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ORIGINAL: ENGLISH

LETTER DATED 29 MAY 1998 FROM THE SECRETARY-GENERAL ADDRESSED
TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to inform you and, through you, the members of the Security Council, that, pursuant to paragraph 8 (a) (ii) of Security Council resolution 986 (1995) of 14 April 1995, the Government of Iraq has submitted to me its enhanced distribution plan for the purchase and distribution of humanitarian supplies during the new period specified in paragraph 1 of resolution 1153 (1998) of 20 February 1998. The Government of Iraq was informed today that I had approved the enhanced distribution plan on the understanding that its implementation would be governed by resolutions 986 (1995) and 1153 (1998) and the Memorandum of Understanding concluded on 20 May 1996 between the United Nations Secretariat and the Government of Iraq, and would be without prejudice to the procedures followed by the Security Council Committee established by resolution 661 (1990).

A copy of the list of supplies and goods accompanying the enhanced distribution plan will be made available to the Security Council Committee. The list has been scrutinized by experts of the United Nations Special Commission, who have noted that some of the items appearing on it would be subject to notification under the mechanism for monitoring exports and imports that was adopted by the Council in its resolution 1051 (1996) of 27 March 1996. The list of items in question is also being forwarded to the Committee. The enhanced distribution plan and the letter conveying my acceptance of the plan are attached.

(Signed) Kofi A. ANNAN

Annex I

[Original: English]

Letter dated 29 May 1998 from the Executive Director of the
Office of the Iraq Programme addressed to the Permanent
Representative of Iraq to the United Nations

On behalf of the Secretary-General, I wish to acknowledge receipt, under cover of your letter dated 27 May 1998 addressed to the Secretary-General (see annex II), of the enhanced distribution plan submitted by your Government for the new period as specified in paragraph 1 of Security Council resolution 1153 (1998) of 20 February 1998, and would like to inform you that I have been authorized by the Secretary-General to convey in this respect the following.

Security Council resolutions 986 (1995) of 14 April 1995 and 1153 (1998) require that the Government of Iraq guarantee, on the basis of a plan submitted and approved by the Secretary-General, equitable distribution of medicine, health supplies, foodstuffs and materials and supplies for essential civilian needs (humanitarian supplies) exported to Iraq under conditions defined by those resolutions. The Memorandum of Understanding concluded on 20 May 1996 between the United Nations Secretariat and the Government of Iraq for the implementation of resolution 986 (1995) provides that the Government of Iraq shall prepare a distribution plan describing in detail the procedures to be followed by the competent Iraqi authorities with a view to ensuring equitable distribution of humanitarian supplies and submit the plan to the Secretary-General for approval. The Memorandum states in this regard that if the Secretary-General is satisfied that the plan adequately ensures equitable distribution of humanitarian supplies to the Iraqi population throughout the country, he will so inform the Government of Iraq.

As indicated in the letter dated 15 April 1998 from the Secretary-General addressed to the President of the Security Council (S/1998/330 and Corr.1), under the prevailing circumstances, both in terms of Iraq's oil export capacity and the substantial drop in oil prices, it will not be possible to reach the revenue target pursuant to paragraph 2 of Security Council resolution 1153 (1998). Accordingly, it is noted that adjustments had to be made in formulating the enhanced distribution plan, bearing in mind, in particular, priorities for the food and nutrition and health sectors as well as intersectoral complementarity.

I have the honour to inform the Government of Iraq through you that, having examined the enhanced distribution plan, the Secretary-General has come to the conclusion that the plan, if properly implemented, should meet the requirements of equitable distribution of humanitarian goods to the Iraqi population throughout the country. The plan is, therefore, approved with the following understanding.

The Secretary-General's acceptance of the enhanced distribution plan does not constitute an endorsement of either the budgetary allocation for telecommunications or of the specific items listed in annex VII to the plan.

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While recognizing that there may well be a need for telecommunications improvements to facilitate the distribution of humanitarian supplies exported to Iraq under the relevant Security Council resolutions, the Secretary-General will await, as agreed between us, the outcome of a joint technical review by United Nations experts and the relevant technical ministries of the Government of Iraq before taking a decision on the proposals concerned.

The approval of the enhanced distribution plan is subject to the condition that its implementation is governed by the relevant provisions of Security Council resolutions 986 (1995) and 1153 (1998) and the Memorandum of Understanding and that, in case of inconsistency between the particular provisions of the plan, on the one hand, and the resolutions and the Memorandum of Understanding, on the other, the provisions of the latter documents shall prevail.

Overall, the enhanced distribution plan is considered to be well-balanced between the respective sectors, and meets considerably the provisions of paragraph 5 of resolution 1153 (1998). Further amendments to the plan, as appropriate, should meet the requirements outlined in paragraph 5 of the resolution. It is recognized that in certain sectors not all the information required under paragraph 5 of the resolution could be provided in the plan at this stage because of the complexity of the activities and the range of items to be procured. Accordingly, the Government as well as the United Nations agencies and programmes should take all necessary steps to ensure that applications submitted to the United Nations Secretariat will indicate priority and complementarity in compliance with paragraph 5 of resolution 1153 (1998).

The enhanced distribution plan contains a categorized list of supplies and goods to be purchased and imported under the plan. The approval of the plan is without prejudice to actions that might be taken by the Security Council Committee established by resolution 661 (1990) regarding applications for export of particular items contained on the list submitted for the Committee's consideration in accordance with its procedures.

Likewise, the categorized list contains certain items the export of which to Iraq must be declared to the joint unit established by resolution 1051 (1996), as those items will be subject to monitoring because of their possible dual use for civilian and prohibited purposes under Security Council resolution 687 (1991) of 3 April 1991 and other relevant resolutions.

Finally, the approval of the enhanced distribution plan submitted by the Government of Iraq does not necessarily constitute an endorsement of all information or statements contained in the plan, and is without prejudice to any recommendation arising from the supplementary report of the Secretary-General as endorsed by the Security Council in its resolution 1153 (1998).

(Signed) Benon V. SEVAN
Executive Director

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Annex II

[Original: Arabic]

Letter dated 27 May 1998 from the Permanent Representative of
Iraq to the United Nations addressed to the Secretary-General

On instructions from my Government, I have the honour to transmit herewith a copy of the final version of the enhanced distribution plan submitted by the Government of the Republic of Iraq in accordance with the Memorandum of Understanding of 20 May 1996 and Security Council resolution 1153 (1998). I hope that the plan will be approved as quickly as possible.

(Signed) Nizar HAMDOON
Ambassador
Permanent Representative

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Enclosure

ENHANCED DISTRIBUTION PLAN

Submitted by the Government of Iraq to the Secretary-General
of the United Nations in accordance with the Memorandum of
Understanding of 20 May 1996 and Security Council resolution
1153 (1998)

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NB: Wherever possible, the annexes to this distribution plan include information on priorities, complementarity and seasonal delivery requirements in order to facilitate the speedy processing of applications by the United Nations Secretariat for submission to the Sanctions Committee. At this stage, however, in certain sectors, it is not possible to include all relevant information because of the complexity of activities, the range of items to be procured and, in regard to the health sector, the need for stocks to facilitate effective distribution to medical facilities. Nevertheless, the Government of Iraq will take all necessary steps to ensure that applications submitted to the United Nations Secretariat indicate priority and complementarity.

* The annexes to the plan are not included in the present document.

