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United States Department of State

Washington, D. C. 20520

May 12, 1995

## INFORMATION MEMORANDUM

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TO: The Secretary

THROUGH: Acting Secretary Tarnoff

FROM: EUR - Robert C. Frasure *RF*

SUBJECT: Contact Group Consensus in Frankfurt -  
 Next Stop is Belgrade

The Contact Group reached a full consensus in Frankfurt on May 12 on a Bosnia recognition/border/sanctions suspension package that should be fielded with Milosevic in Belgrade next week and with the Bosnians:

On sanctions suspension, the following points were agreed:

- There would be a six-month suspension of designated sanctions with a positive UNSC renewal mechanism.
- There will be no actual lift until Pale accepts the CG package. At that point, Phase One sanctions -- airport, sports, and culture which are now suspended -- would be lifted. Other than that agreed point, it was felt that additional lift must be calibrated to implementation of the plan. This framework can be developed later.
- Financial transactions will be freed up, as the Europeans wanted. However, assets will remain frozen and the UNSC resolution will specifically state that credits cannot be provided against frozen assets. (The Bundesbank believes no banks will do so, in that event.)
- The difference was split between the UN and EU lists on strategic trade definitions. To the EU list were added equipment for energy production and petrochemicals. The EU list plus these items will not be suspended. Oil is the key item that remains forbidden. (The traffic jams in Belgrade don't provide much confidence that this is effective.)

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REVIEW AUTHORITY: Robert Homme, Senior Reviewer

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There was considerable interest in the OSCE package that I had suggested to Milosevic. It was agreed that we should actively pursue it in the following manner:

- The FRY and FYROM (a new element, they are now only observers) should get OSCE seats. This would step over the FRY successor state issue and also do something for Gligorov. It will also help us on our small-package diplomacy with the FYROM.
- OSCE takes over the enhanced ICFY border monitoring mission. (The Germans have now matched our pledge for fifty monitors.) In the meantime -- until the OSCE elements are in place -- the ICFY role will continue with certification by the head of mission to be passed directly through Owen to the UN Secretary General.
- The OSCE Long Duration Mission will return to Kosovo, Sandzak, and the Vojvodina.

It should be noted that the Frankfurt meeting was functionally a Quad. Zotov couldn't get there from Moscow. The Germans are to brief the Russians in Bonn this afternoon. We think the Russians will be sufficiently on board with this approach that they will not cause trouble.

It was agreed that I should go to Belgrade early next week on behalf of the CG and explore the packages with Milosevic. My visit would not be publicly announced and the substance of the packages should be closely held.

On the Bosnian side, Sacirbey was in Frankfurt and will be in touch with Izetbegovic. Sacirbey was especially enthusiastic about the OSCE aspect. German CG rep Steiner will go to Mostar for a Federation meeting and will brief Ganic on the packages.

There was great concern about the rapidly deteriorating situation inside Bosnia, especially in Sarajevo. (We always need to be aware of the possibility that we are playing diplomatic word games with ourselves while the war spins out of control.) All sides agree that something must be done about the airport, and air strikes might be necessary. It was agreed that we should warn both the Bosnians and Mladic (via Milosevic) to pull back from the precipice.

We all recognize that this is all a long shot venture. But with the Frankfurt meeting, we seem to be off to a good start.

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