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SECURITY COUNCIL COMMITTEE ESTABLISHED BY RESOLUTION 661 (1990)
CONCERNING THE SITUATION BETWEEN IRAQ AND KUWAIT

PROVISIONAL SUMMARY RECORD OF THE 185th MEETING (CLOSED)

Held at Headquarters, New York,
on Thursday, 22 April 1999, at 3.30 p.m.

Chairman: Mr. VAN WALSUM (Netherlands)

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The meeting was called to order at 3.45 p.m.

ADOPTION OF THE AGENDA

The CHAIRMAN informed members that a list of outstanding issues which were awaiting additional or updated information had also been prepared and circulated. The Committee would revisit those issues as soon as the information became available.

Mr. BIGOT (France) said that he would like to have the outstanding issues placed on the agenda as a reminder to the Committee that action was still required. He also wondered why the usual report from Jordan on activities relevant to the Committee's work had not been included.

Mr. WAN Jingzhang (Secretary of the Committee) said that, pursuant to decisions taken in informal discussions, those outstanding items which were close to resolution or not to be considered in the normal way had been removed from the agenda. It had also been agreed that, unless there were any irregularities in the reports from Jordan on traffic through the port of Aqaba and its border crossings with Iraq, they would not be included in the agenda.

The CHAIRMAN said that the outstanding issues listed would be added to the agenda as items 8, 9 and 10.

The agenda, as amended, was adopted.

OIL EXPORT FROM IRAQ (S/AC.25/1999/CN/15)

The CHAIRMAN recalled that the Committee had considered the situation of oil export from Iraq at its 182nd and 183rd meetings, held on 12 and 16 March 1999. The letter from the oil overseers of 9 March 1999 (S/AC.25/1999/OIL/1210/OC.12) stated that the increase in the total level of exports accompanied by the corresponding increase of exports from both the north and the south had led to an increase in the share of crude oil exported from Mina al-Bakr. The information available to the overseers showed that no modification of that trend was expected in the current phase. The letter recommended that export of a larger share of Iraqi oil from Mina al-Bakr should be authorized. At the meetings mentioned, it had been established that the situation was temporary, resulting from technical difficulties that were being addressed.

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Paragraph 6 of Security Council resolution 986 (1995) envisaged that the larger share of the petroleum and petroleum products would be shipped via the Kirkuk-Yumurtalik pipeline and the remainder would be exported from the Mina al-Bakr oil terminal. In the light of the current situation, it appeared that the requirements of that condition and the conditions set forth in paragraph 9 of the procedures adopted by the Committee at its 142nd meeting on 8 August 1996 could not be fulfilled by the overseers.

The Committee took note of the situation, with the understanding that the Kirkuk-Yumurtalik pipeline would be used to its maximum capacity, and that every effort would be made to correct the imbalance without delay. The situation would be reviewed at the end of the period referred to in Security Council resolution 1210 (1998), paragraph 1.

LETTER DATED 16 FEBRUARY FROM IRAQ (S/AC.25/1999/COMM.11)

The CHAIRMAN said that Iraq stated in the communication under consideration that a member of the Committee had blocked a contract for the supply of medical equipment to Iraq because of dual-use concerns, and it asked him to bring the matter to the Committee's attention.

Ms. BERGERON (United States of America) said that her delegation had blocked the contract, but that after further review, it had changed the block to a hold. It had contacted the other party to the contract in India and was prepared to approve substantial portions of it, but further information was needed on certain items.

Ms. PADOVAN (Brazil) said that she did not understand the problem, as dual-use concerns should be addressed through the existing mechanism.

Mr. BIGOT (France) inquired whether the items of concern appeared on the list of items and equipment to be monitored under Security Council resolution 1051 (1996).

Mr. Ebrahim Mubarak AL-DOSARI (Bahrain) asked what the justification was for placing the contract on hold. The medical equipment in question was the same as the equipment included in the distribution plan which had been endorsed by the Security Council and approved by the Secretary-General.

Ms. BERGERON (United States of America) said that the items which had raised dual-use concerns were indeed related to the list under resolution 1051 (1996). The mechanism for the monitoring of those items, the United Nations Special Commission (UNSCOM), was no longer functional. It should also

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be borne in mind that the Committee, rather than the Secretary-General, must approve every item on the distribution plan.

The CHAIRMAN said that the Committee took note that the block on the contract had been changed to a hold.

LETTERS DATED 15 AND 19 MARCH 1999 FROM IRAQ (S/AC.25/1999/COMM.25 and COMM.31)

The CHAIRMAN said that those two letters from Iraq pointed out that there was a considerable delay in the submission of contracts relating to electric power and water supply sectors under phase IV of the oil-for-food programme, and that some had been placed on hold by a member of the Committee. The Secretariat had informed him that five of the 25 contracts had been released, two of them being large contracts of \$48 million and \$22 million respectively. As of 19 April 1999, there were 23 phase IV applications on hold in the electricity sector, with a total value of \$29 million.

Ms. BERGERON (United States of America) said that her delegation was continuing to evaluate the contracts. Some contained items appearing on the list covered by resolution 1051 (1996), and her delegation was attempting to obtain further information on them. While it supported providing clean water and reliable electricity to the civilian population, her delegation found it unwise, in the absence of UNSCOM monitors, to approve such contracts without careful study.

Mr. BIGOT (France) said that the Secretary-General had stated that electricity was a top priority for the Iraq programme, but apparently the United States delegation did not agree. He was surprised that it was using resolution 1051 (1996) as a means to delay approval of those contracts.

Mr. MCGURGAN (United Kingdom) said that the resolution made it quite clear that the export/import mechanism was not a regime for international licensing. All Committee members must be careful in approving any contracts in the absence of monitoring.

Ms. PADOVAN (Brazil) said that it was clear that the absence of monitors on the ground in Iraq was affecting the system of humanitarian aid in unintended ways.

The CHAIRMAN said that it would be preferable for the Committee to confine its discussions to the technical matters under its mandate and avoid addressing the substance, which was more properly a matter for the Security Council as a whole.

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Mr. Ebrahim Mubarak AL-DOSARI (Bahrain) reminded members of the conclusions of the panel on the humanitarian situation in Iraq, which had found a deterioration in humanitarian conditions, especially in terms of electrical power and water. He asked the United States delegation to reconsider those contracts and give approval within a specific time limit, for instance 72 hours.

Mr. BIGOT (France) inquired whether the United States delegation intended to place a hold on all contracts involving items on the list under resolution 1051 (1996) because of the absence of UNSCOM monitors. If so, that position should be made known so that countries could adjust their plans accordingly.

Ms. BERGERON (United States of America) said, in reply to the representative of France, that in the absence of an acceptable end use that could be monitored, her delegation would continue to place contracts containing such items on hold.

In reply to the representative of Bahrain, she said that her delegation was evaluating the contracts as quickly as possible, but found a time limit of 72 hours unacceptable.

Mr. RANI (Malaysia) inquired about the status of contracts which had been approved before the inspectors had been withdrawn.

The CHAIRMAN said that the approvals stood; holds could not be made retroactive.

Ms. BERGERON (United States of America) said that her delegation looked at contracts on a case-by-case basis; the contracts placed on hold contained items about which it had special concerns.

Mr. BIGOT (France) said that the Committee guidelines provided for regular meetings to discuss contracts placed on hold, and it might be useful to call such a meeting to clear up some of the questions about those contracts.

The CHAIRMAN said that the suggestion was a useful one and that he would attempt to follow it up in an informal meeting.

LETTER DATED 17 MARCH 1999 FROM IRAQ (S/AC.25/1999/COMM.30)

The CHAIRMAN drew attention to a communication from Iraq pointing out the limited capacity of the land-based petroleum storage tanks that served exports through the Iraqi port of Mina al-Bakr. Since those storage tanks were unable to meet the requirements of tankers for crude oil purchased under the oil-for-food programme or ensure that the export capacity of the port was used

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to the fullest extent, Iraq had requested the Committee to allow two Iraqi tankers to be moved from the Libyan port of Misratah to the Iraqi port of Mina al-Bakr to be used as floating storage tanks. It also asked for permission for the sale of 300,000 barrels of crude oil aboard one of the tankers with a view to providing sufficient funds to overhaul the two tankers and equip them for use as floating storage tanks.

Mr. ASPLUND (Office of the Iraq Programme) said that his office had contacted the Saybolt monitors to inquire about the technical feasibility of the Iraqi proposal, but they had replied that they did not have sufficient knowledge to give an informed answer. If it was the wish of the Committee, further information could be requested from the Government of Iraq.

Mr. SMIRNOV (Russian Federation) said that the letter demonstrated a constructive attitude on the part of Iraq. His delegation saw no reason why the Committee could not approve the proposal in principle. It posed no difficulties from the standpoint of sanctions, because the sale of the oil would pay for the costs of towing the tankers to the port, and thus no additional costs or money transfers would be involved. Iraq had shown that it was quite effectively using the oil infrastructure, and if the tankers could be useful, he saw no reason why the Committee should not send a positive signal by saying it was not against that option. The Chairman and the Secretariat could resolve any purely technical questions informally.

The CHAIRMAN suggested that the Committee could inform the Iraqi authorities that it had a positive attitude towards the proposed solution but would like to receive more information.

Mr. MCGURGAN (United Kingdom) said that Security Council resolutions 661 (1990), paragraph 3 (c), and 670 (1990), paragraphs 2 and 8, called upon all States to detain ships of Iraqi registry which had entered their ports and had been used in violation of resolution 661 (1990) and that the Committee therefore had no legal grounds for authorizing the ships to return to Iraq. An existing mechanism provided for the transfer of the proceeds of the sale of oil to an escrow account for the funding of humanitarian projects. His delegation urged all States to make every effort to support that mechanism.

Drawing Committee members' attention to a 1997 communication containing a report by the International Maritime Organization (IMO) (S/AC.25/1997/COMM.3002 and Add.1), he expressed concern about the condition of the tankers. He noted,

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in particular, the IMO recommendation that the tankers should be dry-docked in order to avoid irreversible damage to them and its indication that the petroleum, after seven years on board, would be difficult to empty from the cargo tanks. Furthermore, technical experts in London had informed him that the use of the tankers as floating storage facilities was not advisable and only a minimal complement to the storage capacity of the Mina al-Bakr oil terminal. In view of those legal and technical issues, his delegation wished to know what questions the Secretariat planned to ask the Iraqi authorities with a view to moving the process forward.

Mr. Ebrahim Mubarak AL-DOSARI (Bahrain) supported the proposal put forward by the representative of the Russian Federation. With regard to the remarks of the representative of the United Kingdom, he said that the Iraqi request did not violate any Security Council resolutions, as the return of the tankers was clearly justified on humanitarian grounds. Given that Security Council members already felt that the oil-for-food programme was not sufficient to meet the humanitarian needs of the Iraqi people, a positive response to the request before the Committee would be extremely helpful. Perhaps the questions being prepared by the Secretariat for submission to the Permanent Representative of Iraq could incorporate the technical concerns voiced by the representative of the United Kingdom.

Mr. BIGOT (France) said that increasing the resources available for humanitarian purposes was a priority shared by all Committee members. The legal basis for granting the request should be examined only after the Committee had ascertained the technical feasibility of the operation and its expected financial benefits. Such information could be sought from the Saybolt monitors and the oil overseers, as well as from the Government of Iraq. He believed that, under paragraph 20 of resolution 687 (1991), the Committee could authorize the vessels to return to Iraq. The Committee should also explore the technical feasibility and financial implications of repairing the vessels. Perhaps the proceeds from oil sales could be placed in a separate escrow account designated for that purpose.

Mr. LI Junhua (China) supported the views expressed by the representatives of the Russian Federation, Bahrain and France as well as the Chairman's remarks. If the representative of the United Kingdom was not convinced that the vessels should be returned, the question could be submitted

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to the Security Council for further consideration. As for the technical feasibility of returning the ships, he agreed with the previous speakers that opinions should be sought from the Secretariat, the companies concerned and the Iraqi authorities.

The CHAIRMAN said that, unless the legal obstacles proved to be insurmountable and required immediate attention, the technical aspects of the problem should be examined first. In the absence of a consensus among Committee members, he was reluctant to address a letter to the Permanent Representative of Iraq along the lines proposed by the representative of the Russian Federation. He would, however, request the Secretariat to prepare questions which he would submit to the Permanent Representative of Iraq in a letter whose draft would be circulated among Committee members under the "no-objection" procedure. If the reply to that letter was satisfactory, the legal aspects of the question could then be considered.

Mr. BIGOT (France) asked whether an opinion would also be sought from Saybolt.

The CHAIRMAN said that the Office of the Iraq Programme would undoubtedly consult Saybolt in preparing the questions for submission to the Permanent Representative of Iraq.

Mr. LENARČIČ (Slovenia) said that his delegation supported the Chairman's proposal in its entirety but would have wished him to send a letter expressing agreement in principle, since no Committee member objected to the sale of oil. His delegation was extremely interested in Saybolt's opinion.

The CHAIRMAN expressed concern that an indication of agreement in principle could make it more difficult to reach a consensus. In any case, the Committee's interest in the proposal would be evident from its request for additional information.

Mr. McGURGAN (United Kingdom) supported the Chairman's views. He wondered whether the Secretariat could circulate the IMO reports he had referred to for the benefit of new Committee members. The Chairman might wish to ask IMO whether the seaworthiness of the vessels in question had further deteriorated in the two years since the report had been released.

The CHAIRMAN said that he would do so.

Ms. GONZÁLEZ POSSE (Argentina) supported the British proposal, stressing the need for technical information. Perhaps the IMO reports could be attached to the letter to be addressed to Saybolt.

Mr. LI Junhua (China) supported the Chairman's remarks and asked whether the preliminary outcome of the Committee's discussion could be orally conveyed to the Permanent Representative of Iraq.

The CHAIRMAN said that he would do so.

LETTERS DATED 24 JANUARY AND 15 MARCH 1999 FROM IRAQ (S/AC.25/1999/COMM.6 and COMM.29)

The CHAIRMAN said that the impact of sanctions on the humanitarian situation in Iraq was a matter of serious concern to him personally, to all Committee members, to the Security Council and to the United Nations. Every effort would be made to address the situation.

Mr. BIGOT (France), supported by Ms. PADOVAN (Brazil), said that the statistics provided by the Government of Iraq in that connection, which were often dismissed as "propaganda", matched the statistics cited by the panel and in communications from humanitarian agencies, lending them fresh credibility. The Committee should therefore heed them.

The CHAIRMAN said that he understood the concerns of all delegations and that, in keeping with its usual practice, the Committee would take note of the communication.

It was so decided.

STATUS LISTS OF APPLICATIONS UNDER THE "NO-OBJECTION" PROCEDURE
(S/AC.25/1999/COMM.0627 to COMM.1161)

The CHAIRMAN drew attention to three sets of status lists covering about 500 applications under resolution 661 (1990) (S/AC.25/1999/COMM.0627 to COMM.1161), which had been processed by the Secretariat according to existing procedures. As the Secretariat had explained at a previous meeting, the status list would be considered as being officially approved by the Committee in the absence of comments or revisions by any member of the Committee. Once those applications were approved, the Secretariat would officially inform those concerned about their status. If there was any revision or change, the Secretariat would, of course, take note of it and make corresponding changes on the list. In that connection, he drew Committee members' attention to the information note concerning an amendment to the existing procedures with regard

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to traditional applications under Security Council resolution 661 (1990), as reflected on the status lists. The proposed amendment would be discussed at the next expert meeting.

Mr. Ebrahim Mubarak AL-DOSARI (Bahrain) requested clarification of the response of the Office of the Iraq Programme to the application from the Syrian Arab Republic dated 22 April 1999.

Mr. ALMSTROM (Office of the Iraq Programme) said that the Office of the Iraq Programme was proposing to provide the Syrian authorities with a copy of the Committee's approval letter, which would indicate that the consignments in question were transiting through the Syrian Arab Republic en route to Iraq.

Mr. BIGOT (France) noted the substantial number of blocks and holds placed on applications under the resolution 661 (1990) procedures and requested the Secretariat to provide a statistical breakdown in that regard. The selection of items on which blocks and holds were placed - household utensils, towels, fans, toothpaste, lipstick - struck him as odd and, indeed, arbitrary. In the interest of the smooth functioning of the Committee, perhaps the definitions of "essential", "non-essential" and "dual-use" should be clarified. He also wondered why certain items were placed on hold only when they originated from certain countries and noted that the reasons given for placing holds were so succinct as to be virtually useless to the companies or importers involved. Perhaps the procedure could be discussed in an informal meeting.

The CHAIRMAN said that he would take it that the Committee considered the list officially approved for appropriate action by the Secretariat staff.

It was so decided.

NOTE VERBALE DATED 5 AUGUST 1996 FROM TURKEY (continued)
(S/AC.25/1996/COMM.7649)

The CHAIRMAN drew attention to the note verbale from Turkey concerning the resumption of the importation of petroleum and petroleum products from Iraq, which had not been discussed at the Committee's 181st meeting. Although he had reminded the Permanent Representative of Turkey that the Committee had been promised an update of the information contained in the communication, it had not yet been received.

Mr. BIGOT (France) wondered whether the Chairman could inquire about the reasons for the delay - i.e., were they technical or substantive? He also repeated his proposal of several months earlier, namely, that the Committee

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should meet with the Permanent Representative of Turkey or a representative of the Permanent Mission, as it had often done in the case of third countries which were affected by the embargo against Iraq. It was a vital question and ought to be addressed.

The CHAIRMAN said that it had been his impression that he was authorized to remind the Permanent Representative of Turkey that the Committee was awaiting an update but not to inquire about the reasons for the delay. If the Committee authorized him to do so, he could certainly contact the Permanent Representative again.

Mr. McGURGAN (United Kingdom) said that the Turkish authorities had informed the British Embassy in Ankara of their intention to submit a revised letter to the Committee within one week. That information had been confirmed by officials of the Permanent Mission of Turkey in New York. He therefore believed that there was no need to inquire about the reasons for the delay.

NOTE VERBALE DATED 23 NOVEMBER 1998 FROM LEBANON (continued)
(S/AC.25/1998/COMM.158)

The CHAIRMAN drew Committee members' attention to the note verbale from Lebanon concerning the release of frozen funds. No agreement had been reached at the 181st meeting of the Committee as to how to proceed with the issue, namely, whether it should be taken up bilaterally or whether the Committee should decide on how to respond. Consideration of the matter had thus been deferred.

Mr. McGURGAN (United Kingdom) said that he wished to repeat his delegation's proposal, which was fully consistent with the Committee's precedents and practice: the Committee should address a letter to the Permanent Representative of Lebanon stating that it was not in a position to authorize the release of funds, which was a matter to be decided by the two States concerned.

Mr. BIGOT (France) said that, in general, the Committee should determine how it planned to deal with the question of frozen financial assets; the case before it provided an opportunity to clarify its approach. The failure of bilateral efforts thus far in the case in question was yet another reason for the Committee to address the issue.

The CHAIRMAN said that it was his understanding that Security Council resolutions were to be implemented within the context of the banking laws and

legislation of the country in question. It appeared that the Committee was not in a position to unfreeze assets held in a given country.

Mr. BIGOT (France), agreeing that only the State in question could unfreeze the assets, said that it would nonetheless be useful for the Committee to consider cases in which assets were frozen within the context of United Nations resolutions.

Mr. Ebrahim Mubarak AL-DOSARI (Bahrain) said that he feared that the Committee was facing the kind of legal situation on which the Legal Counsel had previously provided opinions. Therefore, rather than acting in haste or closing the matter entirely, the Committee should give it more in-depth consideration.

The CHAIRMAN assured the representative of Bahrain that the matter was not closed; indeed, it was being retained as an outstanding issue to be considered at a later date.

Mr. McGURGAN (United Kingdom) noted that the Permanent Mission of Lebanon had indeed requested the Committee to release the funds and that the Committee should unequivocally state it was unable to do so. It would be useful if the Secretariat could provide details on precedents in that regard.

Mr. WAN Jingzhang (Secretary of the Committee) said that in 1996 the Government of Yemen had asked the Committee to release the frozen assets of certain Yemeni citizens. The Committee had responded that it was not in a position to approve the request. More recently, there had been a similar case involving the assets of a Spanish citizen which had been frozen by the Bank of England. The Committee had not pursued the matter because the representative of the United Kingdom had stated that his Government was working with the Spanish authorities to resolve the situation.

Mr. HARVEY (Canada) said that he agreed with the representative of the United Kingdom that the Committee should inform the Lebanese Government that the release of frozen assets was a domestic matter which did not fall within the Committee's mandate.

The CHAIRMAN said that there did not seem to be a consensus on that proposal and suggested that the Committee should return to the matter at a later date.

Mr. Ebrahim Mubarak AL-DOSARI (Bahrain) said that he had no objection to the Chairman's suggestion but wondered whether the matter could be referred

to the Compensation Commission, since individuals had suffered harm as a result of the freezing of their assets.

Mr. McGURGAN (United Kingdom) said that he did not see why the Commission should compensate the Government of Iraq for the freezing of its own assets. In any case, such questions did not fall within the Commission's mandate.

The CHAIRMAN said that he took it that the Committee wished to postpone further discussion of the matter.

It was so decided.

LETTER DATED 23 DECEMBER 1998 FROM THE DIPLOMATIC CORPS IN BAGHDAD
(S/AC.25/1998/COMM.181)

The CHAIRMAN said that the Committee had not yet found a solution to the problem of restrictions on air travel for diplomats stationed in Baghdad, but that he had written to the Dean of the Diplomatic Corps informing him that the Committee was still seized of the matter.

Mr. BIGOT (France) said that since the United Nations Iraq-Kuwait Observation Mission (UNIKOM) flights had been discontinued, the Committee should reconsider the proposal made by the Governments of the United Arab Emirates and Jordan involving the use of commercial aircraft.

The CHAIRMAN said that he was not familiar with that proposal and would prefer to postpone further discussion of the matter until he had read the letters in question.

Mr. McGURGAN (United Kingdom) said that the Committee had already dealt with the matter. He was not in a position to agree to reconsider it and would have to discuss that question with his capital.

Mr. YOUNG (United States of America) said that he agreed with the representative of the United Kingdom. His delegation was not in a position to support the establishment of commercial air service to and from Iraq but would be willing to consider requests for travel on a case-by-case basis.

The CHAIRMAN said that, for his part, he was not in a position to remove the item from the Committee's agenda since he had told the Dean of the Diplomatic Corps that the Committee would remain seized of the matter. He had, however, taken note of the position expressed by the representatives of the United States of America and the United Kingdom.

Mr. RANI (Malaysia) said that, having served in the Diplomatic Corps in Baghdad under the sanctions regime, he sympathized with the position of the diplomats posted there and urged the Committee to give serious consideration to the proposal made by the Governments of the United Arab Emirates and Jordan. The use of commercial flights could be limited to United Nations personnel and foreign diplomats.

Mr. BIGOT (France) said he thought that the Committee had failed to reply to one of the two letters, either that of the Government of Jordan or that of the United Arab Emirates, because there had been no consensus on the words. He asked whether the Committee could at least agree to such a reply at the current meeting.

Mr. SMIRNOV (Russian Federation) said that the Dean of the Diplomatic Corps was presumably drafting a reply to the Chairman's letter. He looked forward to the opportunity to discuss that reply in detail and suggested that the matter should be postponed until then.

The CHAIRMAN proposed that the Committee should take up the matter at its next meeting, whether or not it had received a reply from the Dean of the Diplomatic Corps.

It was so decided.

OTHER MATTERS

Mr. SMIRNOV (Russian Federation) said that his Mission had received a substantial set of technical documents from the Food and Agriculture Organization of the United Nations (FAO) concerning that organization's activities in Iraq, some of which involved matters that the Committee had considered at one time or another. In particular, he had learned that owing to a lengthy drought a poor harvest was expected in Iraq. He suggested that the documents should be provided to interested delegations.

The CHAIRMAN said that the Secretariat had also received a copy of those documents, which would be made available to members at the next informal meeting of the Committee.

Mr. LI Junhua (China) said that he supported the statement made by the representative of the Russian Federation. The Permanent Representative of China had also met with the representative of FAO, who had expressed the hope that the Committee could help that organization with some of the problems that it faced

in Iraq. He hoped that the Committee would consider the matter in depth at its next meeting.

Mr. YOUNG (United States of America) asked whether the Office of the Iraq Programme had prepared an action plan for the distribution of medical supplies currently held in warehouses and whether the Iraqi Government had made any progress in the ordering of targeted nutritional supplies such as milk and high-protein biscuits.

The Committee had been informed that the Central Bank of Iraq had been slow to raise letters of credit against the oil spare parts contracts approved by the Committee. He asked the Secretariat to provide a status report including the percentage of contracts against which letters of credit had been issued and information on how the Iraqi Government determined the order in which approved contracts were processed.

Mr. AFEWORKI (Department of Management) said that as far as he knew, letters of credit had been issued for all approved Phase IV contracts. His office sent a weekly list of contracts approved by the Committee to the Central Bank of Iraq, the Banque Nationale de Paris (BNP) and the Permanent Mission of Iraq; however, he did not know whether the Iraqi authorities gave priority to certain contracts.

Mr. YOUNG (United States of America) asked whether the Central Bank of Iraq forwarded the entire weekly list to BNP or whether some selection process was involved.

Mr. AFEWORKI (Department of Management) said that the Office of the Iraq Programme gave the Iraqi Mission a daily update on contracts approved by the Committee, BNP informed the Bank of Iraq weekly by telex of the contracts for which the Office of the Iraq Programme was anticipating letters of credit; it also informed his own office of the contracts that it was currently processing. However, his office had no influence on the suppliers chosen by the various ministries of the Iraqi Government, and it would be inappropriate for it to interfere in the internal processing of contracts.

Mr. MCGURGAN (United Kingdom) said that while he agreed that it would be presumptuous for the Committee to interfere in the internal mechanisms of the Iraqi Government, it would be useful for its members to receive copies of the weekly lists of contracts against which letters of credit had been raised as they were forwarded by BNP to the Office of the Iraq Programme.

Mr. AFEWORKI (Department of Management) said that once circulated, such lists would become official documents. He would have to consult with his office on the feasibility of that proposal.

The question of the distribution of medical supplies was currently under discussion in the Security Council, and he had received no notification of an official plan of action. With respect to targeted nutrition, he said that the United Nations Children's Fund (UNICEF) had had difficulty in finding suitable suppliers.

Mr. McGURGAN (United Kingdom) said that the Humanitarian Coordinator had stated that he would prepare an action plan in consultation with the Government of Iraq. The fact that the matter was being discussed in the Security Council was irrelevant; the Committee had made a request of the Office of the Iraq Programme and should receive an answer.

The CHAIRMAN suggested that the Committee should discuss the problem of targeted nutrition, the action plan for distribution of medical supplies and the possibility of a status report on contracts at its next informal meeting.

It was so decided.

Mr. Ebrahim Mubarak AL-DOSARI (Bahrain) said that his delegation had already raised the possibility of exempting travel for religious purposes from the sanctions regime. He suggested that the matter should be included as an outstanding item on the Committee's agenda until consensus was reached.

The CHAIRMAN said that while the impact of the sanctions on matters such as the annual pilgrimage was of great importance, it was for the Security Council to decide on any derogations from the provisions of its resolutions.

Mr. BIGOT (France) said that he agreed that a plan of action for the distribution of medical supplies would be useful. In that regard, he had requested a breakdown of those supplies by category two months previously; it would be useful to have such information, since not all items were of equal importance and some were perishable. He wondered why the Secretariat had not replied to his request.

Furthermore, it had been three months since the Executive Director of the Iraq Programme had submitted additional information and a proposal concerning reimbursement from the 13 per cent account to the 53 per cent account. The Committee should discuss that issue soon, perhaps in an informal meeting.

Lastly, he had frequently requested information on the use of profits from the sale of oil to finance the expenses of the Committee secretariat and the Special Commission under Security Council resolution 986 (1995), paragraphs 8 (d) and (e). In particular, he had asked what the total expenses of those two bodies were and the amount of their contingency funds. That information was within the Committee's mandate under paragraph 12 of that resolution, which requested the Committee to develop expedited procedures to implement the arrangements described in paragraph 8 and to report to the Council thereon. He asked whether the matter must be referred to the Council itself in order for him to receive an answer.

The CHAIRMAN suggested that the issues raised by the representative of France should be discussed at the Committee's next informal meeting.

Mr. BIGOT (France) said that the Committee had devoted considerable time to other matters and that it should be possible for him to receive an immediate answer to his question regarding the categories of medical supplies in the warehouses.

Furthermore, since there were already many issues on the agenda of the Committee's next informal meeting, he suggested that the question of reimbursement from the 13 per cent account to the 53 per cent account should be the subject of a special meeting for interested parties.

The CHAIRMAN said that he could only reiterate that he was not in a position to provide answers to any of the questions raised by the representative of France. The Committee would discuss the possibility of establishing a working group on reimbursement from the 13 per cent account to the 53 per cent account at its next informal meeting, which would also include a briefing on the status of the medical supplies.

Mr. SMIRNOV (Russian Federation) said that he shared the concerns expressed by the representative of France. It was his understanding that the Executive Director of the Office of the Iraq Programme was currently discussing the status of the medical supplies with the Iraqi Government. He awaited with interest the results of those negotiations and suggested that the Committee should postpone its discussion of the matter until it had been informed of the outcome thereof.

The meeting rose at 6.05 p.m.