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National Intelligence Council

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28 December 1992

MEMORANDUM FOR: National Foreign Intelligence Board Principals

FROM: David Cohen  
Associate Deputy Director for Intelligence  
Central Intelligence Agency

Fritz W. Ermarth  
Chairman  
National Intelligence Council


SUBJECT: Responses to Transition Team Questions on the Balkans

1. In response to questions given to the Intelligence Community regarding Bosnia and the broadening Balkan crisis, the DCI's inter-agency Balkan Task Force has prepared specific responses which have been coordinated with other agencies and with the National Intelligence Officers for Europe and General Purpose Forces.

2. We appreciated the agencies' quick and detailed responses. The NIC has reviewed the Balkan Task Force's transition paper and believes every effort has been made to incorporate other agencies' views under very difficult time constraints.

3. The attached draft, reflecting any final comments received as of 1100 hours, Monday, 28 December, will be delivered to the Intelligence Community transition team this afternoon.

David Cohen

Fritz W. Ermarth

Attachment:  
Transition Questions on the Balkans

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28 December 1992

SUBJECT: TRANSITION QUESTIONS ON THE BALKANS

## II. Serb Economy

Sanctions to date have contributed significantly to the sharp drop in economic activity in Serbia and Montenegro.

- Industrial production in Serbia is down 35-40 percent compared to the same period last year. Nearly 40 percent of Serbia's industrial plants are idle. More than half of the normal workforce of 2.3 million is unemployed and on reduced wages.
- Serb press reports indicate that imports and exports are down by roughly two-thirds compared to last year's level. Although these declines almost certainly are overstated--they do not take into account black market activity, for example--trade activity almost certainly has been cut sharply.

Nevertheless, loopholes and violations of the UN sanctions regime have allowed Serbia and Montenegro continued access to energy and key industrial imports. Many of these goods are imported illegally via truck and rail through the neighboring states of Bulgaria, Hungary, Romania, and the Republic of Macedonia. Barge deliveries along the Danube River and ship visits at the Montenegrin port of Bar have been other sources of leakage. (See map for supply routes.)

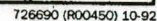
### IIA. How to tighten the blockade

Several shortcomings remain in the international effort to tighten economic sanctions.

- UN Security Council Resolution (UNSCR) 787 grants forces in the Adriatic Sea and riparian states on the Danube River the authority to stop and search vessels suspected of violating sanctions. NATO and WEU forces in the Adriatic have stopped over 80 suspect ships since enforcement began; while a few violators have slipped through, there have been no further oil tanker deliveries to the port of Bar. A lack of political will and logistical problems continue to plague efforts on the Danube, however, despite improving enforcement efforts there.
- UNSCR 787 also prohibits the transiting of several key commodities--oil, petroleum products, coal, energy-

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related equipment, iron, steel, and chemicals. A total ban on the transiting of goods has not been implemented because of the economic harm to neighboring states. (See questions IIA11-12 for more information on the impact a total ban would have on these countries.)

- International sanctions assistance monitors stationed in Hungary, Bulgaria, Macedonia, and Romania to assist domestic customs services in adequately enforcing sanctions should be expanded and given greater authority. The monitoring groups are small in numbers, and their mission is limited to assistance and observation. To enforce the tightened sanctions under UNSC Resolution 787 will probably require the expansion of existing monitoring groups--particularly in Macedonia--as well as dispatching additional teams to Croatia and Albania. Effectively monitoring the various routes would probably require the stationing of several thousand additional personnel.
- The international community will need to provide substantially greater financial compensation to encourage bordering countries to tighten sanctions against Serbia and Montenegro. Such assistance will be particularly important in getting greater support from such primary sources of leakage as Romania, Bulgaria, and Ukraine.
- Financial sanctions could be strengthened. In particular, Cyprus continues to be one of Belgrade's primary financial safehavens. The tighter regulations recently enacted by Cypriot officials are encouraging, but the potential profits to be made will make the regulations hard to enforce.

IIA7. What is the present level of effectiveness of the blockade, broken down by major category (oil, chemical, intermediate products, etc.)?

#### Energy Imports

Oil. We estimate that Belgrade probably received in November well over half of the 65,000 barrels per day (b/d) that it imported before sanctions (see Charts A and B).

- The most significant overland leakages have been through Bulgaria. International monitors report that before Sofia began more stringent enforcement of UNSCR 787, substantial volumes were delivered by road and rail from Bulgaria, allegedly destined for Macedonia, Bosnia, and Croatia. Most of this oil was almost certainly diverted to Serbia or Serbian-held areas of Bosnia.

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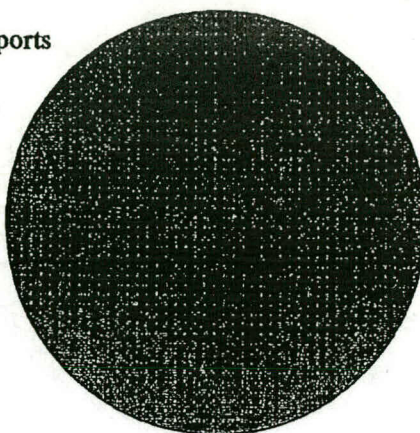
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**Chart A**  
**Imports as Share of 1991 Total**  
**Primary Energy Consumption**

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*Percent*

Imports  
23



Domestic production<sup>a</sup>  
77

**Total = 398,000 barrels per day oil-equivalent**

<sup>a</sup> Includes oil, coal, gas, and hydroelectric power.

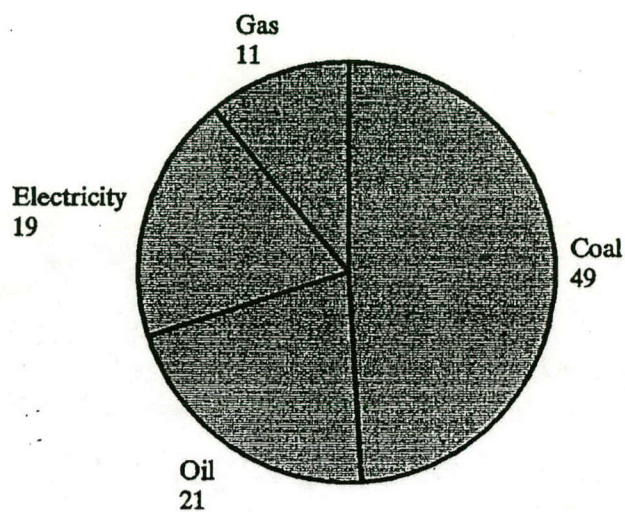
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**Chart B**  
**Primary Energy Consumption, 1991**

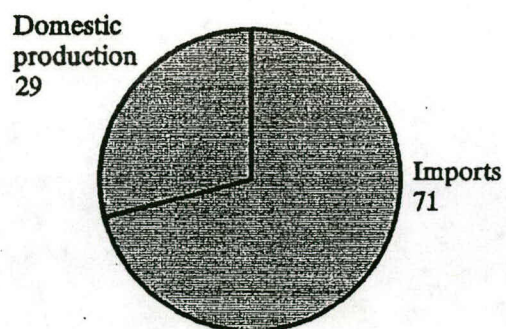
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*Percent*

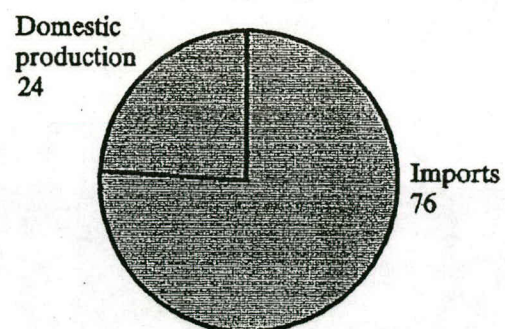
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**Total=398,000 barrels per day oil-equivalent**

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**Natural Gas Consumption****Total=2,410 million cubic meters**

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**Oil Consumption****Total=86,000 barrels per day**



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- Oil has also moved overland--largely by black market operators--across the Hungarian border by road and rail through Tompa, Roszke, and Kelebia, and through Romanian border crossing points at Jimbolita, Moravita, and Naidas.
- Oil shipments originating at the Greek port of Thessaloniki travel overland through both Macedonia and Bulgaria.
- Barge deliveries along the Danube River were quite high from September through mid-November, although they have since fallen off. Most of these imports were allegedly transiting Serbia en route to neighboring states, but were offloaded in Serbian ports.
- Interdiction forces in the Adriatic have cut substantially the flow of energy products through Bar. Since early November, when three large tankers offloaded as much as 350,000 barrels of oil products, only one probable oil tanker, carrying up to 30,000 barrels, has shown up.

Natural Gas. Various sources report that Serbia receives as much as 800,000 cubic meters (cm) of gas per day--about one-sixth pre-sanctions level--by diverting Russian gas from a pipeline running through Ukraine and Hungary (see map). In addition, according to Serb officials, domestic natural gas production rose roughly 13 percent this year to 2.1 million cm per day (see response to question IIC, page 11).

Coal and Electricity. Serbia is self-sufficient in coal production and produces almost all the electricity it needs. Problems could arise, however, if Serbian mines suffer production declines--due to labor or power disruptions, for example--or if a lack of spare parts and diesel for trains and trucks hampers coal delivery to consumers.

#### **Non-energy Imports**

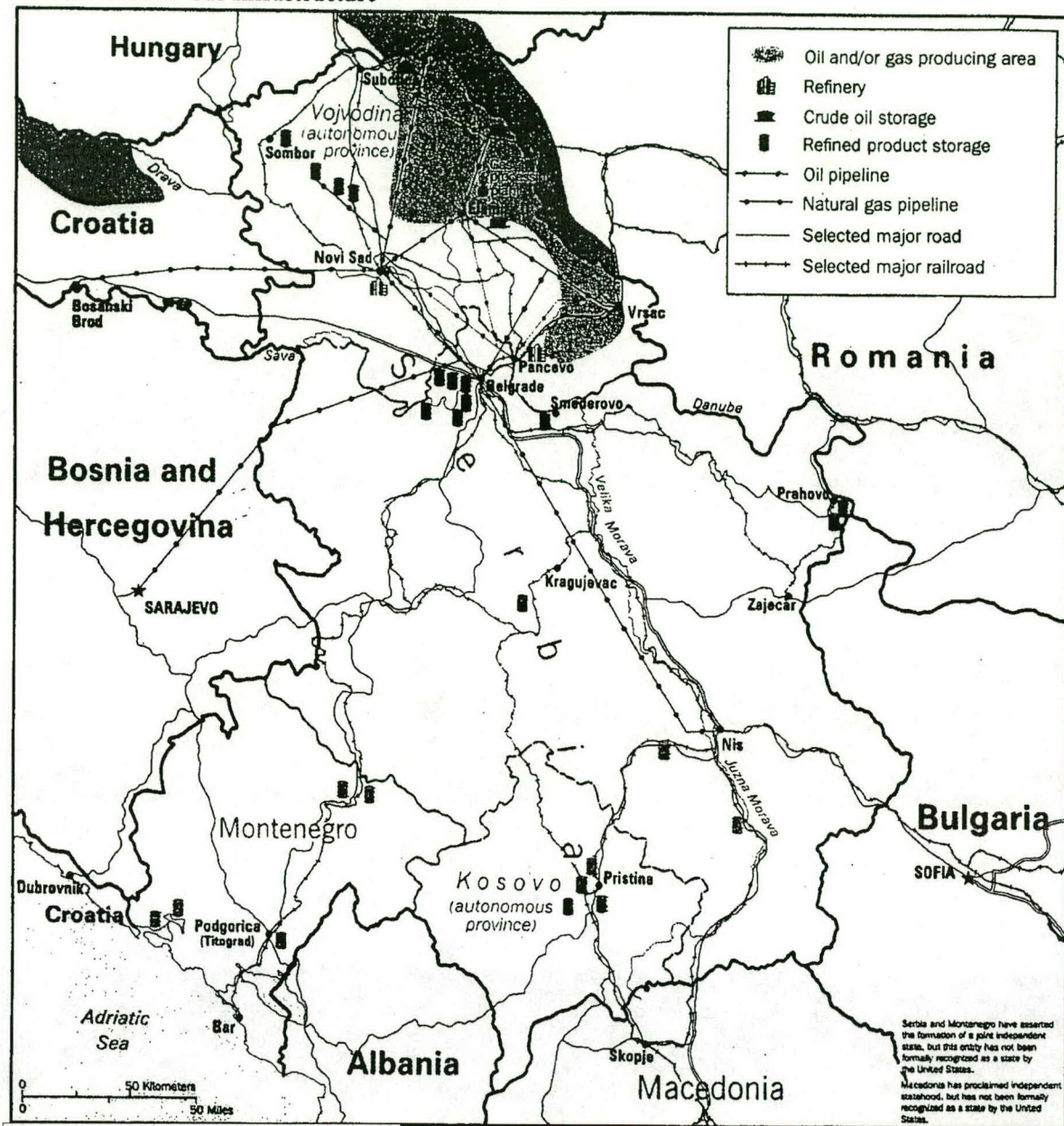
Our ability to assess the volume of Serbia's non-energy imports is far more limited. Intelligence sources tell us the types of industrial and consumer imports coming into Serbia, but we rarely have enough information to derive reasonable estimates of the volume of such imports.

- International sanctions monitors (SAMs), for example, report what is being turned back at various international borders. Because of limited staffing and numerous border crossings, the SAMs at best provide us with a snapshot of a small part of the

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## Serbian Oil and Gas Infrastructure



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actual volume of Serbia's international trade activity. [REDACTED]

Metal Manufacturing. The metal industry depends on imports for 50-70 percent of its inputs of iron ore, rolled and flat iron, and steel products. The automotive industry requires imports of finished engines, auto parts, tires, gears, and ball bearings.

[REDACTED]

- Most of these imports have been transiting Romania via the Danube or through Hungary using roads, railroads, and the Danube. International monitors watching just two of the border crossings in western Romania in October, for example, reported that about 1,200 tons of fuel and steel moved into Serbia by truck and 44,000 tons by rail. [REDACTED]

Textiles. The textile sector relies on imports of cotton, wool, synthetic fibers, and some finished textiles.

- Many of Serbia's imports come from Asia--particularly India--and the Middle East. Yugoslav firms have attempted to import Egyptian cotton, for example. Firms have also arranged trade deals with companies in Belgium, Portugal, and Iran.
- Limited intelligence exists regarding textile-related trade; some shipments have occurred via the ports at Bar, or Reni, Ukraine, while others transit Macedonia and Greece. [REDACTED]

Chemicals. Serbia's chemical industry is one of Belgrade's leading commodity exports. It accounted for 11 percent of Serbia's estimated \$2.5 billion in exports in the first half of this year. Serbia also depends on imported raw materials, primarily petroleum, natural gas, and phosphates, to produce fertilizers.

- Yugoslav chemical imports originate primarily in Hungary and, to a lesser extent, Bulgaria, but also have involved [REDACTED] Belgium, Cyprus, Hungary, and Switzerland. [REDACTED]

- Most Hungarian chemicals probably have been entering Serbia by rail, some by road. Bulgarian firms have shipped chemicals to Serbia via Macedonia, and distant suppliers have moved barges of phosphates up the Danube. [REDACTED]

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## IIA8. What are the major leak points?

The extensive land/water network connecting Serbia with its neighbors provides numerous opportunities for circumventing sanctions. Intelligence sources indicate that Belgrade is using the following means for handling almost all of its international trade. Major Danube River facilities include:

- The Hungarian river customs checkpoint at Mohacs; the Bulgarian river ports at Ruse and Vidin.
- Galati, Giurgiu, the Iron Gates locks at Turnu Severin, and the seaport of Constanta, all in Romania.

Other important Romanian river transit points include the secondary river ports at Braila, Calarasi, and Calafat, and the seven navigable inland waterways in the Timisoara region that link Romania to Vojvodina's Danube-Tisa-Danube (Dunav-Tisa-Dunav) canal system.

Rail crossing points into Serbia and Montenegro include:

- Kelebia and Roszke in Hungary.
- Jimbolia, Cruceni, Moravita, and Jamu Mare in Romania.
- Kalotina in Bulgaria.
- Kumanovo and Deneral Jankovic in Macedonia.
- Hani Hotit near Shkoder in northern Albania.

Major highway crossing points into Serbia and Montenegro include:

- Hercegszanto, Tompa, Roszke (and occasionally Bacsalmás) in Hungary.
- Comlosu Mare, Jimbolia, Cruceni, Moravita, Jamu Mare, Jam, Kaluderovo, and Iron Gates at Turnu Severin in Romania.
- Bregovo, Vrska Cuka, Kalotina, Glavanovci, and Dolno Ujno in Bulgaria.
- Kumanovo, Deneral Jankovic, and Vratnica in Macedonia.
- Hani Hotit in Albania, and Vrbnica in Kosovo on the Albanian border.

In each district, with the probable exception of the Albanian border, many additional minor local roads offer smugglers avenues for movement of at least small cargoes.

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IIA11. Legal authority and consequences of shutting down transshipment through Serbia?

and

IIA12. How much is being diverted?

State/EB and L, and Treasury, will have to answer on the legal authority. With regard to the consequences of shutting down transshipment, the effects would vary depending whether transshipment were banned for all or only selected goods.

- UN Security Council Resolution (UNSCR) 787 banned transshipment of key goods, particularly petroleum; effective enforcement of this existing measure would close a key loophole in the crucial energy sector.
- For Serbia and Montenegro, a total ban on transshipment would do severe economic damage and would significantly accelerate the potential social and political consequences of economic sanctions. Neighboring countries, however, would also suffer economic damage from the disruption of trade. Macedonia would be particularly hard-hit, since rail lines through Serbia are still used on a case-by-case basis for delivery of energy-related supplies.
- Moreover, economic sanctions are unlikely to have rapid social and political consequences. Effective enforcement of the existing sanctions would apply significant and growing pressure on Belgrade, but sanctions violators seeing opportunities for large profits will find innovative ways to circumvent key provisions. Sanctions must be sustained--and actively managed to close detected loopholes--for a prolonged period and create the social and political backlash necessary to compel policy reversals by the Milosevic regime.

Prior to implementation of UNSCR 787, Belgrade was diverting over 40 percent of all goods allegedly transiting Serbia, according to international monitoring teams. In some instances, the diversion rate was as high as 80 percent, according to the same monitors.

- The current sanctions regime still offers opportunities for sanctions violations. Shippers are able to hide strategic cargoes among other non-sanctioned goods and to reclassify cargoes. Shippers can also falsify documents by citing approval by the UN sanctions committee or by listing a Bosnian entity as the requestor of the goods.

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-- [REDACTED]

A total shutdown of international trade through Serbia would impact most severely on Belgrade's immediate neighbors, particularly Romania, Bulgaria, and Hungary. All are strapped for cash and are in the midst of ambitious efforts to transform their socialist economies into ones based on private enterprise. They also depend on overland routes through Serbia for much of their international trade. They will have to find alternative shipping routes, which will be less direct and more expensive.

- Bulgaria, which claims it is already losing \$40-50 million per month from sanctions, says the new resolution will increase transportation costs by \$5 million per month.
- Hungary is concerned that the new guidelines on transit shipments will bring about a drop in trade with Greece, Turkey, and the Middle East. Budapest estimates that trade losses from tighter sanctions will rise well above the current level of \$50 million per month.
- Macedonia claims the new transit ban will deliver the "coup de grace" to its already fragile economy. The country's only rail link with northern Europe cuts across Serbia; alternate truck routes through Bulgaria and Albania are inaccessible during the winter. Skopje estimates that more circuitous routes could add about \$1,250 per truckload to transportation costs.
- Greece is also expected to incur costs. The Yugoslav breakup has already forced Greece to reroute approximately 70 percent of its trade with the European Community. We believe the new resolution may cost Athens about \$270 million in lost exports and oil transshipment revenues next year. [REDACTED]

**IIA12a. Montenegro?**

We have no information on diversions that distinguishes between Serbia and Montenegro. [REDACTED]

**IIB1. What are the Serbs paying their bills with?**

At the inception of sanctions, Yugoslavia had a variety of funds to draw from to evade sanctions. Outside of Yugoslavia, the government, firms, and private citizens held over \$5 billion in known Yugoslav accounts. Prior to imposing sanctions, Serb

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officials also placed funds into hidden accounts in Cyprus, Russia, and China.

- More than \$1 billion dollars of the Central Bank of Yugoslavia reserves were cached abroad.
- Some of Belgrade's estimated \$600 million of gold reserves were sold and hidden offshore.

Domestically, hard currency in the nation's banking system probably totaled around \$500 million prior to sanctions. In addition, firms and individuals probably held an additional \$2 billion outside the banking system. Currently, Yugoslav citizens and firms abroad are earning additional hard currency--as much as \$2.3 billion annually--some of which can be used to fund sanctioned imports. [ ]

Belgrade coordinates the bulk of its illicit trade with the Middle East and Europe by working through hundreds of Yugoslav front companies based in Cyprus. These front companies work with Belgrade-based trading companies [ ]

[ ] Banks in Cyprus that hold Yugoslav funds handle the financing for this trade. [ ]

Based on observed trade patterns with Russia, Ukraine, and several countries in Eastern Europe, Yugoslavia may also be using bilateral barter agreements established prior to sanctions. The typical agreement establishes a clearing account that is periodically adjusted when the partner importing the most pays the balance due. A clearing account of \$10 million potentially could support several hundred million dollars in trade a year. [ ]

In addition to sanctions-evading trade spearheaded by the government and Yugoslav firms, citizens in Yugoslavia use their own stashes of hard currency to support a broad range of small-scale smuggling of embargoed consumer goods. [ ]

**IIB2. Impeding transfer payments and disclosing assets held in foreign countries?**

UN Resolution 757, Article 5, calls for member nations to prevent Yugoslav entities from removing funds from member countries or from permitting Yugoslav entities to transfer funds to persons or bodies within the Federal Republic of Yugoslavia. Some exceptions are permitted, such as releasing money for the purchase of humanitarian goods (see box). Yugoslav entities covered by the resolution are the Governments of Yugoslavia, Serbia, and Montenegro as well as Yugoslav-owned banks, businesses, and citizens. Yugoslav assets are located principally in Germany, the United States, the United Kingdom, Austria, France, and Cyprus--each country holds \$500 million or more. [ ]

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The obligations of nations to impose financial sanctions is found in United Nations Resolution 757 article 5:

"Decides that all states shall not make available to the authorities in the Federal Republic of Yugoslavia (Serbia and Montenegro) or to any commercial, industrial or public utility undertaking in the Federal Republic of Yugoslavia (Serbia and Montenegro), any funds or any other financial or economic resources and shall prevent their nationals and any persons within their territories from removing from their territories or otherwise making available to those authorities or to any such undertaking any such funds or resources and from remitting any other funds to persons or bodies within the Federal Republic of Yugoslavia (Serbia and Montenegro), except payments exclusively for strictly medical or humanitarian purposes and foodstuffs;"

Although UN Security Resolution 757 stipulates that member countries implement economic sanctions against Yugoslavia, member nations cannot be compelled to enforce them. Most UN members, with a few exceptions such as Iraq and Iran, have promised to do so. Specifically, the majority of countries complying with sanctions bar external and internal transfers of official assets. Many nations, however, allow Yugoslav-controlled firms and citizens to make in-country transfers of funds (see Table 1).

- Washington has frozen the funds of Yugoslav entities, but permits an entity to petition for the release of funds under a UN-allowable exception.
- London prevents the transfer of official government assets and places restrictions on non-resident Yugoslav businesses and citizens, but permits resident Yugoslav entities to use some of their funds.
- Bonn has issued administrative guidance to banks to freeze government-owned assets, but permits Yugoslav businesses limited use of assets in-country and allows Yugoslav citizens to transfer funds outside of Germany as long as the funds do not go to Yugoslavia or to a Yugoslav-owned bank.

Most governments have not required banks to provide an accounting of their Yugoslav assets and rely on banks to voluntarily implement government guidelines.

Despite sanctions-evading activity by Yugoslav entities, governments in Europe, Cyprus, and the CIS are reluctant to block the accounts of Yugoslav firms and citizens because:

- Host-country citizens and Yugoslav expatriate workers could be thrown out of work, thus placing a burden on the state.

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## STATUS UPDATE OF FROZEN YUGOSLAV FINANCIAL ASSETS

Country	Assets	Official	Banks	Firms	Citizens	Policy on Transfers from Firm and Citizen Accounts
Albania		Y	?	?	?	No indication accounts have been frozen
Australia		Y	?	Y/N	N	Permits firms to pay local bills
Austria	\$500 million	Y	Y	Y	N	Pensioners can hand-carry money out of Austria
Belgium		Y	?	?	?	No transfers outside of country
Bosnia		?	?	?	?	No indication accounts have been frozen
Bulgaria		Y	?	?	?	No transfers outside of country
Canada	\$200 million	Y	Y	Y/N	Y/N	Permits firms to pay local bills
China		?	?	?	?	No indication accounts have been frozen
Croatia		Y	Y	Y	Y	No transfers outside of country
Cyprus**	\$2 billion	Y	Y	Y/N	Y/N	May permit transfers that do not help Yugoslavia
Czechoslovakia		Y	?	?	?	No transfers outside of country
Denmark	\$14 million	Y	Y	Y	Y	No transfers outside of country
France	\$425 million	Y	Y	Y	Y	Considering private humanitarian exceptions
Germany	\$730 million	Y	Y	Y/N	N	Pensions can be sent to non-Yugoslav banks
Greece		Y	?	?	?	No transfers outside of country
Hungary		Y	?	?	N	Permits firms and citizens to pay local bills
Iran		N	N	N	N	Will not apply sanctions
Iraq		N	N	N	N	Will not apply sanctions
Ireland		Y	Y	Y	Y	No transfers outside of country
Italy		Y	Y	Y	N	No transfers outside of country
Japan		Y	?	?	?	Will follow international consensus
Luxembourg	\$330 million	Y	Y	Y	Y	No transfers outside of country
Macedonia		?	?	?	?	No indication accounts have been frozen
Netherlands	\$95 million	Y	?	?	?	No transfers outside of country
Norway		Y	?	?	?	No transfers outside of country
Poland		Y	Y	Y	Y	No transfers outside of country
Portugal		Y	?	?	?	No transfers outside of country
Romania		?	?	?	?	No transfers outside of country
Russia		?	?	N	?	No indication accounts have been frozen
Slovenia		?	?	?	?	No transfers outside of country
South Korea		?	?	?	?	No transfers outside of country
Spain		Y	?	?	?	No transfers outside of country
Sweden		Y	?	?	?	No transfers outside of country
Switzerland		Y	Y	Y	N	Permits pension transfers in dinars only
Turkey		Y	Y	?	?	No indication accounts have been frozen
United Kingdom	\$500 million	Y	?	?	?	May permit pension transfers
United States	\$500 million	Y	Y	Y	Y	No transfers outside of country
Total Assets in Foreign Banks	\$5.5 billion					

\* Countries support sanctions unless otherwise noted

\*\* Asset estimate ranges from \$3.5 - 4 billion.

Y = Yes, assets are frozen N = No, assets are not frozen ? = Not yet clear Y/N = In some cases policy permits unblocking of assets

Official = Accounts of the Serbian and Montenegrin Governments  
 their central banks and the account of the National Bank of  
 Yugoslavia

Banks = Accounts of private Serbian and Montenegrin banks.  
 Firms = Accounts of Serbian and Montenegrin firms.  
 Citizens = Accounts of Serbian and Montenegrin  
 expatriates and guest workers

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- Yugoslav-controlled firms are partly owned by host-country interests that the government does not want to offend.
- Regulators often must prove the Yugoslav firm or citizen is violating sanctions before blocking it-- placing a heavy burden on under-staffed regulatory agencies. Even if a company is blocked, a new firm could quickly replace it.

**IIB2a. Ways to improve monitoring and compliance?**

Because of the differences in approach and attitude, the US Treasury's Office of Foreign Asset Control (OFAC) has initiated an effort to encourage other countries to clamp-down on Yugoslav firms and banks. For example, officials from Treasury traveled to Cyprus several months ago and persuaded Nicosia to monitor the transactions of BB COBU and other identifiable Yugoslav entities. The banks have since developed alternative channels on Cyprus and continue to function, but probably at a higher cost and with greater inconvenience. OFAC officials in mid-December also traveled to Germany, Luxembourg, and the United Kingdom to encourage officials in these countries to tighten sanctions. Foreign regulators are considering some of OFAC's suggestions and OFAC plans to increase its information-sharing of enforcement methods and Yugoslav entities violating sanctions. OFAC also plans on visiting other countries to lobby for stronger enforcement.

Convincing countries to use an OFAC-like blocking and license enforcement approach would be the best way to improve monitoring and compliance of financial sanctions and is administratively the least onerous for a country. Although OFAC officials may eventually persuade their counterparts in foreign nations that the US approach is best, implementing it could take months or even years. Conflicting domestic interests and the need for legislative mandates to increase their enforcement powers would need to be worked out first.

In the interim, most countries could slow down the financing of embargoed goods by imposing an administrative review on all transactions by known Yugoslav firms and by some Yugoslav citizens. The enormous volume of transactions would swamp regulators, slowing the approval process and the number of allowable transactions by Yugoslav entities to a crawl. Meanwhile, Belgrade would be forced to draw more heavily upon assets hidden in overseas accounts of government officials and front companies--immediately driving up their cost of evading sanctions and considerably slowing the current flow of goods.

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OFAC has agreed to periodically share its enforcement methods and information on Yugoslav sanctions-evading entities with regulators in other banking center countries. Facilitating the information sharing process would be the establishment of a central clearing center. Such a center would be staffed by regulators from the major banking center countries who would share information on financial and commercial entities evading sanctions and advise all countries on methods to enforce sanctions. The advantage of a center is that it would place expert regulators in continuous direct contact, providing them an opportunity to jointly troubleshoot problems and increasing their interest in more aggressively applying their countries' laws and authority. A center could also coordinate enforcement efforts against other countries under UN financial sanctions. [ ]

**IIC. Is it possible to sanction the Bosnia/Serb economy as distinct from the Republic of Serbia?**

Extensive economic ties between Serbia and the Serbian Republic of Bosnia and Herzegovina (SRBH) would severely complicate any attempt to apply a separate set of economic sanctions against the SRBH. Moreover, Belgrade's own economic difficulties are already having a significant impact on the SRBH economy. Overall economic output in the SRBH may already be down by as much as 90 percent because of the war and sanctions against Serbia and Montenegro. [ ]

The SRBH depends heavily on Belgrade for most of its energy needs--especially for oil and natural gas--and key economic goods,

- SRBH-controlled areas do not produce any oil or gas, but the republic has managed to import some oil from foreign suppliers and via Serbian interlocutors. Some SRBH firms have been receiving Russian natural gas along the pipeline which enters the republic from Serbia. The Bosnian Government, however, has opposed shutting down this pipeline because it too receives some benefit.
- The SRBH probably relies less on Belgrade for coal and electricity. The former Yugoslavia's only hard coal-producing mine is located in SRBH territory--although its operational status is not clear.
- We believe the Serb military is delivering oil directly to some SRBH forces. [ ]

The SRBH is somewhat less dependent on Serbia for foodstuffs. Local production of some basic goods such as bread and potatoes appears to be sufficient, but reporting indicates chronic shortages of meat, fruit, vegetables, flour, and sugar. Transportation appears to be a major bottleneck in bringing in supplies from Serbia. In early October, contracts for food deliveries from

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Serbia were held up because of a shortage of trucks and gasoline.

### III. Military

#### IIIA. Non-involvement of US forces.

##### IIIA1. Staying power of Muslim (and Bosnian Croat) forces in Bosnia.

Assuming the current level of fighting and support from Zagreb and the Bosnian Croats continue, the Bosnian Army probably can survive indefinitely as a loosely organized and reasonably effective defensive force. It will struggle, however, to control discontiguous and possibly unviable pockets.

- The Bosnian Serbs probably have taken all the territory they are able to control and possibly all they want (see map). While they are capable of bringing sufficient force to bear to defeat the Muslims in any given battle, the Bosnian Serbs are overextended in the large territories they have overrun. Their unwillingness to date to take heavy casualties in infantry engagements makes a comprehensive and decisive military campaign against Muslim forces or remaining Muslim enclaves unlikely. But they will continue to apply force selectively to eliminate some pockets of resistance and to continue ethnic cleansing.
- The current military pressure on the Muslims--essentially stand-off bombardments of Muslim enclaves in Sarajevo, Bihac, and in central Bosnia around Travnik--almost certainly is aimed at encouraging the Bosnian government to accept a negotiated settlement rather than to gain a decisive defeat of the Bosnian Army. Another primary aim is to terrorize additional non-Serb populations into fleeing.
- Nonetheless, and despite recent improvements to the Bosnian Army, the predominantly Muslim forces lack the heavy weapons, training, centralized command and control, and logistics infrastructure to defeat any coordinated Bosnian Serb infantry attacks that are backed by armor and artillery. The Muslims do not have enough rifles for all their troops; small arms ammunition is sometimes rationed to only a few magazines per rifle per week; and the shortage of artillery pieces and shells prevents them from breaking up Serb ground attacks. In addition, their organizational shortfalls and isolated positions make it difficult to distribute and effectively use existing supplies.

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# Controlled and Contested Areas in Bosnia and Herzegovina, Mid-December 1992





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- Even with additional weapons, Muslim forces could not substantially alter the military situation in Bosnia-Herzegovina. Moreover, improvements to the Bosnian Army probably would be matched by greater Serbian support to the Bosnian Serb forces, with a possible end result of greater casualties but no resolution of the conflict. The morale of some Bosnian Serb units could be made to suffer, of course, if improved arms in Muslim hands produced a perception among the Serbs that they face a more capable opponent. (See Question IIIA4 for more on the effects of lifting the arms embargo on Bosnia.)

The survival of the Bosnian Army depends heavily on maintaining tactical alliance and military supply relationship with the Croats.

- The Bosnian Army relies almost exclusively on Croatia and the Bosnian Croats for arms and supplies--such shipments probably are not sufficient to alleviate shortages. Any other outside assistance is subject to Zagreb's cooperation in allowing transit through Croatia to Bosnian forces.
- A variety of reporting suggests well-armed and organized Bosnian Croat and regular Croatian forces have been largely responsible for the successful defense of mixed-ethnic regions, particularly in central Bosnia and in Herzegovina. Friction between local Muslim and Croat forces probably was instrumental in the Bosnian Serb success in taking Jajce last month.

Zagreb probably will continue to support the Bosnian Army in order to further its own goal of tying down Bosnian Serb forces throughout Bosnia and Herzegovina. Nonetheless, a strong Bosnian Army almost certainly is antithetical to Zagreb's long-term objectives in the region, and thus Zagreb will carefully limit the support it provides. The Croatian Government ultimately wants to absorb the Croatian areas of Bosnia and Herzegovina.

Croatian forces fighting in Bosnia (HVO) appear generally well-supplied for routine operations, but upsurges in fighting can quickly lead to shortages.

- Increased levels of fighting in early November led to greater ammunition expenditures and subsequent shortages. The HVO was reportedly told by Zagreb not to expect an increase in deliveries.

IIIA2. Military age males in Croatian camps and as refugees?

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We have no reporting from which to estimate this.

**IIIA4. Threshold level of aid for military effective resistance and counteroffensive? Mostar example. Messerschmitt guns.**

Weapons alone would only marginally redress the Bosnian Army's inferiority to the Bosnian Serb Army (BSA). The 40,000-man Bosnian Army (made up mainly of Muslims, but approximately 15 percent composed of Serbs and Croats loyal to the Bosnian Government) needs much more comprehensive external assistance.

- Although the Muslim forces could easily assimilate and use infantry weapons such as assault rifles, machine-guns, and antiarmor weapons, these probably would only marginally improve the Muslims' defensive capability. There would still be training shortfalls, insufficient trained officers and NCOs, and a near-complete lack of logistical support.
- Ejecting Serbs from some land they now occupy would require armor and heavy artillery, arms the Muslims almost certainly would be incapable of using effectively over the near-to-mid-term unless they also received extensive training, improved command and control, bolstered transport, and a functioning logistics system.
- Belgrade probably would increase its support to the Bosnian Serbs if it believed that support to the Muslims threatened priority Serb-held territory in Bosnia. Under such circumstances, and assuming the international community were unwilling to take strong action which might prevent further Serb intervention in Bosnia, attempting to reclaim all of the territory the Bosnian Serbs now occupy would require massive Western military intervention.
- In addition, training on heavy weapons almost certainly would require training facilities outside of Bosnia. Zagreb probably would not be willing to sponsor such training, and other European nations, especially those contributing to UNPROFOR efforts, would be reluctant to provide such obvious support for the Muslims. In addition, the Bosnian Army is not in a position to allow large numbers of troops to be withdrawn from the country for training.

Muslim troops within the enclaves probably are only capable of effectively using infantry weapons and mortars. Although more of

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such weapons and ammunition would increase the Muslim forces' ability to resist BSA attacks in built-up urban areas such as Sarajevo, Tuzla, and Bihac, it probably would not prevent the loss of smaller towns and villages.

- Muslim use of mortars would force the BSA to disperse its artillery, but the lack of fixed Bosnian Serb targets, the difficulty of conducting counter-battery fire, and the short range of mortars compared to regular artillery, would seriously limit Muslim effectiveness.
- Bosnian troops are generally not sufficiently trained to defend the perimeter of their enclaves. The limited success they have had so far is largely a result of Bosnian Serb unwillingness to take the heavy casualties involved in city fighting. Moreover, the BSA's strategy aims at forcing the Bosnian government to negotiate rather than destroying the Muslims' Army.
- The BSA is limited in the number of major operations it can undertake. Nevertheless, if it concentrates forces to take an objective, as was done recently at Jajce (with its important hydroelectric facilities), the Muslims probably would be defeated, whether or not they had additional small arms and ammunition.

There are no Messerschmitt guns in Bosnia. Messerschmitt has never made artillery weapons, and such reports appear to be examples of the propaganda and misinformation disseminated by all sides in this conflict.

**IIIA5. Estimate the consequences of the threat and actuality of lifting the arms embargo against Croatia as well as Bosnia.**

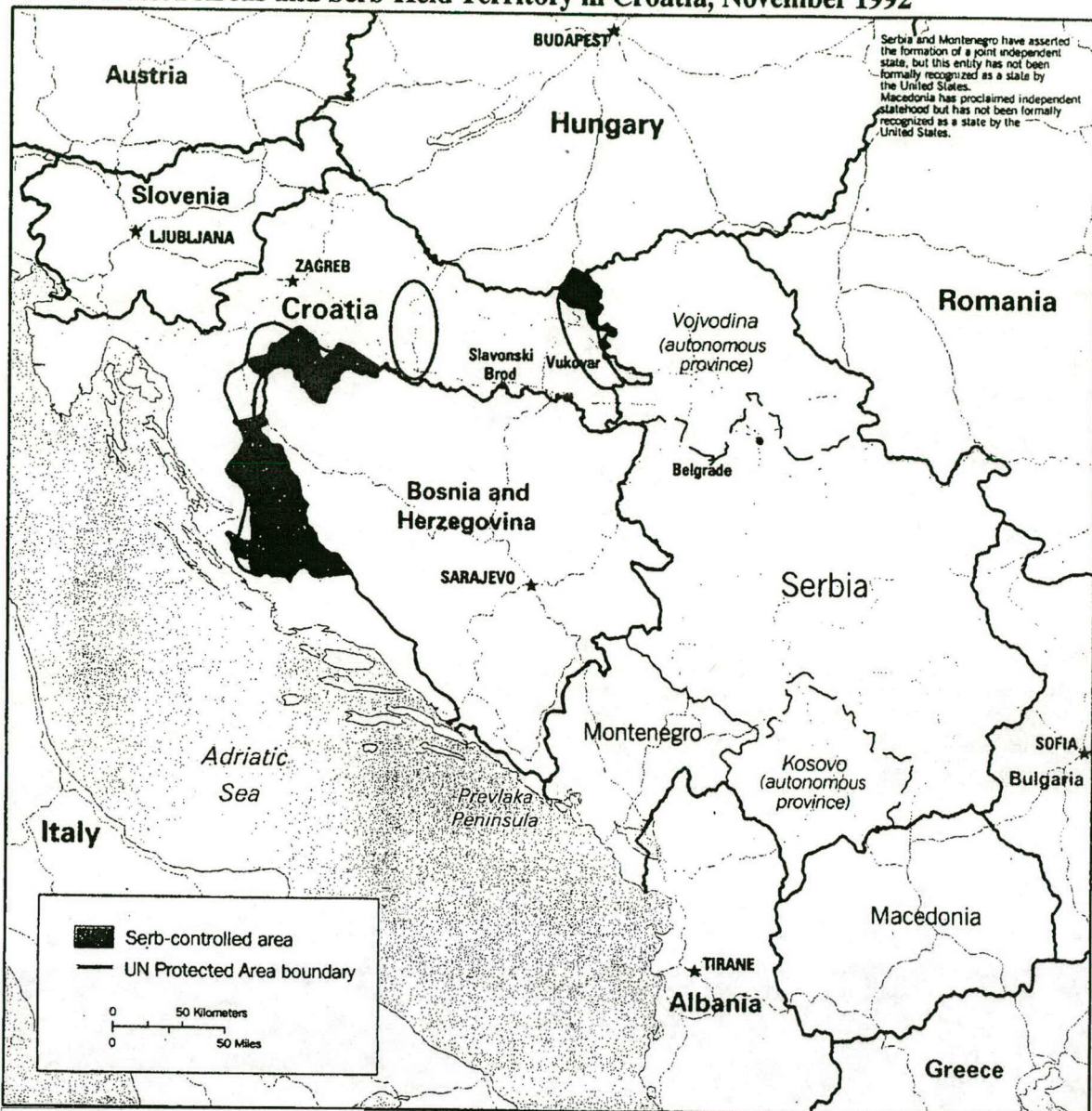
Senior Croatian officials have recently told US diplomats they are against relaxation of the arms embargo against Bosnia and Herzegovina, even if continued enforcement means they will have to cease existing provision of small arms to Bosnian forces. The Croats fear relaxing or ending the embargo will widen and prolong the conflict without bringing a Serbian defeat or other satisfactory end any closer. In the meantime, Zagreb is increasing its pressure on the UN and international community to enforce the Vance Plan in the UN Protected Areas (UNPAs) (see map), in order to avert the need to take military action itself against Belgrade to halt Serbian assimilation of these conquered Croat territories.

- President Tudjman, who vowed never to surrender an inch of Croatia, is under increasing pressure to take action against Serb irregulars operating in and controlling the UNPAs. His government has not dampened the Croatian public's growing anger at the UN's failure to disarm the Croatian Serbs, facilitate

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# UN Protected Areas and Serb-Held Territory in Croatia, November 1992



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the return of refugees (as specified in the Vance Plan), and restore Croatian control over the UNPAs.

- Zagreb has threatened to oppose renewal of the mandate of the UN peacekeeping forces that expires in February, unless UNPROFOR's mandate is upgraded to implement effectively the Vance Plan. This would require using military force against the increasingly well-established Croatian Serb "militias."
- Should UN troops remain in Croatia, lifting the arms embargo against the Croats would, at a minimum, escalate Serb-Croat tensions in the UNPAs.
- An additional political implication of lifting the arms embargo selectively is that it could encourage the Kosovar Albanians to believe that international intervention was in the offing. This could inspire an uprising that we believe would be brutally suppressed.

Militarily, lifting the arms embargo would provide a psychological and ultimately a military boost for Zagreb's forces. The overall impact on Croatian military capabilities would be modest, however, at least in the near term. The Croatian Army has gradually demobilized some forces over the past year, and intends to reduce still further in the near future. By early 1993, it reportedly plans to have approximately 40,000 men under arms. Zagreb almost certainly would mobilize reservists before undertaking offensive action, however, raising army strength to 100,000 or even 200,000 troops, many with combat experience.

- The Croatian Army has a good supply of infantry weapons and appears to have little difficulty acquiring more, according to a number of sources. Although several sources report the Croats are negotiating to acquire heavier weapons, including aircraft, there is no evidence that they have received any since the embargo began.
- Most of the Croatian Army's equipment was captured last year from the Federal Army, including at least 220 tanks, 125-300 armored personnel carriers (APCs) and 200 artillery pieces. Nevertheless, the Croatian Army remains vastly outnumbered in all categories of heavy weapons, and has only two combat aircraft to oppose the entire Federal (Serbian) Air Force.
- The Croatian Army also would need greater logistic capabilities to carry on a renewed war with Serbia.

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In order to counter Federal Army advantages, the Croats would need tanks, artillery, APCs, and most importantly, improved air defenses.

- Much would depend upon Croatia's ability to pay for sophisticated weapons.
- The Croatian Army probably could make limited use of these weapons immediately, but it almost certainly would need at least three to six months to be able to use them effectively in large-scale conventional operations such as would occur if Croatian and Federal forces resume fighting. [ ]

If the Croatian-Serbian war resumes, the Federal Army almost certainly would resist any Croatian effort to retake territory in eastern Slavonia.

- The Federal Army probably would concede western Slavonia to Zagreb, as many Serbs have now left the region. It also is not likely to directly intervene with ground forces in the Krajina, but probably would do more--including launching airstrikes, in our judgment--to help Serb forces in that area. [ ]

Finally, lifting the UN arms embargo from Croatia and Bosnia enjoys little support among the Allies.

- The EC Summit at Edinburgh early this month decided not to seek a change to the UN embargo.
- Later, at the Geneva ministerial conference on Yugoslavia, UN envoy Vance made the case that lifting the embargo would only widen and deepen the conflict. The Russian Deputy Foreign Minister, and the Greek, Spanish, and Portuguese Foreign Ministers, agreed. The Turkish Foreign Minister, however, reflecting the view held by virtually all Middle Eastern Muslim states, argued in favor of lifting the embargo. [ ]  
[ ]

#### IIIA11. Assessment of Serb tactics and morale

Bosnian Serb forces are conducting a war of attrition. They are exploiting their advantages in armor and artillery, increasing pressure on enemy forces while minimizing Bosnian Serb casualties.

- The BSA has approximately 40,000 troops armed with about 300 tanks, 250 APCs, and 600 artillery pieces, along with over 300 mortars.
- The Bosnian Serbs, however, are spread thin. They typically employ armor and artillery as standoff weapons, aiming to shell Croat and Muslim strongpoints

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into submission. Few pitched infantry battles have occurred in the conflict so far, and most engagements have been small unit clashes. The BSA is, however, capable of concentrating forces to conduct well-coordinated operations to secure strategic objectives, such as locales within the Posavina corridor. [ ]

Some evidence suggests Serb discipline, unit cohesion, and morale have suffered in areas where fighting has been intense (we have similar reports on the Bosnian Government and Croatian forces). But we believe BSA troops remain sufficiently spirited to continue the fight and hold their own against a weaker opponent.

- Most Serb fighters profess, as do the Bosnian Army troops, that they are fighting for their homeland. Although the BSA probably would negotiate away some of the territory it has occupied, it almost certainly is prepared to defend at least most of the 60-plus percent of Bosnia it claimed before the conflict began.
- Roughly 80,000 Bosnian Serb irregular troops would pose the most resistant threat if Western forces intervened. Although the "warlords" lack heavy weapons, training, and central organization and control, they are motivated primarily by nationalist impulses and local issues and will continue to fight sporadically until they are disarmed or achieve their goals. [ ]
- Large-scale Western military intervention probably would be demoralizing to the Bosnian Serbs, although some would take heart from their traditions, training, and ideal terrain for guerrilla resistance. Once recovered from the initial shock, those Bosnian Serbs who continued to fight would prove a tough and resourceful foe. [ ]

#### IIIA12. Assessment of Federal Army tactics and morale

The Federal Army remains the dominant military force in the former Yugoslavia. Over the last year, it has largely redressed the organizational disarray caused by the withdrawals from Croatia and Slovenia. It currently has approximately 1,400 tanks, 1,100 APCs, 1,100 artillery pieces, and 300 combat aircraft. The Federal Army has roughly 80,000 men under arms, and it could more than double in size within about two weeks by calling up reservists.

- If fighting resumed in Croatia, Federal forces probably would attempt to seize maximum territory in the shortest amount of time as a bargaining chip in future negotiations. These attacks almost certainly would be aimed at the plains of eastern Croatia and would be conducted by Federal armored and mechanized

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brigades with extensive artillery support. Federal forces probably would make extensive use of airpower.

- The army and air force could sustain intensive operations in Croatia for several weeks, and a low-level conflict indefinitely. The Federal military almost certainly has sufficient stockpiles of fuel and ammunition and retains a limited ability to produce new weapons and munitions.
- Federal forces have reinforced and heightened their readiness in and near Kosovo over recent months. In conjunction with approximately 25,000 Interior Ministry troops now in Kosovo, it probably could forcefully suppress an uprising in short order.
- Federal forces would have greater difficulty supporting multiple fronts, for instance, if forced to fight in Croatia, Kosovo, Macedonia, and directly intervene in Bosnia at the same time.
- The morale of Federal forces is unknown but probably good. It probably would decline significantly if the army became involved in a grinding military campaign.
- The army is now made up almost solely of ethnic Serbs and Montenegrins, which has improved unit cohesion.

#### IIIB. Involvement of US Forces.

##### IIIB4. State of tactical intelligence to support military operations?

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Tactical intelligence assets are available in Europe, however, and could be deployed to "Yugoslavia" on short notice by a theater commander given a military mission.

- Aircraft equipped for imagery and authorized to overfly Bosnia could provide the broad-area and lines-of-communication coverage that would be needed to support forces in combat. Such information is difficult and expensive to acquire with satellites.
- [ ]

**IIIB4a. Do we have necessary intelligence to support military in support of enforcing no-fly zone?**

Yes, but aircraft are elusive targets, and how we chose to enforce the no-fly ban would determine what intelligence is required.

- If the ban is to be enforced by monitoring the Bosnian airspace, detecting violators, and attacking individual aircraft, enforcement would be carried out by a tactical package (primarily AWACS and fighter aircraft) put together by the theater commander. EUCOM has the assets in theater to accomplish this.

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-- Alternatively, if we elected to attack airfields in Bosnia or Serbia, JCS and EUCOM target planners would need national-level intelligence. They would require satellite imagery of the Bosnian Serb fighter-bomber base at Banja Luka and the nearby Zaluzani helicopter field, [REDACTED]

[REDACTED]

IIIB4b. If not, how long would it take to get it?

[REDACTED]

We are unlikely, however, to collect much of the desirable detailed intelligence on Bosnian Serb plans to contest or retaliate for no-fly enforcement, [REDACTED]

[REDACTED]

IIIB4c. Do we have tactical intelligence to support bombing raids against ground targets, air fields, active military zones, military supplies and any critical transportation and communication nodes?

No. As noted in IIIB4 above, we lack such tactical intelligence--although US forces in Europe have tactical collection assets and could deploy them if there were a political decision to do so. Moreover, we believe it would be impossible to identify through imagery most Bosnian Serb heavy weapons in Bosnia's rough terrain and heavy concealment. That said, however, our national-level intelligence would be valuable to US target planners. [REDACTED]

[REDACTED]

IIIB4d. Have we assessed target sets required to sharply reduce the military potential of Serbian industrial target sets? Military industrial target sets?

and

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[REDACTED]

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IIIB4e. Have we assessed military options for attacking any of these sets?

We are providing our best answers to these questions in an effort to be fully responsive. DIA notes, however, that the Joint Chiefs of Staff and/or EUCOM are in the best position to answer questions on operational planning, including IIIB4f below.

The Intelligence Community has not assessed such military options, but we understand that JCS and EUCOM have begun tactical target planning. Question IIIB5 suggests some guidelines for assessing potential targets in Serbia.

IIIB4f. Do plans exist to execute elected target sets?

According to standard DOD practice, JCS AND EUCOM do not share with us details of their contingency plans for the former Yugoslavia. We stand ready, however, to provide any intelligence support that may be required.

IIIB5: What are the most important targets in Serbia?

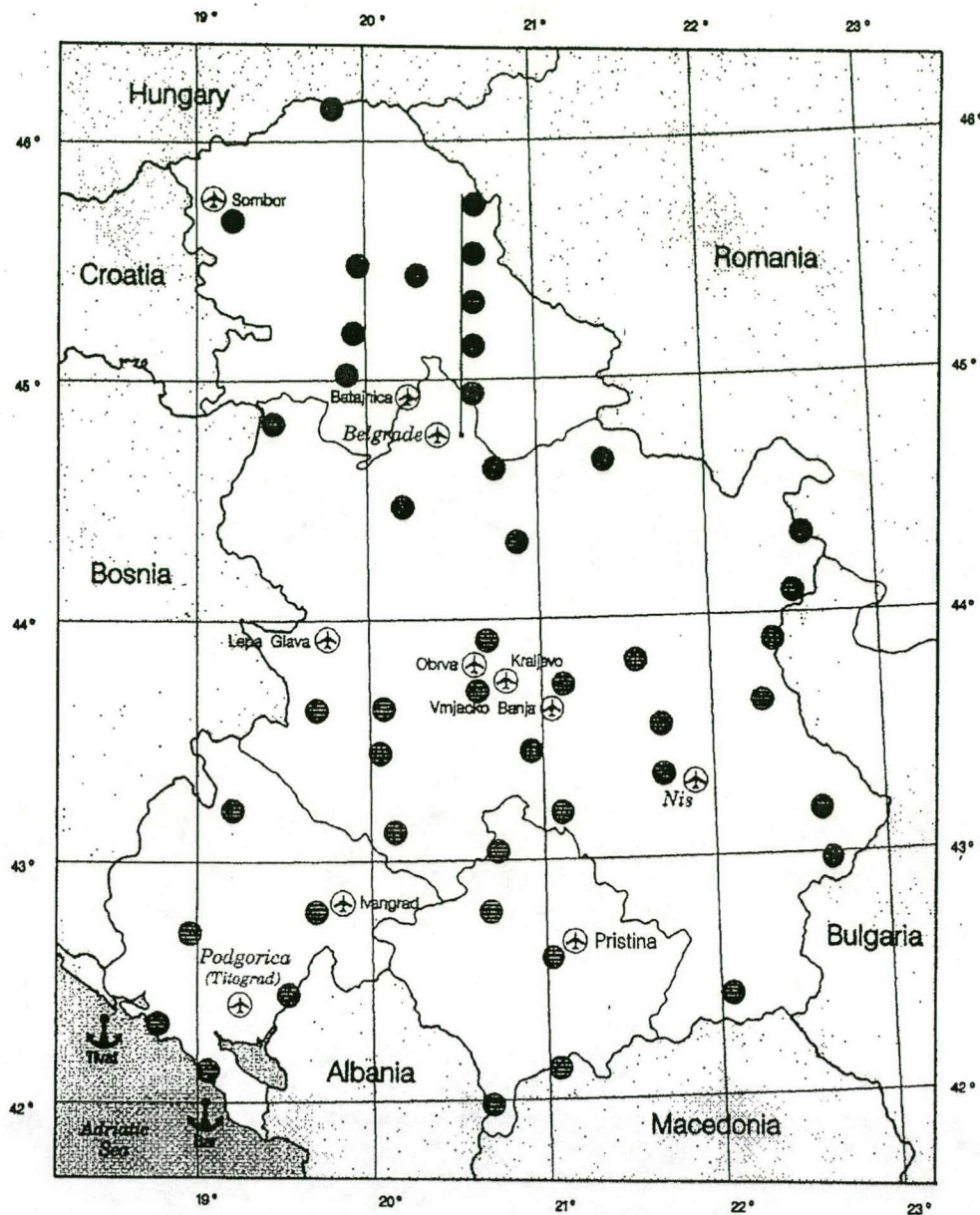
The most important targets in Serbia are the principal military airfields and a few power plants. Attacking three airfields would eliminate the Serbian Air Force's capabilities to contest Western air superiority over the former Yugoslavia and reduce its ability to reinforce the Bosnian Serbs or Serbian forces in Kosovo by air. Similarly, air strikes on six power plants would disrupt the Serbian power grid for at least a year with massive consequences for the already weakened Serbian economy. Air strikes on several rail and road chokepoints would further disrupt the economy.

Military Targets. The Serbian Air Force is concentrated at a few airbases and is more vulnerable to attack than Serbian ground forces. Attacks on three airbases would disrupt Belgrade's air intercept and transport capabilities and leave the eight remaining airbases largely undefended (see map).

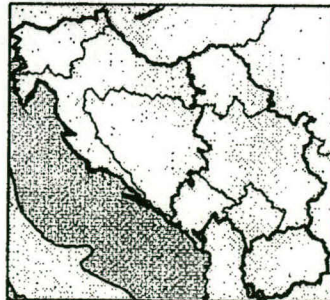
-- Air Force. The collapse of the Yugoslav federation forced Belgrade to concentrate its aircraft at a few highly vulnerable airfields in Serbia and Montenegro. All of the Serbian Air Force's MiG-21 and MiG-29 fighter aircraft and most of its transport aircraft are based at the airfields near Batajnica, Nis, and Pristina. The Serbian Air Force has surrounded these airfields with ground-based air defenses. Each of the three principal airfields has an antiaircraft artillery battalion and a dedicated SAM unit--SA-6 regiments around Nis and Pristina and an SA-3 battalion around Batajnica. Each of the eight smaller airfields, where ground-attack aircraft and

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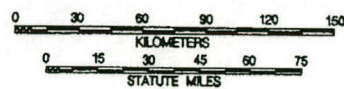
# Yugoslavia Order of Battle 23 December 1992



## YUGOSLAVIA



- Major Army Units
- Ports
- Airfields
- Army Headquarters*





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helicopters are based, is defended only by antiaircraft artillery.

- Army. The Army's headquarters and forces are dispersed in numerous small casernes throughout Serbia and Montenegro, and large numbers of air strikes would be needed to have a major impact on the Army's overall capabilities. Air strikes, however, would result in heavy civilian casualties because the 3 army and 10 corps headquarters are located in downtown urban areas, and most of the 63 brigades are garrisoned within cities or towns.
- Navy. An attack on Serbian naval bases would have little impact on the fighting in Bosnia. The Serbian Navy is concentrated at two naval bases--Tivat and Bar--and is extremely vulnerable to air strikes. Few Serbian warships, however, have ventured into the Adriatic since the Western navies began patrolling the Yugoslav coastline.

Energy Targets. Broadening the targets beyond military facilities clearly would be seen as an attack upon the Serbian people. Were the decision made to do that, however, several energy facilities in Serbia would be critical because of the economic damage their loss would inflict. Attacks on power plants probably would paralyze the Serbian economy, and cause rolling brown-outs in Montenegro and possibly Bosnia, while attacks on the single natural gas facility, fuel storage sites, or refineries would further disrupt the economy. Large numbers of air strikes would be needed to disrupt military operations because the Army has numerous small fuel storage sites throughout the country. Only a few of these military storage sites have been located. The effect on Bosnian Serb operations would be slow to appear, given the presumed low fuel consumption of the mainly immobile forces there.

- The loss of 6 of 18 electrical power plants--Obernovac, Iron Gate, Pristina, Novi Sad, Pljevlja New, and Belgrade--would disrupt the entire power network for a year or more.
- An attack on the natural gas processing and storage facility at Elemir would disrupt the supply of energy for industry and civilian heating if imports of gas were also shut off. (See question IIA7.).
- The loss of the eight petroleum storage sites along the Danube river would disrupt waterborne imports of petroleum for two to four months.
- An attack on the refineries at Pancevo and Novi Sad would disrupt Serbia's capability to refine domestic crude oil, probably for six to twelve months. The refineries, however, already are operating well below

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capacity because of a shortage of crude oil. [ ]

Transportation Targets. Air strikes on several checkpoints in the Serbian rail network would disrupt the economy and slow the movement of troops and supplies into Croatia, Kosovo, and Montenegro but would have little impact on the lines of communication from Serbia into Bosnia. The Serbian Army is well equipped with tactical bridging and could overcome any disruption caused by attacks on bridges into Bosnia relatively quickly. Repeated attacks would be necessary to keep lines of communication closed.

- Attacks on the railway bridges around Nis and Kraljevo would disrupt the major rail lines into Kosovo and force the Serbians to move reinforcements into the province by road or air.
- Attacks on rail bridges around Titovo Uzice would disrupt the major rail line into Montenegro.
- Attacks on rail bridges around Novi Sad and Sombor would disrupt the lines of communication between Serbia and Croatia. [ ]

**IVD. What is the methodology for estimating Bosnian deaths over the winter?**

Precis. In projecting non-combat deaths to the population of Bosnia and Herzegovina over the winter months now beginning, we considered:

- Weather and security to be key variables. They will affect the delivery of humanitarian assistance as well as the severity of exposure to the elements and expected disease.
- The population in need as calculated by the UN High Commissioner for Refugees (UNHCR).
- Estimates of portions of the population in need likely to have access to sufficient food, shelter, and medical relief during the winter. [ ]

Our approach was to consider how these proportions would look during the winter under six weather and security situations. These proportions were extrapolations from very sketchy reporting from UNHCR on the situation at that time. The reporting suggested that only about 30 to 35 percent of the population in need (then about 1.3 million people) were in a good shelter situation for the winter and that UNHCR was delivering less than one-third of its assessed food need for Bosnia and Herzegovina.

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- For example, in our judgment, under the good weather/good security scenario, about 90 percent would have access to food and over three-quarters would have adequate shelter. This would require significant improvements over present security conditions and delivery rates. At this time, neither the weather nor the security situation is "good."

We then applied these proportions to the total number of people in need to determine the number that would live under various food and shelter availability conditions.

- Based on UNHCR planning, we assumed that medical supplies would be delivered concurrently with food. Therefore, the proportion of the population receiving medical aid would roughly equal that receiving food.

Subsequently, we applied different multiples of the normal mortality rate for Bosnia and Herzegovina--6.5 deaths per 1,000 people in 1991--to each of these groups. We then summed the number of deaths for each group.

- The multiples were our best analytic judgment as to how the probability of deaths would increase under the various conditions.

#### Background

Two key variables--weather and security--will impact on the humanitarian relief effort and the well-being of people in Bosnia and Herzegovina this winter.

- In Matrix A, we characterized the living conditions and quantified the number of additional deaths that could occur depending on these two variables.

We defined the variables as follows:

- Good security implies few--if any--direct threats on UN personnel and convoys, but the conflict continues. It does not imply a cease-fire. Bad security implies that UN convoys are directly threatened. The situation lately has been somewhere in between, with delays and rerouting of convoys, and some sporadic attacks.
- Good weather (better than normal) implies that major roads--which link key towns where people in need are located--remain open. It also implies that some relief supplies are delivered by airlift into Sarajevo. Bad weather (worse than normal) implies harsh temperatures and heavy snowfalls that cause significant downtime for major roads (particularly at

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**Matrix A****Bosnia and Hercegovina: The Humanitarian Situation  
Under Four Scenarios (a)**

	Good Security	Bad Security
Good Weather	Additional deaths due to humanitarian situation: 13,000 (b)	Additional deaths due to humanitarian situation: 80,000
	Potential living conditions:	Potential living conditions:
	92 % receive food-at adequate levels 8 % receive little or no food	54 % receive food-although may not be adequate levels 46 % receive little or no food
	43 % in family homes ok for winter 35 % in communal shelters-marginally ok for winter 22 % in inadequate or no shelter	39 % in family homes ok for winter 29 % in communal shelters-marginally ok for winter 32 % in inadequate or no shelter
Bad Weather	90 % receive medical aid--at adequate levels 10 % do not receive medical aid	50 % receive medical aid--although may not be adequate levels 50 % do not receive medical aid
	Additional deaths due to humanitarian situation: 116,000	Additional deaths due to humanitarian situation: 217,000
	Potential living conditions:	Potential living conditions:
	43 % receive food-although may not be adequate levels 57 % receive little or no food	30 % receive food-although may not be adequate levels 70 % receive little or no food
	30 % in family homes ok for winter 25 % in communal shelters-marginally ok for winter 45 % in inadequate or no shelter	12 % in family homes ok for winter 15 % in communal shelters-marginally ok for winter 73 % in inadequate or no shelter
	40 % receive medical aid--although may not be adequate levels 60 % do not receive medical aid	25 % receive medical aid--although may not be adequate levels 75 % do not receive medical aid

(a) Based on population in need of 1,350,000.

(b) Number of deaths is for the period 1 October 1992-30 April 1993.

Normally about 12,000 people would die during a six-month period in Bosnia and Hercegovina.

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higher elevations) and negligible airlift to Sarajevo.

Death numbers should be interpreted as rough orders of magnitude and are in addition to the roughly 12,000 deaths that would normally occur over the winter. They are:

- Speculative, using limited available data on the current situation.
- Based on assumptions about proportions of the population having access to food, shelter, and medical supplies.
- Derived by applying multiples of the normal mortality rate to segments of the population living under the various living conditions.

#### Conclusions from Matrix A

Estimated deaths due to the humanitarian situation range from 13,000--under good security and good weather conditions--to over 200,000--under bad security and bad weather conditions.

Bad weather rather than bad security could be a more significant determinant of noncombat deaths.

- Bad weather implies that significantly larger numbers of people are unable to shelter themselves against very harsh conditions; exposure poses a more serious threat than shortages of food.
- Bad weather also closes more delivery options than bad security. If, for example, security closes a main route, alternate secondary routes may be usable--albeit at the cost of delays. Bad weather that closes a main road would probably close secondary ones too. Either weather or bad security could close an airport, of course.

#### The Impact of a Cease-fire, and Our "Best Guess" at Weather

Matrix B represents two alternative scenarios.

- The first postulates full implementation of the London Accords (an effective cease-fire, ideal security); the population is able to seek help, and the UN is not prevented from delivering it.
- The second forecasts security conditions much like the present--bad security.

For both alternative scenarios we anticipate normal weather (according to historical data); major roads will remain open for

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**Matrix B****Bosnia and Hercegovina: The Humanitarian Situation  
Under Two Additional Scenarios (a)**

	<b>Ideal Security</b>	<b>Bad Security</b>
	<b>Additional deaths due to humanitarian situation: 30,000 (b)</b>	<b>Additional deaths due to humanitarian situation: 147,000</b>
	<b>Potential living conditions:</b>	<b>Potential living conditions:</b>
<b>Normal Weather</b>	77 % receive food-at adequate levels 23 % receive little or no food	42 % receive food-although may not be adequate levels 58 % receive little or no food
	50 % in family homes ok for winter 43 % in communal shelters-marginally ok for winter 7 % in inadequate or no shelter	26 % in family homes ok for winter 40 % in communal shelters-marginally ok for winter 34 % in inadequate or no shelter
	75 % receive medical aid--at adequate levels 25 % do not receive medical aid	40 % receive medical aid--although may not be adequate levels 60 % do not receive medical aid

(a) Based on population in need of 1,350,000.

(b) Number of deaths is for the period 1 October 1992-30 April 1993.  
Normally about 12,000 people would die during a six-month period  
in Bosnia and Hercegovina.

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most of the winter, although truck traffic will experience increased travel times and weather-related delays. Minor roads and those at higher elevations will be subject to frequent closure. Under normal weather conditions, Sarajevo airport will be closed several days each month and have reduced operating hours. The population will face historically average temperatures and snowfall. [ ]

Comparing these alternative scenarios suggests that an effective cease-fire would reduce deaths from the humanitarian situation to about one-fifth of the number we would expect under the same weather conditions and bad security. [ ]

**IVF. Estimate relief shortfalls and needs by location and in terms of criticality.**

Deliveries of relief goods in Bosnia have been increasing in recent weeks but still fall short of what is required for the 1.62 million people the UN estimates to be in need. [ ]

Food. On the basis of UNHCR figures, we estimate that about half of the food need in Bosnia remained unmet during the period 26 November to 6 December (see chart)<sup>1</sup>. The situation was worst in northern and eastern Bosnia. Because the airlift operated only six days during this period, the shortfall in Sarajevo--which is totally dependent on the relief effort for food--was greater than it otherwise would have been. In other areas, UNHCR deliveries are supplemented by smaller deliveries (of unreported volumes) by other relief organizations, private convoys from municipalities picking up UN supplies at predetermined locations, and, in some cases, by commercial activity (of unknown extent). [ ]

In addition to the UNHCR deliveries aggregated above, a variety of other relief organizations--including the International Committee of the Red Cross (ICRC), International Rescue Committee, Caritas, and Merhamet--provide or deliver food aid in Bosnia. On the basis of November figures from ICRC--the largest of these--we estimate that they may have delivered about one-fifth the amount that UNHCR did during the time period in question. On the basis of currently available data, we conclude that the other NGOs delivered much smaller amounts of food. [ ]

<sup>1</sup> This is the most recent time period for which we have comprehensive data. Collectors are working on improving reporting to support this type of analysis. [ ]

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Food Relief Shortfalls  
26 November - 6 December\*

Region of Bosnia	Number of People in Need	Estimated Tonnage Needed (MT)	Estimated Tonnage Delivered (MT)	Percent Need Unmet (MT)
Northern	500,000	3,900	494	87%
Eastern	260,000	2,000	181	90%
Central	380,000	2,900	1,951	32%
Southern	100,000	800	339	57%
Sarajevo	380,000	2,900	2,744	5%
TOTAL	1,620,000	12,500	5,709	54%

\* Additional data are available for December 1992, but not yet broken out by region to be compatible with the above. We are in the process of standardizing the reporting. The above, however, is illustrative.

Even so, the chart probably overestimates the amount of food that has actually reached the population in need.

- UNHCR apparently includes the weight of any packing material in calculating the tonnage delivered. About one-half of the weight of an MRE (Meals Ready to Eat) shipment, for example, is packing material.
- UNHCR payments to Bosnian Serbs--by prior agreement--divert at least 20 percent of the tonnage delivered.
- In northern Bosnia, some of the food aid delivered is sold by the local Red Cross to Bosnian Serbs and--at a premium--to non-Serbs.
- Ukranian and Egyptian UNPROFOR soldiers are alleged to have sold food aid on the black market.

The chart also does not measure the nutritional appropriateness of the food delivered. The lack of vitamin C, combined with the lack of locally grown vegetables and fruit in the winter, could lead to scurvy and a reduction in resistance to disease. MREs are nutritionally balanced, but not enough are delivered to insure that the population receives the right nutrients.

Nonfood Aid. We have no way to assess the shortfalls in nonfood items because there are no comprehensive estimates of the

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needs for shelter materials, clothing, medicine, or medical supplies in Bosnia, and because deliveries of nonfood items are less easily quantified. [ ]

IVH. What would it take to improve the arms within enclaves as we seek to improve the supply situation?

and

IVI. What kinds of weapons would help stabilize the perimeters of enclaves?

See answer to IIIA4 above.

IVJ. What is the state of our information about prison camps?

How Many Camps? We list 56 confirmed "camps;" sizes vary greatly. [ ]

We also list 144 suspected camps. Some sites may be temporary transit facilities rather than permanent camps. Others may have been closed. In most cases, our information is fragmentary. The attached matrices and map show both confirmed and suspected prison sites (see map). [ ]

How Many Prisoners? Last month, prior to the closing of the Manjaca camp, Red Cross officials in Zagreb told US diplomats that they had something over 10,000 detainees on their rolls based on visits to 20 camps. The subsequent Manjaca closing would remove some 3,000 detainees from the ICRC list. The Red Cross believed the three warring factions together held no more than 3,000 additional undeclared prisoners. [ ]

Our "best guess" of the prisoner population, based on information collected on the confirmed camps, is that the total could be as high as 30,000 to 70,000. We derived this estimate from media reports; [ ] liaison; and unilateral assets--with varying degrees of reliability. To arrive at the estimate, we:

- Calculated a high and low number for each camp.
- Deducted known prisoner releases.
- Allowed for prisoner flow in and out of the camps by excluding pre-September numbers. [ ]

Several factors may explain the discrepancy between ICRC figures and our higher estimate:

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- ICRC had only visited 20 camps; our numbers were based on twice as many.
- ICRC may not have been aware of all the holding areas. We are also aware of instances when the Serbs have either shuffled prisoners around a camp, or removed them, prior to the ICRC's arrival.
- We sometimes have been unable to determine the date of information in some of the reports used, especially media reports.
- Prison populations fluctuate according to proximity to fighting or ethnic cleansing operations. Local commanders regularly organize prisoner exchanges that go unreported. Executions and deaths resulting from camp conditions may contribute to the discrepancy.
- Although the Serb-run camps account for the overwhelming number of prisoners, the Croats and Muslims have sometimes been even less willing than the Serbs to provide prisoner information to the ICRC. ICRC officials have become increasingly frustrated with the Muslims.

What is a "Camp?" The camps in Bosnia have few of the physical attributes we associate with places like Auschwitz. In many cases, a camp consists of several loosely associated facilities spread throughout an urban area. Isolated, self-contained camps like Manjaca and Omarska are the exception rather than the rule.

- A camp complex in a typical town is likely to consist of several screening/interrogation centers and one or more longer-term detention facilities.
- The warring factions typically have employed former jails, prisons, military facilities, hotels, sports complexes, barns, and industrial plants with large open areas to house prisoners.

Camp Conditions. Camp conditions are uniformly bad, with many prisoners denied access to even rudimentary medical and sanitary facilities. Most receive limited, sub-standard rations. After media attention this summer, conditions in the larger Serb-run camps improved somewhat, and several large camps--including Manjaca and Trnopolje--were closed. Human rights abuses in the smaller camps probably remain bad, however.

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- Prisoner treatment is most often a function of how the camp commander views his obligation to protect and provide for the detainees. Most commanders seem to have allowed guards to abuse prisoners at will.
- Much of the violence, particular this past spring and summer, has been random, but there also has been a systematic campaign to single out educated, wealthy elites and leaders for torture or murder. We have numerous eyewitness accounts of Muslim cultural elites, political and economic leaders, and prominent civil servants being selected by lists. It is not clear whether these lists were generated locally or came from higher authorities.

Rape and Ethnic Cleansing. The majority of the camps have held both male and female populations. Some, however, like Manjaca, have been used almost exclusively to hold men. We know of only a handful of locations which have housed only women.

Nevertheless, the French and German governments, and last month's New York Times interview of a Bosnian Serb soldier being held by the Bosnian government on charges of multiple rape and murder, allege that at least some Bosnian Serb officials view rape as a tool of ethnic cleansing.

- We have numerous accounts of rape and other forms of sexual abuse from refugees and former detainees. However, the New York Times interview is the first instance we are aware of in which a Bosnian Serb soldier has asserted that rape is accepted and encouraged by higher-ups.
- Rape reportedly was a regular occurrence at the Trnopolje camp, whose commander is alleged to have turned a blind eye. We have numerous reports that Bosnian women were abused at the Brcko "Port" prison. We have also heard allegations that women were abused at the Galil and Westfalia hotels in Brcko.

Although we lack reliable evidence that high-level Bosnian Serb leaders have promoted or approved this behavior, the number of allegations and multiplicity of sites suggest that they have not been isolated incidents. The Bosnian Serb leadership appears to have either ordered such treatment or been unwilling or unable to stop it.

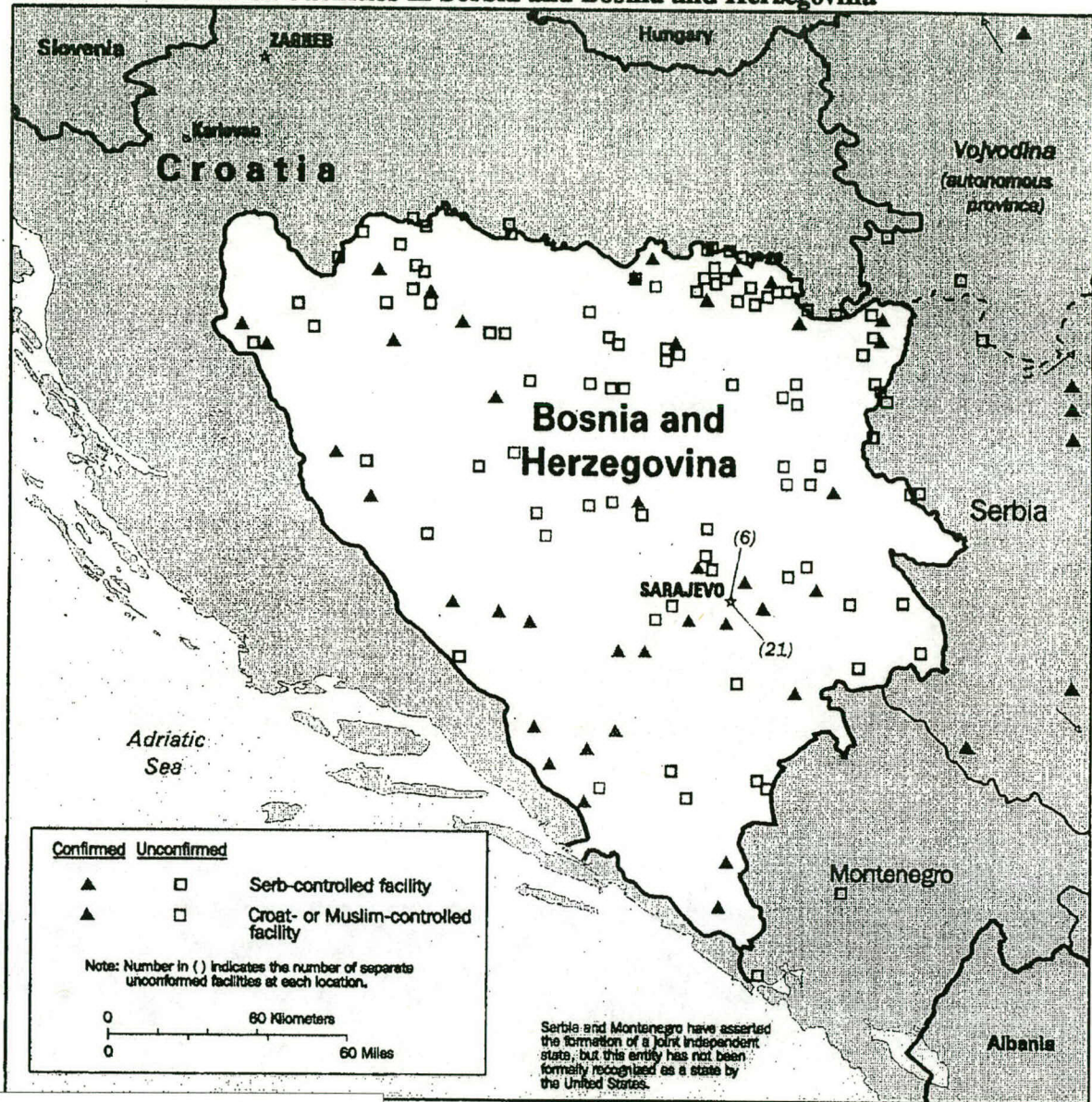
#### V. Prevention of Further Spread of War.

VC. To what extent is how war spreads to Kosovo different than Macedonia?

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# Prison and Detention Facilities in Serbia and Bosnia and Herzegovina





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The "Yugoslav" crisis could easily spread to engulf Kosovo and Macedonia. Similar factors also underlie instability in both.

- Conflicting territorial claims and ethnic hatreds inflamed by increasingly vocal extremists.
- An "Albanian nation" divided among four states--a newly attractive, struggling democracy in Albania, a Serbian police state in Kosovo, a Montenegro whose relatively better ethnic relations are being undermined by growing support for Serbian extremism, and an increasingly tenuous multi-ethnic state in Macedonia.

Despite these similarities, the manner in which conflict might spread to Kosovo and Macedonia is likely to differ.

Eventual conflict in Kosovo--a recognized part of Serbia--is almost inevitable. The Serbs are determined to hold on to their historical heartland (although the population there is 90 percent ethnic Albanian today), and the ethnic Albanians are fixated on escaping from the Serbian heel. Periodic episodes of violence notwithstanding, the uneasy stand-off in Kosovo is likely to come undone if:

- The Serbs decide to push for ethnic cleansing of the province. Some ethnic cleansing seems more likely in the wake of the strong showing by Serb extremists in the 20 December election;
- Or the ethnic Albanians conclude that the time is ripe to challenge a Serbia they believe has been weakened--perhaps by internal violence or a preoccupation with fighting elsewhere. Almost certainly, the ethnic Albanians would interpret Western warnings against a Serbian use of force in Kosovo as an implicit promise of military support for Kosovar independence.

Macedonia, by contrast, is perceived by all but Greece and Serbia to be a separate, albeit as-yet unrecognized state. Any Serbian use of force against Macedonia would be a clear case of aggression. The greatest danger to Macedonia, however, comes from within.

- The removal of President Gligorov almost certainly would lead to polarization between the extreme Macedonian nationalists and the republic's one-third ethnic Albanian population.
- Gligorov's continued survival in power, however, appears to be due less to his government's actual authority than to the lack of a well-organized opposition. This power vacuum is extremely dangerous for a state riddled with ethnic tensions and

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surrounded by neighbors that are at best ambivalent (Bulgaria and Albania)--or at worst hostile (Serbia and Greece)--to Macedonia's continued independence. The situation is beginning to appear reminiscent of the Izetbegovic government in Bosnia just before the outbreak of fighting there. However, the deployment of a UN peacekeeping battalion to Macedonia--now being arranged--could help to avert intervention from Serbia or Greece.

VD. What are the views (if known) concerning the risk of the spread of war of Bulgarians? Romanians? Greeks? Albanians? Italy? Turkey? Russia? Islamic Countries?

All of the regional players--and other interested parties--greatly fear the consequences of a southward spread of the Balkan crisis, but these same powers have few ideas on how to prevent such a development. In many cases, they also lack the resources to deal with the threat. Conflict in Kosovo would almost certainly lead to a wider war involving several neighboring countries.

- Albania has been most vocal in warning of the potential for disaster in Kosovo. In recent statements to the North Atlantic Council, Albanian President Berisha requested NATO membership for Albania and warned that Tirana could not accept "ethnic cleansing" in Kosovo. If Kosovo blows, the Albanian military--which has no capability to project power into Kosovo--could not prevent a massive inflow of refugees that would quickly overwhelm the already stressed resources of the government and possibly trigger its collapse. This would prompt even greater numbers of refugees to attempt to escape to Italy and Greece. Tirana, at a minimum, would permit the smuggling of weapons into Kosovo and the use of its territory for sanctuary by Kosovar separatists, actions almost certain to draw a retaliatory response from the Serb-dominated "Yugoslav" Army.
- The moderate government in Bulgaria has tried hard to avoid being drawn into the Balkan morass. Sofia, however, will be hard-pressed to remain aloof if, as is likely, Macedonia--which Bulgarian nationalists claim rightfully belongs to Sofia--becomes unstable. Bulgaria probably would move military units to the border in a defensive effort to stem a refugee influx, and could turn a blind eye to the funnelling of arms and volunteers by nationalist groups in Bulgaria. In the event of direct Serbian aggression against Skopje, or fighting between Macedonians and Albanian separatists, Sofia would offer diplomatic support, humanitarian aid, and perhaps, low-level military aid to anti-Serb (and pro-Bulgarian) Macedonians.

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Bulgaria opposes involvement in the former Yugoslavia by forces from the neighboring states, particularly Turkey; Sofia argues that such intervention would establish a basis for future Balkan conflicts.

- Romanian attitudes are shaped by concerns about a restless ethnic-Hungarian minority in the historically contested region of Transylvania. Bucharest almost certainly is worried that Hungary--perhaps backed by other military forces--could become involved in protecting ethnic Hungarians in Vojvodina. Such intervention would be seen by the Romanians as setting a dangerous precedent for a broader redrawing of Balkan borders, thereby reopening the Transylvanian question and fueling nationalist sentiment among ethnic Hungarians and Romanians.
- Italy has long feared that the Bosnian conflict would ignite similar clashes in Kosovo, spilling over into Albania and sending new waves of refugees to Italy. Rome has deployed as many as 1,000 unarmed soldiers to key Albanian ports to distribute food aid and discourage would-be refugees; these troops would be at risk if already tenuous law and order broke down in Albania. Rome also worries that a broader Balkan war will promote the spread of Islamic fundamentalism in the already unstable Balkan region.
- Greece also is anxious to avoid involvement in a Balkan war, but a public aroused in part by the government's own hardline rhetoric on Macedonia is likely to push Athens toward reckless acts. Prime Minister Mitsotakis is losing his battle to block UN membership for and international recognition of Macedonia under that name, developments which will inflame Greek nationalism and anti-Americanism. To save his government, Mitsotakis probably would attack the US and other Western powers for abandoning a NATO ally. He also is likely to seal the border with Macedonia or establish a security zone on the Macedonian side of the border, to extend service times for conscripts, and possibly even call up some reservists and augment reconnaissance flights in border regions. Ultimately, Athens fears that arch-rival Turkey is plotting to lead an anti-Greek Balkan coalition that includes Macedonia. To counter such a possibility, Athens is likely to quietly increase ties to Serbia, its historical ally in the region. Nevertheless, Greece depends on the US and NATO for its security and would try to avoid burning its bridges as the threat of a larger Balkan conflict looms.

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- Turkey wants to avoid a Balkan war, but military and civilian leaders appear increasingly convinced that one will break out. Prime Minister Demirel and other leaders have warned that unless military force is used to stop Serb advances in Bosnia, violence will spread to Kosovo and Macedonia. The Turkish General Staff is doing contingency planning to intervene on Macedonia's behalf if it is attacked by Serbia and Greece, according to the US Defense Attache, and reportedly has promised to aid Albania if Belgrade orders its troops into that country. DIA feels strongly that Turkey will not intervene openly and unilaterally, but it would act in coalition with an international force or might coordinate its policies and activities with other Islamic countries. Turkey is covertly supplying Bosnian Muslim forces with arms and advisers, but its desire to provide meaningful assistance is undercut by the absence of a common border with Macedonia, Turkey's inadequate lift capabilities, and Ankara's preoccupation with security concerns over its Kurdish population and developments in the Caucasus and Central Asia. Turkey could not send a large force into the former Yugoslavia without Bulgarian cooperation, which is unlikely.
- Islamic states remain focused on the plight of Muslims in Bosnia, but increasingly worry that Kosovo will be Serbia's next target. Iranian officials have advocated unilateral dispatch of Muslim troops to Kosovo, a move rejected by Belgrade. If widespread violence breaks out, the Islamic Conference (OIC) would call for immediate UN intervention. Iran, Turkey, Saudi Arabia, and other Islamic states almost certainly would seek to funnel arms and fighters through Albania--which recently joined the OIC--to aid Kosovo Muslims. Indeed, Iran probably already is supplying some arms under the guise of humanitarian aid deliveries to Albania. But the ability of these Islamic states or Turkey to deploy and supply sizable military forces is very restricted.
- Russia has long feared that a war in Kosovo could spark a Balkan-wide conflagration, and has pressed Belgrade to resolve the Kosovo question peacefully. Nevertheless, Moscow's sensitivity to interference in states' internal affairs and to initiatives that could lead to broader international military intervention in the conflict in the former Yugoslavia suggest that Moscow would oppose the insertion of military observers or troops into Kosovo without Belgrade's permission. Moreover, recent domestic political developments in Russia suggest that Russia will increasingly have difficulty supporting or going along with any action by the international community which

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might be portrayed as hard on Serbia or directed solely against the Serbs. [ ]

**VJ. What civilian or military assistance does Albania need?**

Albania is in an economic crisis, with an average standard of living far below that of the politically oppressed ethnic Albanians in Kosovo. The government's lack of organization and basic administrative materials--computers, vehicles, even paper--sorely hampers relief efforts. One thousand or so Italian troops with trucks and helicopters are distributing humanitarian aid, but assistance with basic institution building and physical infrastructure is critical if Albania is to absorb additional aid or begin mobilizing its domestic resources for recovery.

- Urban areas and mining towns in the northeast will be dependent on humanitarian food aid at least until mid-1994.
- Health clinics face severe shortages of equipment and medicines.
- Communication and transportation networks need major upgrades.
- Albania could desperately use aid in setting up refugee facilities in the north. [ ]

On the military side, Tirana's forces suffer from serious equipment, training, and maintenance shortcomings and would be no match for a determined Serb incursion into Albanian territory. Tirana needs virtually every category of equipment to begin to mount an effective defense of its borders and airspace.

- Albania's Soviet- and Chinese-origin ground force weapons, fighter aircraft, air defense systems, and naval vessels are woefully out of date.
- The most pressing equipment requirements include air defense and antitank missiles, modern combat aircraft, up-to-date artillery and tank gunnery systems, and communications equipment.
- To make effective use of such equipment, Albanian military personnel would need extensive training in a variety of technical areas. [ ]

**VK. What possibility is there for weakening or breaking the link between Montenegro and Serbia?**

Montenegrin unease over its relationship with Serbia was apparent from the very formation of the "new" Yugoslavia early this

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year, as thousands of Montenegrins demonstrated against joining with Serbia. Some reporting indicates that Serbian authorities felt it necessary to threaten Montenegrin President Bulatovic--a Communist--with personal blackmail and economic warfare to ensure his acceptance of federation with Serbia. In the months that followed, Montenegrin unhappiness has been fueled by Milosevic's disregard of political pledges made to Podgorica and apparent lack of concern for economic pressures on the Bulatovic regime caused by sanctions and an influx of refugees from the war in Bosnia.

- In June, Bulatovic publicly stated that Montenegro's adherence to the federation might be reexamined.
- Bulatovic has since reaffirmed Montenegro's attachment to the federation, but [redacted] the pressure or sanctions might force his government to look for a way out of its affiliation with Serbia. [redacted]

These tensions are certain to be exacerbated in the months following the 20 December elections. Bulatovic fell short of the 50 percent he needed to avoid a run-off in his bid for reelection as Montenegrin President. He will face Branko Kostic--a stridently pro-Serb candidate who has accused Bulatovic of treason--in a 3 January run-off. We expect Bulatovic to prevail, and his party also appears to have gained an absolute majority in the Montenegrin Assembly.

- Most pro-independence "green" parties appear not to have fared very well, although one such party, the Liberals, will win about 12 percent of the vote.
- The Montenegrin branch of Serbian extremist Vojislav Seselj's Serbian Radical Party appears to have won nearly ten percent of the vote, a development that will further polarize Montenegrin politics. [redacted]

"Green" party officials have told US diplomats that in the aftermath of the election, they realize an effort to actively push Montenegrin independence could lead to war--particularly given the strong showing of extremists in Serbia. Confrontations, however, are likely soon after the new federal assembly opens on 9 January. A wide spectrum of Serbian officials--including not only Milosevic but also Federal President Cosic--have called for constitutional changes that would reduce Montenegro's disproportionate influence in the federal government (Montenegro was granted equal representation with Serbia in the upper house of the federal assembly). [redacted]

Even if political violence is avoided, Milosevic's retention of power in Serbia will make it increasingly difficult for Bulatovic to play his opportunistic game of seeking to mollify Montenegrin sensibilities while not risking the wrath of Serbia and its local fifth-columnists.

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- Milosevic and the "Yugoslav" military would not be indifferent to threats by Montenegro to leave the federation. Montenegro provides Serbia with its only access to the sea and its only remaining naval base.
- Bulatovic almost certainly would face renewed Serbian blackmail and saber-rattling.
- Belgrade could further unleash Serb extremist irregulars who already have engaged in violence along Montenegro's border with Bosnia and Serbia and have initiated "ethnic cleansing" against Muslims in the Montenegrin Sandzak region.

Although caught in a difficult spot, Bulatovic is unlikely to side openly with Milosevic should a major power struggle erupt in Belgrade. He most likely would attempt to stay on the sidelines--perhaps calling for renegotiation of the terms of the federation--at least until it was clear on which side the military was coming down. Only in the event of a near total power vacuum in Belgrade would Bulatovic be likely to take the drastic step of withdrawing Montenegro from a federal government that he could plausibly argue no longer existed.

- Montenegrin willingness to stand up to Milosevic probably would be strengthened if there were a significant international presence in the republic that discouraged Serbian use of force. The federal government's approval probably would be needed to deploy an armed force, however, and Serbian members of the federal government--particularly the military--would be certain to object.
- Pledges of Western political and economic support--and perhaps very quiet indications of military assistance--might also help nudge the Montenegrins away from Milosevic. Serbian intelligence, however, almost certainly has sufficient penetration of Montenegro to quickly discover any such covert offers of Western assistance.

## VI. Outcome

### VIA. What is the minimum outcome needed for a viable Bosnia?

The restoration of Bosnia and Herzegovina as a unitary, multiethnic state--with its pre-invasion borders of April 1992--is doubtful, even under most conceivable circumstances. Most intelligence agencies believe the Western governments would have to take the following steps:

- Large-scale international military intervention. Estimates by NATO planners and other experienced military authorities estimate that 300,000 to 400,000

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troops could be required. Bosnian Serb forces loosely control approximately 70 percent of the territory of Bosnia and Herzegovina (see map). The 40,000-man Bosnian Serb Army inherited substantial armaments, large supply stockpiles, and tens of thousands of trained personnel when the Serbian Army withdrew from Bosnia last summer. Bolstered by as many as 80,000 irregulars, the Bosnian Serb forces are doctrinally disposed to protracted, decentralized defense. They are widely deployed in rough terrain with good concealment that favors defense. But the Bosnian Serbs have yet to face a serious military challenge. Western forces with modern weapons probably would eliminate or neutralize the Serbs' heavy arms, thus the greatest threat to Western troops would be prolonged guerrilla fighting.

- Lengthy occupation. Difficult to root out, Bosnian Serb forces know their homeland well and can be expected to sustain resistance against any outside intervention. The experience of World War Two is instructive: 750,000 Axis troops were tied down throughout Yugoslavia for four years by unending guerrilla resistance; the fiercest fighting was in Bosnia, Tito's mountainous redoubt.
- Possible defeat of Serbian forces. Forces in Serbia could intervene rather than abandon the Bosnian Serbs to defeat and occupation. If so, Western intervention forces probably would have to take the war to Serbia rather than permit its use as a sanctuary and secure rear area for the resistance.

These Intelligence agencies believe a more manageable objective would be the survival of a fragmented Muslim-majority state following a partition of Bosnia and Herzegovina, although that would require a long-term commitment to provide substantial international assistance. They believe that "cantonization" of Bosnia would be only a prelude to partition, with the Bosnian Serb and Bosnian Croat territories in time unifying with Serbia or Croatia respectively. The predominantly-Muslim Bosnian Government probably would be left with 3 to 5 noncontiguous enclaves in central and northwestern Bosnia. Their political and economic viability would be questionable beyond the near-term, and some political association with Croatia probably would result. According to this view, this is probably the most optimistic possible outcome of the on-going peace process in Geneva under UN and EC co-chairmen Cyrus Vance and David Owen.

State/INR agrees that Bosnia and Herzegovina probably cannot be restored as a unitary, multiethnic state precisely as it was before the invasion and onset of war in April, 1992, without massive, long-term foreign intervention. However, it may be possible to reach a negotiated settlement in which the three major

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communities--Muslim, Croat, and Serb--can agree to co-exist in some sort of federal arrangement which could be politically and economically viable with a far smaller degree of foreign military intervention and involvement. The main obstacle to such an outcome is Serb intransigence, fueled by the belief that the Serbs basically have won the conflict and the international community is unwilling to intervene to alter the situation on the ground. INR believes some level of outside intervention would be required to alter the present balance of forces, and it would not be small. Another possible outcome is an outright or de facto partition of Bosnia and Herzegovina among the three ethnic communities, with an agreed redistribution of population and land. This would also probably require significant outside intervention and involvement.

- One imponderable in the Bosnian conflict is that Serb forces have not been tested against real opposition, with significant military capabilities and real political will. Limited experience so far has been that Bosnian Serb forces have retreated or avoided confrontation when UN forces have shown determination. Determined UN defense of limited routes and areas, with more liberal rules of engagement, might convince the Bosnian Serbs to negotiate more seriously and to abandon their hopes of a military victory through attrition.
- Until the Bosnian Serbs are willing to live in a multi-national state which is not dominated solely by Serbs, INR believes there will be no lasting solution. A survivable federal arrangement for Bosnia and Herzegovina is the less likely of the possible outcomes. "Cantonization" as proposed at present is nothing more than thinly veiled partition. Serb- and Croat-dominated portions of Bosnia and Herzegovina would then face overwhelming pressure to associate formally or informally with Serbia and Croatia respectively, leaving only small, non-viable Muslim-dominated enclaves. These would ultimately be a source of continuing instability, and would likely be absorbed eventually by Serbia or Croatia. The original proposal by Vance and Owen at Geneva promised a real federal solution for Bosnia; this has now been watered down by subsequent Serb counter-proposals and refusals to negotiate.

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