

<u>High Representative Welcomes Appointment of Herzegovina-Neretva Canton Assembly Speaker</u>

As a result of constructive talks in Mostar yesterday, the High Representative, Christian Schwarz-Schilling, agreed temporarily to suspend implementation of the part of already announced financial penalties, as contained in his 29 May Decision, against political parties in Herzegovina-Neretva Canton scheduled to come into force today.

He did this after political parties took the first step towards formation of a cantonal government by electing the Cantonal Assembly Speaker and his deputies, as promised to the High Representative yesterday.

The High Representative will continue monitoring events in Herzegovina-Neretva Canton to see whether a further three steps agreed yesterday are implemented. The parties are to present their nominations for Prime Minister on Monday, 11 June. The speaker is to announce the official candidate to the Cantonal Assembly on Friday, 15 June. And the government must be confirmed by 22 June.

If the deadline for any of the remaining three steps is missed, fines will be activated automatically as laid out in the High Representative's decision of 29 May.

In the meantime, the general 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 remains suspended.