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From: Dr A S Tanfield, MED  
Date: 18 May 2001

cc: PS/Mr Wilson  
PS/PUS  
Mr Westmacott  
Mr Patey, MED  
Heads: UND, NPD, Sec Pol,  
News

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+ PA

To: Mr Goulty (seen in draft)  
PS

UNMOVIC:  
UN RESOLUTIONS

**SUBJECT: IRAQ POLICY REVIEW: DRAFT ROLLOVER RESOLUTION**

1. The Secretary of State will wish to be updated on the current state of play on our draft oil-for-food rollover resolution. The latest draft is attached. This reflects American comments but has not yet been submitted for their principals' approval. With the agreement of the US, we have today also passed a copy to the French as a UK draft.
2. Our aim is to circulate the draft in New York early next week: first in the P5 Directors' meeting planned for 21 May, then in Security Council informals on 22 May. To some extent the launch of our resolution has been pre-empted by the Russian leak this week of the US resolution elements paper, which necessitated briefing by ourselves to set the record straight. Media coverage so far has been largely supportive.
3. In line with policy review conclusions, the resolution would:
  - Improve the flow of civilian goods to Iraq by allowing the export to Iraq (without requiring 661 Committee approval) of all goods, other than WMD- and military-related items of concern, through fast-track procedures;
  - Allow civilian passengers and cargo to enter Iraq by any means of transport (ie covering flights, ferries and train links) subject to UN inspection before entry;
  - Enable Iraq to pay its UN dues and subscriptions to other international organisations from the UN Escrow Account.

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In return for this easing of sanctions:

- Introduce more tightly focused controls on Iraq weapons through agreement of a Controlled Goods List of items of arms and WMD concern. (Separately, we are pressing the US to not to insist on an unreasonably long list). Only contracts which UNMOVIC and the IAEA determined contained items on this list would be passed to the 661 Committee for approval or rejection;
- Through agreement with Iraq's neighbours, bring Iraq's illegal oil exports within the oil-for-food programme. We are unlikely to be able to tie down neighbouring states to specific arrangements before 4 June. The current draft tasks the Secretary-General to make specific recommendations for approval by the Security Council;
- Introduce strengthened monitoring at Iraq's land, sea and air borders;
- Seek greater control over oil traders to prevent Iraq from skimming off money from legitimate oil trading.

*Amanda Tanfield*

Dr A S Tanfield  
Head of Iraq Section

Tel:

Fax:

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*The Security Council,*

*Recalling* its previous relevant resolutions, including its resolutions 661 (1990) of 6 August 1990, 670 (1990) of 25 September 1990, 687 (1991) of 3 August 1991, 986 (1995) of 14 April 1995, 1051 (1996) of 27 March 1996, 1284 (1999) of 17 December 1999 and 1330 (2000) of 5 December 2000,

*Convinced* of the need as a temporary measure to continue to provide for the humanitarian needs of the Iraqi people until the fulfilment by the Government of the Iraq of the relevant resolutions, including notably resolution 687 (1991),

*Convinced also* of the need for equitable distribution of humanitarian supplies to all segments of the Iraqi population throughout the country,

*Recognising* the importance of the presence in Iraq of a sufficient number of observers to provide the required assurance to the Council that items listed in the Annex to this Resolution, where approved for export to Iraq, are utilised for the purposes for which they have been approved,

*Recognising* further the need for all States to implement all prior relevant resolutions, as modified by this resolution, and in particular paragraph 4 of resolution 661 (1990),

*Reaffirming* the commitment of all Member States to the sovereignty and territorial integrity of Iraq,

*Acting* under Chapter VII of the Charter of the United Nations.

1. *Decides* that the provisions of resolution 986 (1995), except those contained in paragraphs 4, 11 and 12, and subject to paragraph 15 of resolution 1284 (1999) and the following provisions of this resolution, shall remain in force for a new period of 180 days beginning at 00.01 hours, Eastern Daylight Time, on 4 June 2001;
2. *Authorises* States to permit, notwithstanding the provisions of paragraph 3(c) of resolution 661 (1990) and consistent with the other provisions of this resolution, the sale or supply to Iraq of any commodities and products, other than commodities and products referred to in paragraph 24 of resolution 687 (1991), in accordance with the procedures of the Committee established by resolution 661 (1990) and subject to the following conditions:
  - (a) All proposals for the sale or supply of commodities and products to Iraq shall be notified to the Secretary-General, who shall approve them provided that the United Nations Monitoring, Verification and Inspection Committee (UNMOVIC), in consultation with the International Atomic Energy Agency (IAEA) as appropriate, determines that they contain no items prohibited by paragraph 24 of resolution 687 nor items included on the list set out in the Annex to this resolution (and that UNMOVIC is

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authorised to make the necessary arrangements to handle this additional task);

- (b) Any proposed sale or supply to Iraq which UNMOVIC/IAEA determine includes any item on the list set out in the Annex to this resolution requires the approval by the Committee established by resolution 661 (1990). Such proposals shall be forwarded by the Secretary-General to the Committee established by resolution 661 (1990);
3. *Decides* that the funds in the escrow account established pursuant to paragraph 7 of resolution 986 (1995) may be used to finance the sale or supply to Iraq of those commodities and products that are authorised for sale or supply to Iraq under paragraph 2 of this resolution, provided that the procedural conditions of paragraphs 8(a)(i) and 8(a)(iii) of resolution 986 (1995) are met, whether or not a plan under paragraph 8(a)(ii) of resolution 986 (1995) has been submitted;
  4. *Requests* the Secretary-General to recommend for approval by the Committee established by resolution 661 (1990) specific arrangements for those States which share land borders with Iraq permitting their importation of petroleum and petroleum products from Iraq and export of products and commodities to Iraq that recognise the special circumstances of these States based on their geographic contiguity to Iraq. Such arrangements may, notwithstanding the provisions of paragraphs 3(a), 3(b) and 4 of resolution 661 (1990) and the provisions of paragraph 1 of resolution 986 (1995), and without prejudice to the provisions of paragraphs 2 and 6 of resolution 986 (1995), permit the import from Iraq of petroleum and petroleum products, subject to the following conditions:
    - (a) Petroleum and petroleum products imported by any means shall transit through border crossings authorised by the Committee established by resolution 661 (1990) upon the recommendation of the Secretary-General and subject to monitoring by United Nations personnel;
    - (b) Prices for the import of petroleum and petroleum products imported from Iraq under this paragraph may be established by the importing State and Iraq on condition that they are reported on a regular basis to the Secretary-General for transmission to OIP and the Committee established under resolution 661 (1990);
    - (c) Payment to Iraq may be either in the form of export of commodities and products, other than items referred to in paragraph 24 of resolution 687 (1990), from the importing State to Iraq or through the deposit of proceeds due Iraq in national escrow accounts to be established by the Secretary-General in consultation with the importing States subject to the inspection and oversight of the Secretary-General and which shall enjoy the privileges and immunities of the United Nations;

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- (d) The proceeds in the national escrow accounts may be used by Iraq only to purchase commodities and products, other than those referred to in paragraph 24 of the resolution 687 (1991), from the State maintaining the escrow account;
  - (e) Any export of commodities and products to Iraq under this paragraph shall be subject to the procedures of notification and approval set forth in paragraph 2 of this resolution;
  - (f) The volume of petroleum and petroleum products imported from Iraq shall not exceed 150,000 barrels a day for each neighbouring State;
  - (g) The States concerned confirm their commitment to implement all relevant resolutions on Iraq, including this resolution, and establish transparent arrangements for this purpose;
5. *Invites* the Secretary-General to draw up, within one month of the passage of this resolution, for the approval of the Committee established pursuant to paragraph 6 of resolution 661 (1990), criteria for the selection of companies and trading organisations to be authorised to handle the sale or supply of Iraqi petroleum and petroleum products to States other than those covered by the arrangements set out in OP4, and *decides* that, subsequent to that Committee's approval of such criteria, the sale or supply of Iraqi petroleum and petroleum products to these States shall take place only through authorised oil companies and trading organisations;
  6. *Decides* that the arrangements set out in paragraph 2 of resolution 1330 (2000) regarding the use of funds from the escrow account established pursuant to paragraph 7 of resolution 986 (1995) for the purposes of paragraph 8(b) of the latter resolution shall remain in force;
  7. *Decides* that the funds in the escrow account established pursuant to paragraph 7 of resolution 986 (1995) may be used for the payment of the arrears in Iraq's contribution to the budget of the United Nations and for the payment, on a continuing basis, of Iraq's assessed contribution to the regular budget of the United Nations;
  8. Subject to the provisions of OP12, *decides* that all States may permit any aircraft destined to land in Iraq, whatever its State of registration, including those carrying passengers, to take off or overfly its territory, provided that the aircraft lands at or originates from one of the airfields outside Iraq designated by the Committee established by paragraph 6 of resolution 661(1990) and remains there for as long as necessary in order to permit its inspection by national authorities in the presence of UN observers to prevent the carriage of unauthorised cargo and that notification of the flight to the Secretariat is given five days in advance to facilitate such inspections;

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9. *Decides* to revoke paragraphs 3, 4 and 6 of resolution 670 (1990);
10. *Decides* that the funds in the escrow account created pursuant to paragraph 7 of resolution 986 (1995) may be used by the Secretary-General to facilitate the inspection of such flights at the inspection points designated by the Committee for flights to Iraq;
11. *Requests* the Committee established by resolution 661 (1990):
  - (a) Pursuant to OP5, to consider, approve and review as appropriate criteria drawn up by the Secretary-General for the selection of authorised companies and trading organisations;
  - (b) Pursuant to OP8, to maintain a list of inspection points for flights destined for Iraq and the procedures for such inspection;
12. *Decides* that Iraqi civil aircraft currently held outside the territory of Iraq may be sold by the States in which they are located, subject to approval by the Committee established pursuant to resolution 661 (1990) and to any net proceeds from the sale being deposited into the escrow account established pursuant to paragraph 7 of resolution 986 (1995);
13. *Requests* the Secretary-General to review and revise the procedures for land-based monitoring of the export of commodities and products to Iraq by land and sea to improve their effectiveness, *confirms* that for the purpose of enhancing border monitoring, particularly by those States which share land borders with Iraq, the Secretary-General may provide assistance to States drawing from the account created pursuant to paragraph 7 of resolution 986 (1995), and *requests* the Secretary-General to receive and review applications from States for new authorised border crossings with Iraq and to make recommendations for approval to the Committee established by resolution 661 (1990);
14. *Stresses* the obligation of Iraq to cooperate with the implementation of this resolution and other applicable resolutions, and the need to continue to ensure respect for the security and safety of all persons directly involved in the implementation of this resolution and other applicable resolutions in Iraq;
15. *Appeals* to all States to continue to cooperate in the timely submission of technically complete applications and the expeditious issuance of export licences, and to take all other appropriate measures within their competence in order to ensure that urgently needed humanitarian supplies reach the Iraqi population as rapidly as possible;
16. *Requests* the Secretary-General to provide a comprehensive report to the Council on the implementation of this resolution at least one week prior to the end of the 180-day period, on the basis of observations of the United Nations personnel, and

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of consultation with the members of the Committee established by resolution 661 (1990) and with the Government of Iraq;

17. *Decides* to remain seized of the matter.

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