

Annex 1B

Agreement on Regional Stabilization

The Republic of Bosnia and Herzegovina, the Republic of Croatia, the Federal Republic of Yugoslavia, the Federation of Bosnia and Herzegovina, and the Republika Srpska (hereinafter the "Parties") have agreed as follows:

Article I: General Obligations

The Parties agree that establishment of progressive measures for regional stability and arms control is essential to creating a stable peace in the region. To this end, they agree on the importance of devising new forms of cooperation in the field of security aimed at building transparency and confidence and achieving balanced and stable defense force levels at the lowest numbers consistent with the Parties' respective security and the need to avoid an arms race in the region. They have approved the following elements for a regional structure for stability.

Article II: Confidence- and Security-Building Measures in Bosnia and Herzegovina

Within seven days after this Agreement (hereinafter "Annex") enters into force, the Republic of Bosnia and Herzegovina, the Federation of Bosnia and Herzegovina, and the Republika Srpska shall at an appropriately high political level commence negotiations under the auspices of the Organization for Security and Cooperation in Europe (hereinafter "OSCE") to agree upon a series of measures to enhance mutual confidence and reduce the risk of conflict, drawing fully upon the 1994 Vienna Document of the Negotiations on Confidence- and Security-Building Measures of the OSCE. The objective of these

negotiations is to agree upon an initial set of measures within forty-five (45) days after this Annex enters into force including, but not necessarily limited to, the following:

- a. restrictions on military deployments and exercises in certain geographical areas;
- b. restraints on the reintroduction of foreign Forces in light of Article III of Annex 1-A to the General Framework Agreement;
- c. restrictions on locations of heavy weapons;
- d. withdrawal of Forces and heavy weapons to cantonment/barracks areas or other designated locations as provided in Article IV of Annex 1-A;
- e. notification of disbandment of special operations and armed civilian groups;
- f. notification of certain planned military activities, including international military assistance and training programs;
- g. identification of and monitoring of weapons manufacturing capabilities;
- h. immediate exchange of data on the holdings of the five Treaty on Conventional Armed Forces in Europe (hereinafter "CFE") weapons categories as defined in the CFE Treaty, with the additional understanding that artillery pieces will be defined as those of 75mm calibre and above; and
- i. immediate establishment of military liaison missions between the Chiefs of the Armed Forces of the Federation of Bosnia and Herzegovina and the Republika Srpska;

Article III: Regional Confidence- and Security-Building Measures

To supplement the measures in Article II above on a wider basis, the Parties agree to initiate steps toward a regional agreement on confidence- and security-building measures. The

Parties agree:

- a. not to import any arms for ninety (90) days after this Annex enters into force;
- b. not to import for 180 days after this Annex enters into force or until the arms control agreement referred to in Article IV below takes effect, whichever is the earlier, heavy weapons or heavy weapons ammunition, mines, military aircraft, and helicopters. Heavy weapons refers to all tanks and armored vehicles, all artillery 75 mm and above, all mortars 81 mm and above, and all anti-aircraft weapons 20 mm and above.

Article IV: Measures for Sub-Regional Arms Control

1. Recognizing the importance of achieving balanced and stable defense force levels at the lowest numbers consistent with their respective security, and understanding that the establishment of a stable military balance based on the lowest level of armaments will be an essential element in preventing the recurrence of conflict, the Parties within thirty (30) days after this Annex enters into force shall commence negotiations under the auspices of the OSCE to reach early agreement on levels of armaments consistent with this goal. Within thirty (30) days after this Annex enters into force, the Parties shall also commence negotiations on an agreement establishing voluntary limits on military manpower.
2. The Parties agree that the armaments agreement should be based at a minimum on the following criteria: population size, current military armament holdings, defense needs, and relative force levels in the region.
 - a.
 - b. The agreement shall establish numerical limits on

holdings of tanks, artillery, armored combat vehicles, combat aircraft, and attack helicopters, as defined in the relevant sections of the CFE Treaty, with the additional understanding that artillery pieces will be defined as those of 75 mm calibre and above.

- c. In order to establish a baseline, the Parties agree to report within thirty (30) days after this Annex enters into force their holdings as defined in sub-paragraph (a) above, according to the format prescribed in the 1992 Vienna Document of the OSCE.
 - d. This notification format shall be supplemented to take into account the special considerations of the region.
3. The Parties agree to complete within 180 days after this Annex enters into force the negotiations above on agreed numerical limits on the categories referred to in paragraph 2(a) of this Article. If the Parties fail to agree to such limits within 180 days after this Annex enters into force, the following limits shall apply, according to a ratio of 5:2:2 based on the approximate ratio of populations of the Parties:
1. the baseline shall be the determined holdings of the Federal Republic of Yugoslavia (hereinafter the "baseline");
 2. the limits for the Federal Republic of Yugoslavia shall be seventy-five (75) percent of the baseline;
 3. the limits for the Republic of Croatia shall be thirty (30) percent of the baseline;
 4. the limits for Bosnia and Herzegovina shall be thirty (30) percent of the baseline; and
 5. the allocations for Bosnia and Herzegovina will be divided between the Entities on the basis of a ratio of two (2) for the Federation of Bosnia and Herzegovina and one (1) for the Republika Srpska.

4. The OSCE will assist the Parties in their negotiations under Articles II and IV of this Annex and in the implementation and verification (including verification of holdings declarations) of resulting agreements.

Article V: Regional Arms Control Agreement

The OSCE will assist the Parties by designating a special representative to help organize and conduct negotiations under the auspices of the OSCE Forum on Security Cooperation ("FSC") with the goal of establishing a regional balance in and around the former Yugoslavia. The Parties undertake to cooperate fully with the OSCE to that end and to facilitate regular inspections by other parties. Further, the Parties agree to establish a commission together with representatives of the OSCE for the purpose of facilitating the resolution of any disputes that might arise.

Article VI: Entry into Force

This Annex shall enter into force upon signature.

For the Republic of Bosnia and Herzegovina

For the Republic of Croatia

For the Federal Republic of Yugoslavia

For the Federation of Bosnia and Herzegovina

For the Republika Srpska