact of his decision on citizens. We call on President Budimir and all parties to take immediate action to avoid significant damage to the public finances of the Federation of Bosnia and Herzegovina.