

<u>Financial Penalties Automatically Reactivated in Herzegovina-Neretva Canton</u>

Financial penalties against four political parties have automatically been reactivated following the failure of the Herzegovina-Neretva Canton Assembly to appoint a government yesterday.

In line with High Representative decisions of 29 May and 7 June, 20 per cent of party funding for 2007 that is yet to be disbursed to the HDZ BiH, HDZ 1990-HZ, SDA and SBiH is being deducted today and a further 20 per cent will be deducted every week until a Cantonal government is formed.

According to the High Representative's Decision of 29 May, disbursement of party funding from the BiH, FBiH and Herzegovina-Neretva Canton budgets to the HDZ BiH, the HDZ 1990-HZ, the SDA and the SBiH was suspended from 1 June.

In addition, as stated in the 29 May Decision, the High Representative reserves the right to issue a further Decision reducing party funding to political parties from the budget of the FBiH and/or state level.