

## TITLE I

### GENERAL PRINCIPLES

#### ARTICLE 2

Respect for democratic principles and human rights as proclaimed in the Universal Declaration of Human Rights and as defined in the Convention for the Protection of Human Rights and Fundamental Freedoms, in the Helsinki Final Act and the Charter of Paris for a New Europe, respect for principles of international law, including full cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY), and the rule of law as well as the principles of market economy as reflected in the Document of the CSCE Bonn Conference on Economic Cooperation, shall form the basis of the domestic and external policies of the Parties and constitute essential elements of this Agreement.

#### ARTICLE 3

The fight against the proliferation of weapons of mass destruction (hereinafter referred to as "WMD") and their means of delivery constitutes an essential element of this Agreement.

#### ARTICLE 4

The Parties reaffirm the importance they attach to the implementation of international obligations, notably the full cooperation with ICTY.

#### ARTICLE 5

International and regional peace and stability, the development of good neighbourly relations, human rights and the respect and protection of minorities are central to the Stabilisation and Association process. The conclusion and the implementation of this Agreement will remain subject to the conditions of the Stabilisation and Association process and are based on the individual merits of Bosnia and Herzegovina.

#### ARTICLE 6

Bosnia and Herzegovina commits itself to continue and foster cooperation and good neighbourly relations with the other countries of the region including an appropriate level of mutual concessions concerning the movement of persons, goods, capital and services as well as the development of projects of common interest, notably those related to combating organised crime, corruption, money laundering, illegal migration and trafficking, including in particular in human beings, small arms and light weapons as well as illicit drugs. This commitment constitutes a key factor in the development of the relations and cooperation between the Community and Bosnia and Herzegovina and thus contributes to regional stability.

## ARTICLE 7

The Parties reaffirm the importance that they attach to the fight against terrorism and the implementation of international obligations in this area.

## ARTICLE 8

The association shall be progressively and fully realised over a transitional period of a maximum of six years.

The Stabilisation and Association Council established under Article 115 shall regularly review, as a rule on an annual basis, the implementation of this Agreement and the adoption and implementation by Bosnia and Herzegovina of legal, administrative, institutional and economic reforms. This review shall be carried out in the light of the preamble and in accordance with the general principles of this Agreement. It shall take duly into account priorities set in the European Partnership relevant to this Agreement and be in coherence with the mechanisms established under the Stabilisation and Association process, notably the progress report on the Stabilisation and Association process.

On the basis of this review, the Stabilisation and Association Council shall issue recommendations and may take decisions. Where the review identifies particular difficulties, they may be referred to the mechanisms of dispute settlement established under this Agreement.

The full association shall be progressively realised. No later than the third year after the entry into force of this Agreement, the Stabilisation and Association Council shall make a thorough review of the application of this Agreement. On the basis of this review the Stabilisation and Association Council shall evaluate progress made by Bosnia and Herzegovina and may take decisions governing the following stages of association.

The aforementioned review will not apply to the free movement of goods, for which a specific schedule is foreseen in Title IV.

## ARTICLE 9

This Agreement shall be fully compatible with and implemented in a manner consistent with the relevant WTO provisions, in particular Article XXIV of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and Article V of the General Agreement on Trade in Services (GATS).