

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Agenda]

SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Adoption of the agenda]

TXT[Adoption of the agenda

Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)

The agenda was adopted.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[Referred to his explanatory statement contained in document S/AC.25/1991/COMM.530/Add.1. He wished to inform the Committee that under a memorandum of understanding between the Norwegian authorities and the United Nations, Norwegian technical expertise would be available on an "as and when required" basis. The draft memorandum of understanding was being reviewed by the Norwegian authorities prior to its finalization and some of the financial aspects would have to be reviewed by the United Nations Contracts Committee. The arrangement with the Norwegian authorities would resolve the dilemma of either having to install costly machinery prior to obtaining the consent of the Iraqi authorities, or being unprepared as a result of a delay in making arrangements until Iraq gives its consent. Of the four major tasks to be undertaken by the consultants, three were of an ad hoc nature and one would be ongoing.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[With regard to the first task - fact-finding in relation to the status of metering points, pipelines and the Ceyhan export terminal facilities, etc - the consultants felt that it might be necessary to incorporate their findings into the terms of reference provided to the independent oil inspectors. The Secretariat believed that the team of consultants should visit both Iraq and Turkey in order to report on production and pipeline facilities. However, in the absence of authorization to enter Iraq, it might be advisable for the team to inspect facilities in Turkey and incorporate those findings into the terms of reference for the independent oil inspectors to be hired. That must be done at the earliest possible date. An addendum to the memorandum of understanding would provide for the dispatch of additional team members in the event that Iraq agreed to receive them.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[The consultants' second task would be to assist in hiring the independent inspectors and determining the scope of their terms of reference, and to provide technical advice to the Secretariat on

the evaluation of bids. Their third task would be to help negotiate the pipeline transportation agreement between Iraq and Turkey, with the intervention of the United Nations, if necessary. Turkey had indicated that it would prefer to negotiate through the Secretariat. Iraq, however, maintained that it was already party to an agreement with Turkey, which had been interrupted during the Persian Gulf crisis but could be resumed. It was the Secretariat's feeling that the parties should be brought together for direct consultations and that further assistance should be provided by the Secretariat with the help of technical advisers, only if it became necessary.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[The fourth task of the consultants - monitoring Iraqi oil sales - would be performed over a longer term. He was pleased to note that the Committee had streamlined the procedure by appointing overseers, which would obviate the need to create a special unit in the Secretariat. Under the arrangement, one team member would serve as project manager, to whom the oil inspectors in the field would transmit information. That information, together with their report to the United Nations Development Programme (UNDP) would be pooled and computerized. The Iraqi Oil Minister had recently contended in an interview with The New York Times that the Committee's arrangements would interfere with his country's oil pricing policy. In that context, the consultants had suggested meeting with the Iraqi oil authorities in order to discuss their marketing and sales techniques. That would build confidence and facilitate the monitoring of sales and the pooling of information.]

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CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[His explanatory statement also referred to a generous offer by the Norwegian authorities to defray all costs during an initial 60-day period, and to the likelihood that an advisory panel of high-level petroleum experts to advise the Secretary-General would be set up. Concerning the external monitoring of food purchases by the United Nations Development Programme Office for Projects Services (OPS), he noted that UNDP had successfully monitored the national procurement of goods and services in Bolivia and that the system could be expanded to cover Iraq at minimum cost. Under the monitoring scheme, Iraq would produce a list of goods to be ordered, which would be reviewed in Baghdad by the Coordinator and Special Representative in Iraq of the Executive Delegate of the Secretary-General, and be forwarded to the Committee for approval and entered in the UNDP/OPS computer so that purchases could be verified against it.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and

712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[The role of OPS would be essentially administrative. OPS would also assist in soliciting bids and, like the Norwegian oil consultants, in drafting the terms of reference for independent consultants who would inspect the food sites. He read from the text of the memorandum being negotiated between the Secretariat and UNDP, which specified that inspection agents hired by OPS would evaluate offers by suppliers as to quantity, quality, transport and delivery. The inspection agents would assist in the verification of contracts between Iraq and its suppliers, particularly with respect to price/value relationship in accordance with section III, part A, paragraph 8, of the procedure to be employed by the Committee in the discharge of its responsibilities under resolution 706 (1991) and 712 (1991) (S/23149), and they would station staff at ports of unloading and border points of entry into Iraq in order to ensure that the monitoring tasks were being performed effectively.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]  
SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[That task would be assumed by a commercial firm, and OPS would handle the administrative aspects. Once the food had entered Iraq, the mechanism set up by the Executive Delegate with the Coordinator and teams from the United Nations agencies would be responsible for internal monitoring. An escrow account had been opened, into which the Bank for International Settlements in Basel had indicated its willingness to release funds, and the Iraqi authorities had been informed accordingly. As yet, however, there was nothing in the account.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Intervention]  
SPKR[Menon] MS[India] FCT[Member] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[Inquired about provisions for meeting the financial requirements of the inspection in Turkey and the advisory panel of high-level experts, which would presumably not be covered by the Norwegian offer. He wondered whether the countries represented on the high-level group of experts would forgo remuneration. Lastly, it would be useful to know whether the escrow account would be constituted in the foreseeable future and, if so, whether it could be utilized to finance certain operations outlined in the Assistant Secretary-General's explanatory statement.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Intervention]  
SPKR[Richardson] MS[United Kingdom] FCT[Member] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[Asked when the senior official who would be responsible for coordination at Headquarters of all aspects of the scheme, and who would thus act as a "focal point" in New York, would be appointed. He would also appreciate additional information on the status of contacts with the Iraqi State Organization for the Marketing of Oil (SOMO). He noted with appreciation the reference to appropriate

points of entry into Iraq and hoped that they would be designated with a measure of flexibility, with additional points of entry for food shipments, perhaps even being added as the situation evolved.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Intervention]

SPKR[Al-Alfi] MS[Yemen] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[Referred to the letter dated 4 October 1991 from the Assistant Secretary-General addressed to the Permanent Representative of Iraq, contained in annex I to the explanatory statement. In the letter, the Assistant Secretary-General quoted paragraph 8 of Security Council resolution 712 (1991), which referred to "funds contributed from other sources". He would appreciate clarification of the relationship between such funds and the frozen monies on deposit in the Bank for International Settlements, which were completely separate and were not covered by resolution 712 (1991). In his letter, the Assistant Secretary-General had himself recognized that there was not necessarily a linkage between the frozen funds and the intent of resolution 712 (1991), for he had indicated that the Iraqi Government might wish to instruct the Bank for International Settlements to transfer funds into the escrow account.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Intervention]

SPKR[Al-Alfi] MS[Yemen] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[Would appreciate additional information on the manner in which the Norwegian experts had been selected. He wondered whether other offers had been submitted and whether an overriding factor in the selection had been the 60-day deferral of costs. He also wished to know whether Iraq had been consulted about the inspection before the proposal for contingency arrangements had been submitted to the Committee. Lastly, he wondered whether it might be prudent to await Iraqi consent before dispatching oil experts to Turkey, since Iraq might in fact not agree to the arrangement.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Intervention]

SPKR[Robichon] MS[France] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[Requested additional information on the adaptation of the OPS system in Bolivia to the contingency arrangements for Iraq. Since the proposal was most certainly based on comparative studies, she would appreciate additional details on the cost of adapting the Bolivian mechanisms to the Iraqi situation.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Intervention]

SPKR[Moreno Fernández] MS[Cuba] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[There seemed to be a discrepancy between the language of the

Assistant Secretary-General's letter to the Permanent Representative of Iraq (S/AC.25/1991/COMM.530/Add.1, annex I) and the wording of the letter from the Bank for International Settlements to the Chairman of the Committee (S/AC.25/1991/COMM.525). The letter from the Assistant Secretary-General indicated that the Bank would proceed "on the basis of transfer instructions received from the Central Bank of Iraq", implying that the process would be initiated at the discretion of the Iraqi bank. The letter from the Bank itself, however, referred to a "procedure now in place for the release of ... assets through the sub-account of the escrow account", suggesting that the process was already under way. He would appreciate clarification of that point.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Intervention]  
SPKR[Moreno Fernández] MS[Cuba] FCT[Member] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[Furthermore, like the representative of France, he wished to have further details on the adaptation of the Bolivian project to the Iraqi situation.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]  
SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[Replying to the questions posed by the representative of India, said that any initial costs of the operation would be covered by the arrangements with the Norwegian authorities, which would be triggered as soon as the memorandum of understanding between the United Nations and the Norwegian Government was signed. That was expected to be soon, so if an oil pipeline inspection team was then sent to Turkey and Iraq, its costs would be covered. However, the appointment of inspectors to oversee oil and food purchases would entail substantial costs. The intention was to minimize United Nations exposure to such costs by making the appointment of inspectors subject to the proviso that contracts would come into force only when Iraq agreed to such inspection.]

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SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[On the other hand, the cost of appointing a panel of senior advisers to assist the Secretary-General would be minimal, since the panel would probably meet only every two or three months and some of the advisers might well give their services free of charge. With regard to the question covering the availability of funds in the escrow account, the relevant resolution and subsequent discussions had established that funds in the sub-account could be used only to meet Iraq's humanitarian needs and not to cover administrative costs. In reply to the question raised by the representative of the United Kingdom about when the Secretary-General would appoint a senior official to act as a focal point for the scheme at Headquarters he said that a decision would be taken

soon.]

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SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[On the question of contacts with SOMO, there had been none so far, but the Permanent Representative of Iraq was aware of, and appeared to be satisfied with, the Secretariat's arrangements with the Norwegian authorities. On the issue of the terms of reference for inspection agents, to be prepared in accordance with guidelines provided by the Committee, he noted that they should be flexible enough to take account of market conditions. With regard to the points raised by the representatives of Yemen and Cuba concerning funds deposited into the United Nations escrow account as a sub-account that would be immediately available to meet Iraq's humanitarian needs, the Central Bank of Iraq had been informed that the Bank for International Settlements was in a position to transfer funds standing to Iraq's credit to the sub-account and to release them.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[His understanding was that those funds would be available only to meet Iraq's humanitarian needs, and he hoped for acceptance of his assurance of the Secretariat's neutrality in the matter. With regard to the question of how the Norwegian experts had been selected to assist the Secretariat, the answer was that the Norwegian authorities' offer had been the most advantageous of the four received. The main reason for reaching that decision had not been the offer to defray costs during an initial period of 60 days, although that was helpful, but Norwegian commitment and expertise. The answer to the question whether details of the plan had been made known to Iraq was affirmative. It was a matter of judgement whether it would be better to be patient and delay sending a pipeline inspection team to Turkey until Iraq agreed to the arrangement.]

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SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[The pipeline was understood to be in good condition, but if that could be confirmed on the Turkish side less time would be required to start operations if and when Iraq agreed to the plan. In that event, the Secretariat would be further forward in its preparations and less likely to delay progress, which would undoubtedly be best in view of the urgency of the matter. With regard to the question raised by the representative of France, the UNDP Office for Projects Services had been asked to monitor the purchase and import of foodstuffs in view of its experience in Bolivia and to avoid the cost of duplicating that experience. The costs of OPS performing the task would not be excessive. A draft

memorandum of understanding between OPS and the Secretariat estimated that the costs would amount to some \$178,000 in the first six months and \$151,000 in the second six months.]

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SPKR[Annan] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[That did not include fees for independent inspection agents, for which he could not provide an estimate. A figure of \$10 million had once been suggested but that could be revised if the task was reduced to inspections only at ports of entry.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[It was clearly in the Secretariat's best interest to be prepared for the next stage. It would also be best for Iraq, because the Secretariat would then not delay proceedings and the arrangements could be pursued as soon as Iraq agreed to resume oil sales. If he heard no objection, he would take it that the Committee agreed to the selection of the four persons (Ms. Luann Smith, Mr. Jan Henrik Vik, Mr. Arstein Wigestrang and Mr. Jorge Claro) proposed by the Assistant Secretary-General in his letter contained in document S/AC.25/1991/COMM.530. It was so decided.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[The head of the advisory panel to assist the Secretary-General, Mr. Arve Johnsen, one of the three independent experts in oil trade, Mr. Jan Henrik Vik, and the "aide" to the Committee for the purpose of monitoring the purchase of foodstuffs and medical supplies by Iraq, Mr. Jorge Claro, were available to address the Committee and answer any questions. If he heard no objection, he would take it that the Committee wished them to do so. It was so decided.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Johnsen] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[The first step that he would like to undertake would be a fact-finding mission to both Turkey and Iraq to investigate the technical situation and how best to monitor the flow and volume of oil exports. That could take time because the oil in the pipeline had been there for over a year. How long it would take was difficult to predict but it would be a matter of weeks, so the earlier the pipeline was inspected the better. The inspection would have to be performed subject to agreement with the Committee and the Iraqi authorities, and the scope of the inspection agency's work would have to be defined. The inspection team under Mr. Vik

would be ready to start work at 48 hours' notice once agreement was given.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Vik] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[On his return to Norway, he would continue preparatory work until such time as it was possible to visit Turkey and Iraq to inspect the state of the oil pipeline.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Secretariat]

SPKR[Claro] MS[UNDP] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[The Office for Projects Services was at present in a "wait-and-see" situation: oil had to flow before there was any role for it.

It had to be ready for action and was at present making the necessary preparations for selecting the inspection agents. OPS saw its role as being, firstly, to coordinate the activities of the inspection agents and make the necessary reports; secondly, to act as an aide to the Committee, which would provide guidance through the Chairman; and, thirdly, to act as a repository of information which would facilitate the inspection in Iraq. OPS would obtain information on the situation regarding sales of oil, the commodities being procured and whether they were in transit or had reached Iraq, and would release that information to the Coordinator and Special Representative in Iraq of the Executive Delegate of the Secretary-General so that he could perform his task.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Secretariat]

SPKR[Claro] MS[UNDP] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[Those were the three stages in which OPS perceived its role, and he awaited instructions from the Committee.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Intervention]

SPKR[Menon] MS[India] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[Asked if the experts could give any idea of the state of the pipeline, which had been out of use for a considerable time, and, should access to the entire pipeline become available, how long it would take before it was in full operation again.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Johnsen] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[Replied that at the current stage he could only say that it would be a matter of weeks, not days.]



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SPKR[Al-Alfi] MS[Yemen] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[Asked whether, assuming everything went smoothly, and the Government of Iraq agreed, the time frame for implementing the Security Council resolutions was sufficient. It was a question not only of pipelines but of the arrival of foodstuffs. He also asked for information on the nature of the foodstuffs to be purchased and whether purchasing would be a commercial transaction by Iraq or whether the food would be provided free of charge.]

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SPKR[Johnsen] MS[PPBF] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[Assuming the relevant quantity of food would be produced by the end of March 1992, he personally doubted that the time frame would be sufficient. It would depend on reaction on the Iraqi side. If work could be started the following week, the time frame might be appropriate, but in view of what had been said about the state of the pipeline, his own view at the current stage was that it was unlikely to be adequate.]

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SPKR[Claro] MS[UNDP] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[As far as the nature of the goods purchased was concerned, OPS would be guided by the relevant provisions of the resolutions. The list of goods would have to be approved by the Committee before OPS could go ahead. It was not a UNDP/OPS operation.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[Under the scheme already approved, Iraq would submit a list of the goods it wanted to buy within the time frame, giving quantities and values, and would indicate the goods that it wished to finance from the escrow account - as separate from other sources of finance. As far as other sources were concerned, Iraq would have two possibilities. The first, which had already existed since Security Council resolution 687 (1991) had come into force, would be to use frozen assets where Governments had decided to unblock them and release funds. He understood that some Governments had done so, but he had no statistics. That procedure would continue to be available to Iraq. The second procedure was to use the money coming into the escrow account from oil sales to finance imports of foodstuffs and other goods for essential civilian needs. The list of goods would be submitted by Iraq to the Executive Delegate for inspection and would be approved by the Committee.]

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SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and  
712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[The Committee would approve the list with all speed so that  
Iraq would be able to satisfy its humanitarian needs as soon as  
possible. He could inform the Coordinator in Baghdad that the  
Committee would like to receive the Iraqi list as soon as possible  
so that a decision could be taken without delay and operations  
could be started.]

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CAT[661] MTG[53] DATE[10/31/91] TYPE[Intervention]  
SPKR[Al-Alfi] MS[Yemen] FCT[Member] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and  
712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[Asked whether UNDP knew what to do once Iraq had drawn up the  
list. He wondered, for example, whether the goods would be for  
sale, or whether they would be free aid. He also wondered whether  
UNDP was aware that if it was authorized to distribute the goods  
free of charge it would have to hand them over to the Iraqi  
Government, which would then sell them.]

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SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and  
712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[It was clear that the goods would be for Iraq to dispose of  
freely: there was no question of their going to UNDP. The Committee  
would scrupulously monitor the implementation of procedures it had  
adopted.]

ISSUE[IRAQ/KUWAIT]  
CAT[661] MTG[53] DATE[10/31/91] TYPE[Intervention]  
SPKR[Richardson] MS[United Kingdom] FCT[Member] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and  
712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[The proposal, as he understood it, was that the experts should  
visit Turkey and Iraq as soon as possible to ascertain the state of  
the pipeline after a year of disuse. If and when Iraq decided to  
sell oil, through the scheme, the United Nations and all those  
associated with it could be accused of negligence or indifference  
if a scheme was not ready and capable of application within a  
fairly short time thereafter. He supported the proposal but  
suggested that it should be handled discreetly because it was for  
Iraq to decide whether to avail itself of the scheme or not. With  
that proviso, he was happy to leave the matter to the Chairman, who  
should make it clear that the offer, which was a good one was  
available, and that the Committee hoped that the Governments of  
Turkey and Iraq would facilitate a visit. The Committee could then  
await reactions.]

ISSUE[IRAQ/KUWAIT]  
CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]  
SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and  
712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[The essential aim was to build up confidence. It was important not to give Iraq the impression that anyone was trying to prejudge its decision whether or not to sell oil. It was an offer, a possibility, that could be used by Iraq. There was now a procedural scheme, but he urged the experts to undertake contacts with tact, so that the Iraqi experts whom they were to meet would understand that the scheme was a possibility made available to them in order to provide humanitarian relief to the Iraqi people. He was confident that the experts would act accordingly. Confidence-building was all that could be done at present. It was for Iraq to decide whether or not to sell oil: there could be no compulsion. It should also be made clear that the Committee was not acting against the people of Iraq but was doing its best to make a mechanism available that it hoped would work. It was ready to check such mechanism at any stage in the light of the experts' findings.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]  
SPKR[Johnsen] MS[PPBF] FCT[Secretariat] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[The experts would act on the basis of the comments just made by the Chairman.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Intervention]  
SPKR[Posso Serrano] MS[Ecuador] FCT[Member] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[Referring to the points raised by the representative of Yemen, acknowledged that the system of control described in the relevant resolutions did not cover how the foodstuffs were to be distributed, which was a matter for the Iraqi Government to decide. But since the question had arisen he would like to ask Mr. Claro whether the system was similar to the one applied in Bolivia. Was the intention that food should go direct to the Iraqi people or would it be channelled through the Government, and would there be supervision of the nature of the goods and how they were distributed?]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]  
SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]  
ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]  
TXT[The Bolivian situation and what was proposed for Iraq were entirely different. The action to be taken was clearly described in document S/23149, section III, part A. As indicated in paragraphs 2 and 3 of part A, the Executive Delegate would forward the list, revised by him if necessary, to the Committee, and the Committee would take action on the list and forward it, as approved, to the Secretary-General and the Executive Delegate. The Iraqi Government would then be free to sign whatever contract it wished within the framework of the list. All the aide to the Committee would have to do would be to check any contract concluded by Iraq and a possible seller of the goods, to ensure that there was no overpricing or underpricing. Enterprises might take advantage of Iraq, since it was highly dependent on imports. It would therefore be in Iraq's

interest to have contracts checked by an expert.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[However, even if the Committee were to reject a contract on the recommendation of an expert, Iraq would still be free to implement it if there was a source of income other than the escrow account.

All that had nothing to do with in-country monitoring of distribution, which would be done by the Executive Delegate.

Neither did it concern the aide to the Committee, who was to help the Committee on one important point: checking contracts to see whether they were fair or not.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[53] DATE[10/31/91] TYPE[Procedure]

SPKR[Claro] MS[UNDP] FCT[Secretariat] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/COMM.530 and Add.1 and Add.2)]

TXT[Explained that the case of Bolivia had arisen only because it was mentioned in his curriculum vitae that he had been the coordinator of a project to assist the Bolivian Government in procuring goods and services in an amount of \$1.7 billion. It had never been intended or proposed that the Bolivian operation should be reproduced in Iraq. OPS was an agent of the Committee, and the role of the experts was simply to assist the Committee in its monitoring tasks. In making his reference to releasing information, he had merely meant that by releasing information OPS would be able to trigger in-country monitoring activities because it was the best source of up-to-date information.]