<u>Decision Amending the Decision on Suspending all Disbursements</u> of <u>Budgetary Itemisations for party funding to the HDZ BiH, the</u> SDA, the HDZ 1990 - HZ and the SBiH...

In the exercise of the powers vested in the High Representative by Article V of Annex 10 (Agreement on Civilian Implementation on the Peace Settlement) to the General Framework Agreement for Peace in Bosnia and Herzegovina, according to which the High Representative is the final authority in theatre regarding interpretation of the said Agreement on the Civilian Implementation of the Peace Settlement; and considering in particular Article II.1. (d) of the last said Agreement, according to the terms of which the High Representative shall "Facilitate, as the High Representative judges necessary, the resolution of any difficulties arising in connection with civilian implementation",

Recalling paragraph XI.2 of the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997, in which the Peace Implementation Council welcomed the High Representative's intention to use his final authority in theatre regarding interpretation of the Agreement on the Civilian implementation of the Peace Settlement in order to facilitate the resolution of any difficulties as aforesaid "by making binding decisions, as he judges necessary" on certain issues including (under sub-paragraph (c) thereof) measures to ensure the Peace Agreement throughout Bosnia and Herzegovina and its Entities which "may include actions against persons holding public office or officials ... who are found by the High Representative to be in violation of legal commitments made under the Peace Agreement or the terms for its implementation",

Aware that almost eight months have passed since the General Elections were held and almost seven months since the Cantonal assembly was established;

Noting that certain political stakeholders in the Herzegovina-Neretva Canton, by their extremely irresponsible conduct, have preferred their individual and party interests to the interests of citizens and therefore abused the trust of their voters and citizens in general;

Deploring that, as a result of this irresponsible conduct of the political stakeholders, executive authorities in the Herzegovina-Neretva Canton have not yet been established and that a caretaker government has been in place through that period;

Recalling that, at its session held at the level of Political Directors in Sarajevo on 20 October 2006, the Steering Board of the Peace Implementation Council welcomed the conduct of the 1 October election and called for the completion of government formation as soon as possible.

Recalling the letter of the High Representative of 11 May 2007 addressed to the representatives of the respective political parties, in which they were put on notice of the fact that the situation in the Herzegovina-Neretva Canton is untenable and warned that the High Representative may have to take certain measures to remedy such situation;

Convinced that the HDZ BiH, the SDA, the HDZ 1990 – HZ and the SBiH as political stakeholders in Herzegovina-Neretva Canton must assume their part of responsibility for the situation that proved to be highly unsatisfactory in regard of the executive authorities in the canton;

Having in mind that, at a meeting with the representatives of the political parties held in Mostar on 6 June 2007, the relevant political stakeholders gave assurances to the High Representative that the Cantonal Government would be appointed without delay and agreed upon a schedule to do so;

Having considered, borne in mind and noted all the matters aforesaid, the High Representative hereby issues the following:

Amending the Decision on Suspending all Disbursements of Budgetary Itemisations for party funding to the HDZ BiH, the SDA, the HDZ 1990 - HZ and the SBiH from the budget of the Bosnia and Herzegovina, the budget of the Federation of Bosnia and Herzegovina and the budget of the Herzegovina-Neretva Canton and Reducing Party Funding to the HDZ BiH, the SDA, the HDZ 1990 - HZ and the SBiH from the Budget of the Herzegovina-Neretva Canton of 29 May 2007

Article 1

Article 3 of the Decision Suspending all Disbursements of Budgetary Itemizations for party funding to the HDZ BiH, the SDA, the HDZ 1990 – HZ and the SBiH from the budget of the Bosnia and Herzegovina, the budget of the Federation of Bosnia and Herzegovina and the budget of the Herzegovina-Neretva Canton and Reducing Party Funding to the HDZ BiH, the SDA, the HDZ 1990 – HZ and the SBiH from the Budget of the Herzegovina-Neretva Canton of 29 May 2007 (hereinafter: the Decision of 29 of May 2007) shall be amended and read as follows:

- (1) The Cantonal Legislature of the Herzegovina Neretva Canton shall confirm the candidates for the posts of Chairman and Vice-Chairmen of the Cantonal Assembly not later than 7th June 2007;
- (2) The political parties shall nominate and submit to the Chairman of the Cantonal Assembly their candidates for the position of Prime Minister not later than 11th June 2007.
- (3) The Chairman of the Cantonal Assembly shall, after consultation with the Vice-Chairmen, nominate the candidate for the position of Prime Minister of the Herzegovina-Neretva Canton not later than 15th June 2007.
- (4) The Cantonal Legislature shall approve the Cantonal Government not later than 22nd June 2007 or within two days of the completion of the vetting procedure, whichever date comes later.
- (5) Should the Legislature of the Herzegovina-Neretva Canton fail to meet any of the deadlines provided for under Paragraphs (1) through (4) of this Article, a further twenty percent (20%) of the budgetary itemisation for the fiscal year 2007 for political party funding that is yet to be disbursed to the HDZ BiH, the SDA, the HDZ 1990-HZ and the SBiH in the Herzegovina-Neretva Canton shall be deducted on a weekly basis, effective immediately, until such time as the Cantonal Government of the Herzegovina-Neretva has been approved.

Article 2

Article 8 Paragraph 1 of the Decision of 29 of May shall be amended and read as follows:

The amounts deducted pursuant to Article 3 of this Decision shall be transferred to the budget item pertaining to the funds for social care as follows: 614300 JAN014 (permanent financial assistance), 821300 (procurement of equipment).

Article 3

This Decision shall enter into force forthwith and shall be published without delay in the Official Gazette of Bosnia and Herzegovina, Official Gazette of the Federation of Bosnia and Herzegovina and the Official Gazette of the Herzegovina – Neretva Canton.

Sarajevo, 7 June 2007

Dr. Christian Schwarz-Schilling High Representative