

High Representative takes action to safeguard functionality of the Bosnia and Herzegovina



High Representative Christian Schmidt has enacted a decision today addressing some threats to the functionality of the institutions of Bosnia and Herzegovina. This decision addresses urgent technical and legal problems, deriving from the failure to adopt the 2025 state budget, the continued use of temporary financing, and the expiration of deadlines for preparations for the 2026 general elections – by enabling the settlement of the unresolved debt obligations of Republika Srpska to the Viaduct company which pose a direct risk to key state institutions, including the Central Bank of Bosnia and Herzegovina and the BiH Air Navigation Services Agency (BHANSA).

The High Representative's decision is not about the overdue budget 2025 itself; this remains the responsibility of the BiH institutions. But it removes political and legal obstacles where the BiH Treasury and the Council of Ministers were unable to make any meaningful progress, by addressing two urgent issues: the settlement of the Viaduct debt and the distribution of BiH Central Bank's profits.

A portion of the blocked settlement reserve from road toll revenues, specifically 120 million KM out of a total of ca.

316 million KM, will be allocated to the Treasury to settle the Viaduct claim. This portion of the funds is presumed to represent the share of Republika Srpska in the settlement reserve. Thus, the principle that “whoever incurred the debt shall pay for it” remains central to the decision and it is ensured that the debt of the RS is not unfairly shifted to the state. The RS had accepted these financial obligations by signature of then Prime Minister of the RS Government, Željka Cvijanović, in 2017 but did not fulfil its duties and, to the contrary, allowed the debt to increase over the years. The High Representative’s decision additionally ensures that RS budget expenditures—such as salaries and pensions—will not be used for the settlement with Viaduct.

An equivalent amount of the settlement reserve will also be made available to the Federation of Bosnia and Herzegovina.

The decision will stop the enforcement measures against Central Bank and BHANSA, specifically the seizure of assets and funds, thereby protecting the integrity of these institutions and restoring their functionality.

With this decision, funds for the Central Election Commission to procure essential technologies are made available from the profits of the Central Bank, profits that this decision unlocks. This shall significantly contribute to the integrity and transparency of the 2026 general elections. Funds for this purpose should have been included in the budget for 2025.

The High Representative urges authorities at all levels of government to fulfil their responsibilities, adopt the state budget without further delay, and demonstrate their commitment to a stable, functional, and prosperous Bosnia and Herzegovina.