Annex 2

Agreement on Inter-Entity Boundary Line and Related Issues (With Appendix)

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

Article I: Inter-Entity Boundary Line

The boundary between the Federation of Bosnia and Herzegovina and the Republika Srpska (the "Inter-Entity Boundary Line") shall be as delineated on the map at the Appendix.

Article II: Adjustment by the Parties

The Parties may adjust the Inter-Entity Boundary Line only by mutual consent. During the period in which the multinational military Implementation Force ("IFOR") is deployed pursuant to Annex 1-A to the General Framework Agreement, the Parties shall consult with the IFOR Commander prior to making any agreed adjustment and shall provide notification of such adjustment to the IFOR Commander.

Article III: Rivers

1. Where the Inter-Entity Boundary Line follows a river, the line shall follow natural changes (accretion or erosion) in the course of the river unless otherwise agreed. Artificial changes in the course of the river shall not affect the location of the Inter-Entity Boundary Line unless otherwise agreed. No artificial changes may be made except by agreement among the

Parties.

2. In the event of sudden natural changes in the course of the river (avulsion or cutting of new bed), the line shall be determined by mutual agreement of the Parties. If such event occurs during the period in which the IFOR is deployed, any such determination shall be subject to the approval of the IFOR Commander.

Article IV: Delineation and Marking

- 1. The line on the 1:50,000 scale map to be provided for the Appendix delineating the Inter-Entity Boundary Line, and the lines on the 1:50,000 scale map to be provided for Appendix A to Annex 1-A delineating the Inter-Entity Zone of Separation and the Agreed Cease-Fire Line and its Zone of Separation, which are accepted by the Parties as controlling and definitive, are accurate to within approximately 50 meters. During the period in which the IFOR is deployed, the IFOR Commander shall have the right to determine, after consultation with the Parties, the exact delineation of such Lines and Zones, provided that with respect to Sarajevo the IFOR Commander shall have the right to adjust the Zone of Separation as necessary.
- 2. The Lines and Zones described above may be marked by representatives of the Parties in coordination with and under the supervision of the IFOR. Final authority for placement of such markers shall rest with the IFOR. These Lines and Zones are defined by the maps and documents agreed to by the Parties and not by the physical location of markers.
- 3. Following entry into force of this Agreement, the Parties shall form a joint commission, comprised of an equal number of representatives from each Party, to prepare an agreed technical document containing a precise description of the Inter-Entity Boundary Line.

Any such document prepared during the period in which the IFOR is deployed shall be subject to the approval of the IFOR Commander.

Article V: Arbitration for the Brcko Area

- 1. The Parties agree to binding arbitration of the disputed portion of the Inter-Entity Boundary Line in the Brcko area indicated on the map attached at the Appendix.
- 2. No later than six months after the entry into force of this Agreement, the Federation shall appoint one arbitrator, and the Republika Srpska shall appoint one arbitrator. A third arbitrator shall be selected by agreement of the Parties' appointees within thirty days thereafter. If they do not agree, the third arbitrator shall be appointed by the President of the International Court of Justice. The third arbitrator shall serve as presiding officer of the arbitral tribunal.
- 3. Unless otherwise agreed by the Parties, the proceedings shall be conducted in accordance with the UNCITRAL rules. The arbitrators shall apply relevant legal and equitable principles.
- 4. Unless otherwise agreed, the area indicated in paragraph 1 above shall continue to be administered as currently.
- 5. The arbitrators shall issue their decision no later than one year from the entry into force of this Agreement. The decision shall be final and binding, and the Parties shall implement it without delay.

Article VI: Transition

In those areas transferring from one Entity to the other in accordance with the demarcation described herein, there shall be a transitional period to provide for the orderly transfer of authority. The transition shall be completed forty-five (45) days after the Transfer of Authority from the UNPROFOR Commander to the IFOR Commander, as described in Annex 1-A.

Article VII: Status of Appendix

The Appendix shall constitute an integral part of this Agreement.

Article VIII: Entry into Force

This Agreement shall enter into force upon signature.

For the Republic of Bosnia and Herzegovina

For the Federation of Bosnia and Herzegovina

For the Republika Srpska

Endorsed:

For the Republic of Croatia

Endorsed:

For the Federal Republic of Yugoslavia

Appendix to Annex 2

The Appendix to Annex 2 consists of this document together with

- a. a 1:600,000 scale UNPROFOR road map consisting of one map sheet, attached hereto; and
- b. a 1:50,000 scale Topographic Line Map, to be provided as described below.

On the basis of the attached 1:600,000 scale map, the Parties request that the United States Department of Defense provide a 1:50,000 scale Topographic Line Map, consisting of as many map sheets as necessary, in order to provide a more precise delineation of the Inter-Entity Boundary Line. Such map shall be incorporated as an integral part of this Appendix, and the Parties agree to accept such map as controlling and definitive

for all purposes.

For the Republic of Bosnia and Herzegovina

For the Federation of Bosnia and Herzegovina

For the Republika Srpska

Endorsed:

For the Republic of Croatia

Endorsed:

For the Federal Republic of Yugoslavia

[MAP NOT AVAILABLE]