REPORT ON THE IMPLEMENTATION AND FUTURE PROSPECTS OF ARTICLES II AND IV, ANNEX 1-B OF THE GENERAL FRAMEWORK AGREEMENT FOR PEACE IN BOSNIA AND HERZEGOVINA (DAYTON PEACE ACCORDS)

(For year 2000)

1. Implementation

(a) Article II (Agreement on Confidence- and Security-Building Measures in Bosnia and Herzegovina)

During the year 2000 the Article II Agreement was implemented with success. There has been progress both in the area of notifications and inspections. However, with regard to voluntary activities, the scheduled audit of the defence budgets (intended for foreign military assistance) could not take place because only one component (the Bosniacs) agreed to accept the international team of auditors, led by the United Kingdom. Other voluntary activities proceeded as planned, and very satisfactorily. The organization of a security studies network between the universities in Bosnia and Herzegovina (BiH) has been strengthened by the support of the Institute of East-West Studies in New York, the Marshall Center, the Geneva Institute for Security Policy, NATO and Italy.

(b) Article IV (Agreement on Sub-Regional Arms Control)

Article IV has been implemented successfully although a decision by the Federal Republic of Yugoslavia (FRY) to suspend participation when its delegation was not invited to the Peace Implementation Council (PIC) in Brussels resulted in a postponement of some activities, namely the Second Review Conference and several inspections. All inspections have been rescheduled and carried out with the exception of those by BiH (one in FRY and one in Croatia). This issue is not resolved because the Joint Presidency of BiH has not yet agreed on the composition of the BiH inspection teams.

2. Outlines/Prospects for 2001

(a) Article II

The Brussels PIC decision to give the Stabilization Force (SFOR) the responsibility for restructuring the Entity Armed Forces, developing a common security policy, and strengthening the joint institutions, as well as the growing initiatives of the Office of the High Representative (OHR) and the United Nations Mission in Bosnia and Herzegovina (UNMIBH) in the field of security, have prompted a review of the proposals for voluntary activities 2001 (under Measure XI) and has resulted in the necessity of a closer co-ordination between the OSCE and all international organizations in BiH. The overall plan for voluntary activities in 2001 will focus on democratic control, code of conduct (with support from Germany and Switzerland), budget transparency (with support from the United Kingdom), aerial observation (with support from Denmark and the Czech Republic) and on disaster relief (with support from Austria and Romania and maybe the Regional Arms Control Verification and Implementation Assistance Centre (RACVIAC)).

(b) Article IV

Efforts will continue in the area of training on "undeclared site" inspections (with the support of RACVIAC). Resolving the issue of BiH inspections is also a priority. Moreover, continued emphasis will be placed on the Parties to reduce the exceptions provided by the agreement, to lower the ceilings and to reinforce transparency and co-operation in the sub-region (as provided in the preamble in the Agreement). The Parties did not reach consensus on these issues during the Second Review Conference, but the Sub-Regional Consultative Commission will be encouraged to agree on these improvements of the Agreement