


UNITED NATIONS  NATIONS UNIES

OUTGOING FACSIMILE

DATE: 8 August 2011

Ref: NOTE.93. COMM.153 (USA)

TO: The Representative of the Security Council Committee established pursuant to resolution 1970 (2011) concerning the Libyan Arab Jamahiriya	FROM: Sana Khan  Secretary Security Council Committee established pursuant to resolution 1970 (2011) concerning the Libyan Arab Jamahiriya
FAX NO.:	FAX NO.: 212-963-1300/3778
CC:	Tel./ Email: Sana Khan (212) 963-0981 khan@un.org Elizabeth Alip (212) 963-4620 alip@un.org
TOTAL NUMBER OF TRANSMITTED PAGES INCLUDING THIS PAGE: 7	

Please find attached S/AC.52/2011/NOTE.93, transmitting a letter from the United States (S/AC.52/2011/COMM.153).

Best regards.

SECURITY COUNCIL COMMITTEE ESTABLISHED
PURSUANT TO RESOLUTION 1970 (2011)
CONCERNING THE LIBYAN ARAB JAMAHIRIYA

S/AC.52/2011/NOTE.93
8 August 2011

Note by the Chairman

The Chairman of the Security Council Committee established pursuant to resolution 1970 (2011) concerning the Libyan Arab Jamahiriya presents his compliments to the members of the Committee and has the honour to transmit, for their attention and consideration, a letter dated 8 August 2011 from the United States Mission to the United Nations addressed to the Chairman (S/AC.52/2011/COMM.153).

By this letter, invoking paragraph 19(b) of resolution 1970 (2011), the United States Mission informs the Committee of the intention of the U.S. authorities to authorize the unfreezing of hitherto frozen funds of the Central Bank of Libya, the Libyan Investment Authority, the Libyan Foreign Bank, the Libyan Africa Investment Portfolio and the Libyan National Oil Corporation, all of which have been designated as subject to the assets freeze, in connection with certain extraordinary expenses, as determined by the U.S. authorities. The funds would be transferred to three categories of recipients:

- | | | |
|--------|----|---|
| 500 | 1- | Humanitarian organizations to respond to initial and currently anticipated humanitarian needs, in line with the UN Appeal and its expected revisions (up to \$500 million); |
| 500 | 2- | Third party vendors supplying fuel and other urgently needed humanitarian goods (up to \$500 million); |
| 500 | 3- | The Temporary Financial Mechanism (TFM) to pay for salaries and operating expenses of Libyan civil servants and for food subsidies, electricity and other humanitarian purchases (up to \$500 million). |
| 1,500, | | |

The Chairman wishes to advise that, unless he hears to the contrary by 2pm on Monday, 15 August 2011, he will take it that there is no objection to the above and he will inform the Permanent Representative of the United States of America to the United Nations accordingly.

The Chairman also has the honour to transmit, for the information of the members, the text of the acknowledgement letter he intends to send to the Permanent Representative of the United States of America.

Acknowledgement letter to the Permanent Representative of the United States of America to the United Nations

Excellency,

On behalf of the Security Council Committee established pursuant to resolution 1970 (2011) concerning the Libyan Arab Jamahiriya, I have the honour to refer to the letter dated 8 August 2011 from your Mission addressed to the Chairman of the Committee.

By this communication, invoking paragraph 19(b) of resolution 1970 (2011), your Mission informs the Committee of the intention of the U.S. authorities to authorize the unfreezing of hitherto frozen funds of the Central Bank of Libya, the Libyan Investment Authority, the Libyan Foreign Bank, the Libyan Africa Investment Portfolio and the Libyan National Oil Corporation, all of them listed entities, in connection with certain extraordinary expenses, as determined by the U.S. authorities. Your Mission also informs that the funds would be transferred to three categories of recipients:

1. Humanitarian organizations to respond to initial and currently anticipated humanitarian needs, in line with the UN Appeal and its expected revisions (up to \$500 million);
2. Third party vendors supplying fuel and other urgently needed humanitarian goods (up to \$500 million);
3. The Temporary Financial Mechanism (TFM) to pay for salaries and operating expenses of Libyan civil servants and for food subsidies, electricity and other humanitarian purchases (up to \$500 million).

I would like to inform you that the letter from your Mission was received by the Committee secretariat on 8 August 2011, and circulated for the attention and consideration of the members of the Committee on the same date. The Committee will revert to you in due course.

SECURITY COUNCIL COMMITTEE ESTABLISHED
PURSUANT TO RESOLUTION 1970 (2011)
CONCERNING THE LIBYAN ARAB JAMAHIRIYA

S/AC.52/2011/COMM.153
8 August 2011
ORIGINAL: ENGLISH

Letter dated 8 August 2011 from the United States Mission to the United Nations addressed to the Chairman of the Committee

August 8, 2011

The United States requests the Committee to approve, pursuant to paragraph 19(b) of resolution 1970 (2011), an exemption to the measures imposed in paragraph 17 of resolution 1970 (2011), as extended by paragraph 22 of resolution 1973 (2011), for funds that are necessary for extraordinary expenses. This exemption is requested for funds, financial assets and economic resources that are owned or controlled, directly or indirectly by listed entities, including the Central Bank of Libya, the Libyan Investment Authority, the Libyan Foreign Bank, the Libyan Africa Investment Portfolio and the Libyan National Oil Corporation.

Purposes

The purposes of this request are to ensure the delivery of urgently-needed humanitarian aid and to begin the process envisioned in paragraph 20 of resolution 1973 (2011) to ensure that frozen assets shall, at a later stage, as soon as possible be made available to and for the benefit of the people of Libya.

The United States requests that this exemption allow the unfreezing of assets for the amounts, recipients and purposes specified in Annex I. These assets would be transferred to three categories of recipients:

- 1) **Humanitarian organizations** to respond to initial and currently anticipated humanitarian needs, in line with the UN Appeal and its expected revisions (up to \$500 million);
- 2) **Third-party vendors** supplying fuel and other urgently-needed humanitarian goods (up to \$500 million);
- 3) **The Temporary Financial Mechanism (TFM)** to pay for salaries and operating expenses of Libyan civil servants and for food subsidies, electricity and other humanitarian purchases (up to \$500 million)

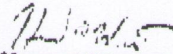
Safeguards

To ensure an appropriate and balanced distribution of assistance:

- No funds will be provided for the purchase of arms, non-lethal military equipment or any other military-related activity.
- Payments to third-party vendors for fuel costs will be made for fuel used strictly for humanitarian and civilian purchases (e.g. generating electricity, hospitals), not military activity, based on written assurances from the National Transition Council (TNC). ?
- Funds to be transferred to the TFM will be subject to TFM procedures, including the TFM's existing accounting procedures and safeguards, such as significant oversight and audits.
- A substantial portion of the funds (up to 20 percent or \$100 million) transferred to the TFM would be allocated to benefit Libyans in areas not under the control of the TNC. The mechanism to ensure these transfers will be identified by the TNC (e.g. for food subsidies, electricity and other humanitarian purchases). The United States will retain the authority to hold back the release of up to \$100 million of these funds until the TNC devises a credible, transparent and effective means of delivering these resources to areas not under its control. ?
- The United States will submit to the Committee every 120 days a report containing additional and updated information regarding these expenses, including precise amounts unfrozen and disbursed, the needs being addressed by the unfrozen assets, steps taken to coordinate donor assistance and measures imposed to mitigate the risk of abuse and diversion.

Coordination

The United States anticipates that other Member States will also request exemptions pursuant to paragraph 19(b) of resolution 1970 (2011) for these same purposes. The United States will coordinate with these other Member States, as appropriate, as well as relevant international organizations, to ensure coordinated and efficient allocation of unfrozen funds, in particular to ensure that transfers to humanitarian organizations meet the needs identified by OCHA.


Howard Wachtel
Adviser

FROM :

FAX NO. :

Mar. 09 2006 05:59AM P6

Attachment: As stated.

Cc: Ms. Sana Khan,
UN Security Council Subsidiary Organs Branch,
United Nations.

His Excellency
Jose Filipe Moraes Cabral,
Chairman of the Committee established pursuant to
Resolution 1970 (2011),
New York, NY 10017.

ANNEX I**Extraordinary Expenses Exemption: Specific Amounts, Recipients and Purposes**

The United States intends to unfreeze funds frozen pursuant to resolution 1970 (2011) for:

1. *Transfers to Humanitarian Organizations (up to \$500 million total of funds frozen in the United States):*
 - \$120 million for unfulfilled UN Appeal requests (for UN agencies and implementing partners) responding to the needs of the Libyan people (including to UNHCR for assistance to displaced Libyans)
 - \$150 million to be coordinated by OCHA to UN agencies and implementing partners; and
 - \$230 million reserved for the revised UN Appeal which will be circulated at the end of August or beginning of September (to cover the remainder of 2011).
2. *Transfers to third-party vendors for fuel and other goods for strictly civilian purposes (up to \$500 million total of funds frozen in the United States):*
 - Up to \$500 million to third-party vendors to pay for fuel costs associated with hospitals, generating electricity and other strictly civilian needs and for other humanitarian purchases, as directed by the National Transition Council, for the benefit of the Libyan people.
3. *Transfers to the Temporary Financial Mechanism (up to \$500 million total of funds frozen in the United States)*
 - Up to \$400 million to the Temporary Financial Mechanism for salaries and operating expenses of Libyan civil servants; and
 - Up to \$100 million for food subsidies, electricity and other humanitarian purchases for the Libyan people.