



**UNITED STATES MISSION TO THE UNITED NATIONS**

799 UNITED NATIONS PLAZA  
NEW YORK, N.Y. 10017-3505

August 8, 2011

Dear Ambassador:

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:

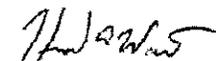
- No funds will be provided for the purchase of arms, non-lethal military equipment or any other military-related activity.
- Payments to third-party vendors for fuel costs will be made for fuel used strictly for humanitarian and civilian purchases (e.g. generating electricity, hospitals), not military 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.

Please accept, Excellency, the assurances of my highest consideration.

Sincerely,

  
Howard Wachtel  
Adviser

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.