



LIFTING UN SANCTIONS IN IRAQ

Supporting Iraqi Recovery and Reconstruction

The resolution will support Iraq's recovery and reconstruction:

Lift sanctions.

UN economic sanctions on imports and exports of goods, imposed to compel Saddam Hussein's compliance with WMD requirements and contain the threat of his regime, are outdated; they no longer serve a useful function. Sustained imposition of economic sanctions would only hinder Iraq's recovery. This resolution recognizes the absurdity of economic restrictions on trade with Iraq now.

Facilitate Iraq rejoining the global market.

The resolution will abolish outdated provisions relating to the sale of oil and other goods and facilitate Iraq's ability to trade freely in the international market.

Facilitate Iraq's ability to sell oil freely.

The reconstituted Iraqi State Oil and Marketing Organization (SOMO) will conduct oil sales consistent with international market practices. These transactions will be audited by independent public accountants, who will report their findings to an international advisory board that will include representatives from the UN, World Bank, and IMF. To ensure that the Iraqi people are not penalized because of Saddam and can receive the benefits of their national patrimony, oil sales will be immunized against attachment by international creditors or others with claims against the former regime.

Return oil revenues to Iraq.

An Iraqi Assistance Fund will be established in the Central Bank of Iraq. The Fund will be subject to full transaction-

The resolution tabled on May 9 at the UN by the United States, the United Kingdom, and Spain will:

- Lift economic sanctions now
- Encourage the international community to assist in helping the Iraqi people build a better future for their country
- Establish a UN Special Coordinator
- Provide for humanitarian needs, while winding down the Oil-for-Food program
- Support Iraqis in charting their own political future
- Return the benefits of Iraqi oil to the Iraqi people

al transparency by the international advisory board and audited by independent public accountants.

Spend Iraqi revenues on Iraqi reconstruction.

Iraqi export oil revenues will be deposited in the Iraqi Assistance Fund and the draft resolution specifies their use: to meet the humanitarian needs of the Iraqi people, for the economic reconstruction and repair of Iraq's infrastructure, for the continued disarmament of Iraq, and for the costs of indigenous civil-

ian administration, and for other purposes benefiting the people of Iraq. These disbursements will be made with direct Iraqi participation.

Enlist support of international financial institutions.

By providing expertise and oversight of financial transactions, the World Bank and the International Monetary Fund will play key roles in Iraq's economic and financial recovery. To this end, the resolution also immunizes the Iraqi Assistance Fund from outstanding debt and other claims during its recovery period.

Wind down the Oil-for-Food program.

This will be first step in Iraq's transition to a market economy. Iraq is dependent on a public distribution system to get imported food throughout Iraq. It will take some time to convert this centrally-controlled economy to a free market. During the transition, we will support food distribution through a public distribution system.

Mandate the return of assets stolen by Saddam and his regime to Iraq.

Lifting UN sanctions will benefit the Iraqi people.