United Nations S/2005/699

# Security Council

Distr.: General
7 November 2005

Original: English

## Letter dated 7 November 2005 from the Chairman of the Security Council Committee established pursuant to resolution 1572 (2004) concerning Côte d'Ivoire addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 1572 (2004) concerning Côte d'Ivoire, and in accordance with paragraph 7 (d) of Security Council resolution 1584 (2005), I have the honour to transmit herewith the report of the Group of Experts on Côte d'Ivoire.

In this connection, I would appreciate it if this letter, together with its enclosure, were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Adamantios Th. **Vassilakis**
Chairman
Security Council Committee established pursuant to
resolution 1572 (2004) concerning Côte d'Ivoire

05-52292 (E) 091105

## Letter dated 23 September 2005 from the Group of Experts on Côte d'Ivoire addressed to the Chairman of the Security Council Committee established pursuant to resolution 1572 (2004) concerning Côte d'Ivoire

On behalf of the members of the Group of Experts on Côte d'Ivoire, we have the honour to transmit herewith the final report of the Group, in accordance with paragraph 7 of Security Council resolution 1584 (2005).

(*Signed*) Atabou **Bodian**
Chairman

(*Signed*) Alex **Vines**

(*Signed*) Jean-Pierre **Witty**

**Enclosure**

# Report of the Group of Experts submitted pursuant to paragraph 7 of Security Council resolution 1584 (2005) concerning Côte d'Ivoire

## Contents


| | | Paragraphs | Page |
|---|---|---|---|
| | Abbreviations | | 5 |
| I. | Introduction | 1 | 6 |
| II. | Methodology of the investigation | 2–5 | 6 |
| III. | Political context | 6–21 | 7 |
| | A. Background | 6 | 7 |
| | B. Demobilization and disarmament | 7–13 | 7 |
| | C. Militias | 14–18 | 8 |
| | D. The Ivorian media and sanctions | 19–21 | 10 |
| IV. | Defence expenditure and natural resources | 22–58 | 11 |
| | A. Background | 22–27 | 11 |
| | B. Cocoa | 28–42 | 13 |
| | C. Cotton | 43–46 | 17 |
| | D. Diamonds | 47–58 | 17 |
| V. | Effectiveness of the sanctions | 59–84 | 20 |
| | A. Ports | 60–66 | 20 |
| | B. Airports | 67–69 | 22 |
| | C. Land borders | 70–78 | 22 |
| | D. UNOCI and Licorne inspections | 79–82 | 23 |
| | E. Regional and international compliance | 83–84 | 24 |
| VI. | Possible violations of the embargo | 85–167 | 25 |
| | A. Current needs | 85–86 | 25 |
| | B. Dual-use items | 87 | 25 |
| | C. Case studies | 88–167 | 26 |
| | Case study one: Air power | 88–123 | 26 |
| | Case study two: Vehicles for military use | 124–157 | 34 |
| | Case study three: Mercenaries and mechanics | 158–167 | 41 |
| VII. | Observations | 168–178 | 42 |

Annexes


I. Meetings and consultations ..... 45

II. Ivorian Presidency refuelling IOU for AN-124 flight ..... 53

III. Air waybill for transportation of Mi-8T helicopters ..... 54

IV. Original bill of lading for 22 UAZ-3151 vehicles ..... 55

V. Official copy of bill of lading for 22 UAZ-3151 vehicles ..... 56

VI. Ivorian end-user certificate issued to Ordan Ltd. ..... 57

VII. Ordan Ltd. invoice to Ivorian Ministry of Defence ..... 58

VIII. Transfer notification for a payment by the Ivorian Ministry of Defence ..... 59

IX. Transportation booking by Transcond ..... 60

X. Request for containers by Greyson House Ltd. Co. ..... 61

XI. Contract with Minsk Automobile Repairing Plant ..... 62

XII. Elite Africa Ltd. contract with UAB Lisenas ir Ko (A) ..... 63

XIII. Elite Africa Ltd. contract with UAB ir Ko (B) ..... 64

XIV. UAB Lisenas ir Ko payment invoice for Elite Africa Ltd. ..... 65

XV. Mitsubishi contract with Ivorian Ministry of Defence ..... 66

XVI. Invoice for transformation of vehicles into troop transporters ..... 67

XVII. Ivorian Ministry of Defence identity card of Michel Kapylou ..... 68

XVIII. Map of Côte d'Ivoire ..... 69

## Abbreviations

| | |
|---|---|
| Anaproci | Association nationale des producteurs de café-cacao de Côte d'Ivoire |
| AP-WÊ | Alliance patriotique du peuple Wê |
| ARCC | Association de régulation du café et du cacao |
| BCC | Bourse du cacao et du café |
| BSVT | Belpetsvneshtechnika |
| CDMT | Compagnie malienne de développement des textiles |
| CIVPOL | United Nations Civilian Police |
| COJEPA | Congrès panafricain des jeunes patriotes |
| CPP | Convention des patriotes pour la paix |
| ECOWAS | Economic Community of West African States |
| FACI | Force aérienne de la Côte d'Ivoire |
| FANCI | Forces armées nationales de la Côte d'Ivoire |
| FDPCC | Fonds de développement et de promotion des activitiés de café et de cacao |
| FESCI | Fédération estudiantine et scolaire de Côte d'Ivoire |
| FGCCC | Fonds de garantie des coopératives café-cacao |
| FLGO | Front pour la libération du Grand Ouest |
| FLN | Front de libération nationale |
| FN | Forces nouvelles |
| FRC | Fonds de régulation et de contrôle |
| FSCO | Front pour la sécurité du Centre-Ouest |
| GPP | Groupe des patriotes pour la paix (also known as Convention des patriotes pour la paix (CPP)) |
| IMF | International Monetary Fund |
| MILOB | United Nations Military Observers |
| MILOCI | Mouvement ivoirien de libération de l'ouest de la Côte d'Ivoire |
| MODEL | Movement for Democracy in Liberia |
| NGO | Non-governmental organizations |
| Synaproci | Syndicat autonome des producteurs de café et de cacao |
| UAV | Unmanned Aerial Vehicle |
| UNMIL | United Nations Mission in Liberia |
| UNOCI | United Nations Operations in Côte d'Ivoire |
| UPLTCI | Union pour la libération totale de la Côte d'Ivoire |
| UPRGO | Union patriotique de résistance du Grand Ouest |

# I. Introduction

1. Pursuant to Security Council resolution 1584 (2005) of 1 February 2005, the Secretary-General appointed a group of experts to examine and analyse information gathered by the United Nations Operation in Côte d'Ivoire (UNOCI) and the French forces which support it; and to gather and analyse all relevant information in Côte d'Ivoire, countries of the region and, as necessary, other countries, on flows of arms and related material, and the provision of assistance, advice and training related to military activities. This is the final report by this Group of Experts and includes its findings and observations. An interim report was submitted by the Group on 18 July 2005 (S/2005/470).

# II. Methodology of the investigation

2. In its investigation, the Group of Experts relied on fully authenticated documentary evidence. Where this was not possible, the Group required at least two credible and verifiably independent sources of information to substantiate a finding. The Group has investigated a number of cases to establish if violation of Security Council sanctions occurred. Allegations against States, individuals and enterprises have been put to those concerned, to allow them the right of reply. The Group of Experts consists of its chairperson and civil aviation expert, Atabou Bodian (Senegal); an expert on weapons, Alex Vines (United Kingdom of Great Britain and Northern Ireland); and an expert on customs and border control, Jean-Pierre Witty (Canada). The Group has been assisted by a consultant with financial and diamond investigative expertise, Agim de Bruycker (Belgium).

3. The Group of Experts began its mandate on 18 April 2005 and consulted with the Committee soon afterwards in New York. Following additional consultations with other United Nations agencies, States, individuals, non-governmental entities, academic institutes, think tanks and enterprises in New York, the Group visited Belarus, Belgium, Bulgaria, Burkina Faso, Côte d'Ivoire, Denmark, France, Ghana, Guinea, Israel, Latvia, Liberia, Lithuania, Mali, Portugal, Romania, Senegal, South Africa, Togo, the United Kingdom of Great Britain and Northern Ireland and the United States of America (see annex I, meetings and consultations). The first priority of the Group was to visit Côte d'Ivoire and the countries of the region. All the States neighbouring Côte d'Ivoire were visited and the Group visited Côte d'Ivoire three times during its mandate.

4. In Côte d'Ivoire, the Group liaised closely with the political, police and military branches of UNOCI. The Group was pleased by the assistance it received, although coordination between the different branches of UNOCI clearly remains a challenge at times. The Group inspected the airports of Abidjan, Yamoussoukro, Bouaké and Korhogo, and the sea ports and coastline from Abidjan to Tabou. It visited the west of the country and crossed the Liberian border. It also met with the French forces in Côte d'Ivoire, as required under resolution 1584 (2005), and was fully briefed by them on their efforts to monitor the arms embargo.

5. The Group decided that, in accordance with paragraph 7 (h) of resolution 1584 (2005), it would rely on the information provided by the Panel of Experts re-established pursuant to Security Council resolution 1579 (2004) concerning Liberia. The report of that Panel covered allegations of recruitment in Liberia for

armed groups in Côte d'Ivoire (S/2005/360, annex, paras. 75-83). The Group conducted a joint mission in Guinea with its counterpart for Liberia and conducted an investigation on behalf of that Panel in Burkina Faso and in Côte d'Ivoire. Cognizant of the report of the Secretary-General on inter-mission cooperation (S/2005/135) the Group also actively sought to liaise with other United Nations agencies in New York and in the region whose work might overlap with its work concerning sanctions.

# III. Political context

## A. Background

6. The political situation in Côte d'Ivoire remains fragile and unpredictable, as has been highlighted by the progress reports of the Secretary-General on UNOCI (such as S/2005/186 of 18 March 2005 and S/2005/398 of 17 June 2005). Initiatives to promote a climate conducive to peace have focused on the holding of credible elections (both presidential and legislative). This, however, presupposes a broad range of political compromises between the parties on political and practical matters, including voter registration and identification, and military and administrative reintegration.

## B. Demobilization and disarmament

7. The demobilization, disarmament and resettlement process has been postponed many times. Most of the obstacles to it appear to be political. On 14 May 2005, in Yamoussoukro, the chiefs of staff of the Forces Armées Nationale de la Côte d'Ivoire (FANCI) and the Forces nouvelles (FN) agreed to modalities for the national demobilization, disarmament and resettlement programme and to draw up a plan. It is expected that 48,064 persons will benefit from the programme: 5,500 FANCI and 42,564 FN personnel. Demobilized combatants will receive a subsistance allowance of approximately US$ 940, 25 per cent of which will be paid upon demobilization, 25 per cent 45 days later and the remainder 90 days later. The cost of this programme is estimated at US$ 150 million.

8. An important prerequisite for disarmament is the submission of lists of weapons by the regular army and FN. UNOCI had originally announced that 15 March 2005 would be the deadline for the submission of the lists of arms and ammunition in the possession of the conflicting parties. Any arms and munitions found or reported after that date would be regarded as a violation of the embargo. FANCI submitted its lists, in August 2005, but FN has failed to do so. There is also no audit of the weapons in the possession of the pro-government militias.

9. The Group of Experts had hoped to draw data from these lists and from weapons submitted in the disarmament process. The Group also noted that Côte d'Ivoire has failed to date to submit data on its military procurement to the United Nations Register of Conventional Arms and the United Nations standardized instrument for reporting military expenditure. Prior to the embargo, Belarus, Bulgaria, Romania, the Russian Federation and Ukraine made submissions to the United Nations Registrar for their Ivorian exports, which included 82 mm BM-37 mortars, 122 mm RSZO BM-21s and 120 mm mortars. In its National Conventional

Arms Control Committee report for 2003, South Africa reports that it sold non-lethal dual-purpose radio equipment to Côte d'Ivoire that year.

10. The importation of small arms and light weapons to Côte d'Ivoire is opaque in comparison. The Economic Community of West African States (ECOWAS), which includes Côte d'Ivoire, agreed in 1998 to a Moratorium on the Importation, Exportation and Manufacture of Small Arms and Lights Weapons in West Africa and is currently working on its transformation into a binding regional convention.

11. Theoretically, any imports of light weapons need to be provided with an exemption by ECOWAS in Abuja. In practice, the majority of transfers of such weapons to Côte d'Ivoire were not declared. Companies such as Metalika AB Ltd. in Bulgaria, Belspetsvneshtechnika (BSVT) in Belarus and Darkwood in Togo, which supplied large consignments of such weapons to Côte d'Ivoire in the period 2002-2004, said they had never been informed of the moratorium and were never required to include an ECOWAS exemption form with their export paperwork.

Table 1
**Number of air shipments of light weapons not reported to ECOWAS**

| *Country* | *2002* | *2003* | *2004 (year)* |
|---|---|---|---|
| Côte d'Ivoire | 29 | 35 | 16 (shipments) |

*Source*: *International Affairs*, 81 (2) 345.

12. In May 2005, the Government of Côte d'Ivoire signalled that it might take the Moratorium more seriously when it launched its national Commission to assist implementation.

13. During its investigation the Group found FANCI to be mostly cooperative. In contrast, FN failed to meet the Group and impeded its investigation on a number of occasions.

## C. Militias

14. The continued presence of organized and armed militias poses a major security risk that has the potential to disrupt the entire peace process. The disarmament of the militias is a priority concern, particularly in the run-up to an electoral campaign, with its potential for politically motivated violence. While a symbolic handing over of weapons involving four of the main pro-government militias occurred in Guiglo on 25 May 2005 under the supervision of the Chief of Staff of FANCI, several of the militia groups have expressed a reluctance to disarm.

15. Pro-government militias have played an important role in the government security efforts in Côte d'Ivoire, especially in the west of the country. They have also been involved in ethnic clashes, which have resulted in civilian casualties. The Group sought information on their funding and support. The National Commission for Disarmament, Demobilization and Reintegration estimated in March 2005 that there were 10,000 militia members in Côte d'Ivoire, although this number is very likely to have been underestimated and could increase.

16. The most prominent militia groups are:

- *Groupe des patriotes pour la paix* (GPP), also known as *Convention des patriotes pour le paix* (CPP), of the *Front de libération nationale* (FLN). It is an umbrella organization comprised of seven pro-government militias. They claim to have 6,000 supporters and the support of FANCI;
- *Front pour la sécurité du Centre-Ouest* (FSCO). In March 2004 it claimed to have received FANCI support and have 14,000 supporters;
- *Front pour la libération du Grand Ouest* (FLGO). It is situated in the far west of the country and has recruited Liberians, including from Nicla refugee camp. FLGO claims to be 7,000 strong;
- *Jeunes Patriotes* (FESCI/UPLTCI/COJEPA). "Young patriots" is the umbrella term for young Ivorian activists drawn from student and other networks. Between them they claim to have some 150,000 supporters drawn from unemployed young men;
- *Lima/MODEL*. This militia group is based in the west of the country and is mostly made up of Liberians under the command of pro-government militia leaders and FANCI;
- *Mouvement ivoirien de libération de l'ouest de la Côte d'Ivoire* (MILOCI), which claims it is several thousand strong;
- *Nindjas*, a militia group of several hundred;
- *Union patriotique de résistance du Grand Ouest* (UPRGO), some 1,800 strong in the west;
- *AP-WE*, a militia group of 300 to 400 members.

17. Despite many rumours of fresh supplies of weapons and ammunition reaching these militias, the Group saw no evidence of recent deliveries to these groups. It was apparent in August 2005 that divisions were appearing among these groups and also that the groups were exaggerating their size in anticipation of being offered disarmament benefits.

18. The Group inspected weapons and ammunition seized by UNOCI in March 2005 from armed groups in Duékoué, Diahoin and Fengolo. The weapons consisted of a few AK-47 assault rifles, many 12-gauge shotguns and some new-looking artisanal pistols with a 2005 stamp that could indicate the year of production. The pistols looked similar to those crafted by Guinean and Ghanaian blacksmiths. Much of the ammunition seized by UNOCI was shotgun cartridges, some of Russian, Portuguese and German manufacture, but none carried date stamps. The Group was informed by the Belarus State company, Belspetsvneshtechnika (BSVT), that it had delivered shipments of shotguns for the Government of Côte d'Ivoire via the Darkwood company in 2003 and 2004.

Photo 1: Pistol with a 2005 stamp on it

*Source*: Group of Experts, Guiglo, August 2005.

## D. The Ivorian media and sanctions

19. During its visits to Côte d'Ivoire, the Group noted many speculative articles in the Ivorian press alleging massive violations of the embargo and fuelling speculation of poor faith on the part of all the stakeholders. Most of these articles are inaccurate.

Box 1
**Explosive press: the Ivorian media on sanctions**

Mbeki arms sales to Gbagbo: new revelations (*Soir Info, 16 August 2005*)

Gbagbo wants return to war: 300 mercenaries trained at Akouedo military camp (*Le Patriote, 14 July 2005*)

Is Pretoria II Agreement dead on arrival? Laurent Gbagbo wants to strike at head of Forces nouvelles/Forces nouvelles issues warning to Abidjan (*Nord-Sud, 1 July 2005*)

On the trail of the recruiters of Liberian fighters: Liberian fighters being recruited (*Muanacongo, 1 July 2005*)

Balance sheet of Gbagbo trip to West: 500 million and distribution of weapons to militia (*Le Front, 21 June 2005*)

> Threat to stability of front lines. Tuo Fozié (Forces nouvelles) reveals: Gbagbo has sent arms to Conakry/France warns against any resumption of the war. (*Le Patriote, 30 March 2005*)

20. In two cases the Group investigated press allegations. One allegation was that South Africa, although it was the official Africa Union mediator, had transferred military equipment to Côte d'Ivoire. The Group travelled to South Africa in September 2005, gained access to confidential government documents and met members of the Government, the opposition and civil society. It is satisfied that only non-lethal radio equipment was transferred from South Africa to Côte d'Ivoire, in 2003.

21. There had also been persistent reports that Ivorian helicopters were stationed in Guinea and that one of the helicopters destroyed in November 2004 by the French forces had been loaned by Guinea. The Group visited Guinea three times, conducted a forensic audit of Ivorian air assets since 2001 and concluded that those allegations were also incorrect.

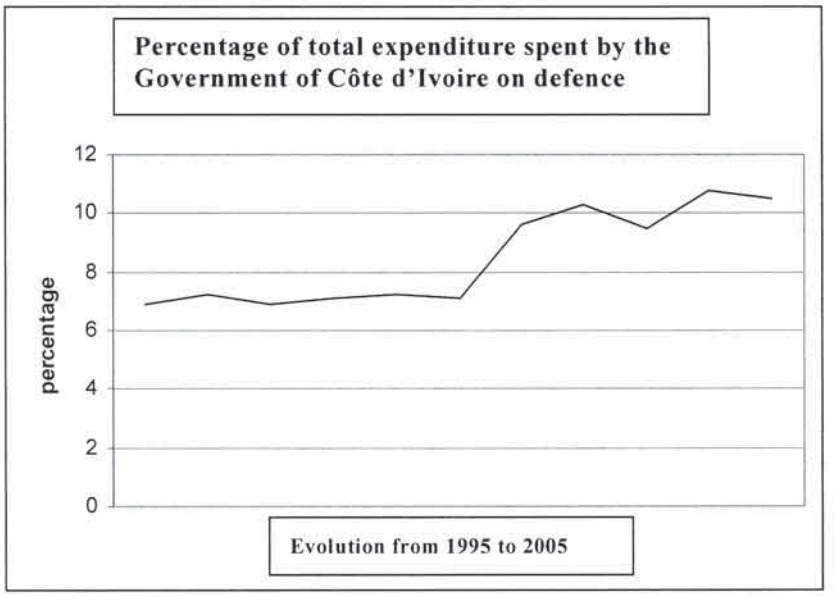
# IV. Defence expenditure and natural resources

## A. Background

22. Côte d'Ivoire is one of the most indebted countries in the world. Nevertheless, in response to the September 2002 political crisis, the Government sharply increased its defence and crisis-related expenditure. Although figures vary, the United States Central Intelligence Agency estimates that Côte d'Ivoire military expenditure in 2004 amounted to US$ 180.2 million, representing some 1.2 per cent of gross domestic product (GDP). The World Bank estimated a lower defence expenditure figure of $150m for 2004.

23. Defence expenditure remains high. The 2005 budget of $3.5 billion approved by Parliament in April predicts a fall in both revenue and expenditure, but excluded off-budget expenditure, particularly military spending. The International Monetary Fund (IMF) in its June 2005 aide memoire to the Government following its mission to Côte d'Ivoire, noted that, under the $4.1 billion budget for 2004, there had been significant overspending on "security and sovereignty". According to IMF figures, the percentage of the government budget spent on defence has almost doubled in a decade, reaching a projected 10.5 per cent of total government expenditure in 2005.

Figure 1




*Source*: IMF.

24. Cocoa is the principal export commodity, netting over $2.3 billion in 2003. It is followed by petroleum, which is expected to reach 50,000 barrels per day with the start of production from the Baobab oilfield in 2005. Refined petroleum products of the State oil company *Sociétè nationale d'opérations pétrolières de la Côte d'Ivoire* (Petroci), are also important exports, as are timber and coffee.

25. Assessing crisis-related expenditure accurately is difficult, but an analysis of Ivorian statistics shows that from September 2002 to the end of December 2003 the crisis exacted a financial cost on the budget of CFAF 146 billion (1.8 per cent of GDP). Most of it was military related. Almost 60 per cent (1.1 per cent of GDP) was for military hardware and the rest was for purchases of supplies and wage allowances for food, medical care and bonuses for new military recruits. These expenditures were financed mainly through the treasury, but about 20 per cent of the financing (equivalent to 0.2 per cent of GDP) represented contributions, loans and grants from the cocoa sector.

Table 2
**Government expenditures on defence and security**

| | *2002 Sept.-Dec.* | *2003 Jan.-Dec.* | *2002-03 Total* | *GDP %* |
|---|---|---|---|---|
| | *(Billions of CFA francs)* | | | |
| Expenditure | 57.5 | 88.8 | 146.3 | 1.8 |
| Military hardware | 48.5 | 38.5 | 87.0 | 1.1 |
| Food and health | 5.7 | 37.2 | 42.9 | 0.5 |

| | 2002 Sept.-Dec. | 2003 Jan.-Dec. | 2002-03 Total | GDP % |
|---|---|---|---|---|
| | (Billions of CFA francs) | | | |
| Other | 3.3 | 13.1 | 16.4 | 0.2 |
| Financing | 57.5 | 88.8 | 146.3 | 1.8 |
| Treasury | 44.8 | 78.5 | 123.3 | 1.5 |
| Cocoa institutions | 10.0 | 10.0 | 20.0 | 0.3 |
| Private contributions | 2.7 | 0.3 | 3.0 | 0.0 |

*Source*: Ivorian authorities and IMF.

26. FN, on a smaller scale, use the natural resources under their control to fund their military activities, as well as for personal profit. Cocoa smuggled to Ghana and Togo transits the north and the FN units extract transit dues along the roads they control. In addition to cotton and diamonds, which are discussed below, timber, gold, sugar cane and coffee production all contribute to the FN economy, from which its military extracts benefits.

27. For the purposes of the present report, the Group decided to examine three commodities, cocoa, cotton and diamonds, in greater depth, since all have been affected by the Ivorian crisis and all are important for the protagonists.

## B. Cocoa

28. Côte d'Ivoire is the world's largest cocoa exporter. In 2003, cocoa exports generated $2.3 billion, the main source of revenue for the country. For the duration of the crisis the importance of Côte d'Ivoire in the market has offered it some protection against financial disruption, because of higher market prices.

29. Total cocoa production for 2004/05, however, is 1,230,000 tons, compared with 1,407,200 tons for the previous year, according to the International Cocoa Organization (ICCO), 10 per cent lower, and production volumes are projected to decline further. Poor weather in 2005 has added to the accumulation of stress factors in the sector, including difficulties in land transportation, poor stocking of the cocoa beans at the port, difficulties in providing adequate agricultural extension services and the departure from the cocoa areas of large numbers of migrant workers in fear of ethnic persecution. These factors, together with deflated world prices, will affect cocoa revenue for Côte d'Ivoire in the medium term if political instability persists, and there seems little prospect of a windfall from any other source, including oil. This has put a squeeze on public expenditure, including on defence.

Box 2
**"Cash points": roadblocks in Côte d'Ivoire**

Transport continues to be the sector hardest hit by the crisis. The chief threat is the system of formal and informal fees that the national army, FN and various local militias have imposed in locations under their control. Truck haulage through government areas can result in extra costs of $156-208 per truck, plus incidental payments at country roadblocks — or "cash points" as many call them. Costs in the FN-held areas are higher, at $239 per truck. With an average of 20 roadblocks on a 150 km stretch of road in cocoa-producing regions, the impact on the cocoa sector is clear. Outside areas of economic activity, the Group noted the absence of such checkpoints, underlining the economic nature of these roadblocks.

30. Given that multilateral funding has been suspended, the Government of Côte d'Ivoire is dependent on the cocoa crop to maintain solvency and succeed in paying its civil servants, including the military. Cocoa plays an important role in providing funds for the off-budget and extrabudgetary military procurement efforts of the Government and, although the amount of revenue from cocoa has declined, the percentage taken from what is available is still high.

31. This reality may have contributed to the reluctance of ICCO to meet the Group as reported in the interim report (S/2005/470, para. 14 (g)); Côte d'Ivoire contributes some 20 per cent of the ICCO budget also. The Group finally met with representatives of ICCO on 21 September 2005 and was informed that market transparency, such as with regard to tariffs and quotas, were issues that might become items on its agenda in the future, but not revenue transparency of particular cocoa producers and agencies.

32. The complexity and opacity of the industry's structure is widely considered to have permitted diversion of cocoa revenue in the recent past, both for private purposes and towards off-budget expenditure by the Government, particularly military spending. Officials in the Ivorian cocoa sector have admitted that some "defence and sovereignty" diversion takes place.

33. The cocoa sector is dominated by organizations that IMF labels as quasi-fiscal agencies. These are agencies that represent the cocoa producers but increasingly seem to pursue their own interests. Such organizations include the *l'Autorité de régulation du café et du cacao* (ARCC); the *Bourse du cacao et du café* (BCC); the *Fonds de régulation et de contrôle* (FRC), the *Fonds de garantie des coopératives café-cacao* (FGCCC); and the *Fonds de développement et de promotion des activités des producteurs de café et de cacao* (FDPCC).

34. These organizations are all entitled to various dues that are automatically taken out of the export sale price, or have some control over flows of money into the industry. They are ostensibly privately run, but in fact are under the control of loyalists of the President, Laurent Gbagbo, and all have links to the powerful producer's organization, the *Association nationale des producteurs de café-cacao de*

*Côte d'Ivoire* (Anaproci) and the competing *Syndicat autonome des producteurs de café-cacao de Côte d'Ivoire* (Synaproci).

35. This situation has resulted in ongoing disgruntlement and waves of protests by farmers since August 2004. In particular, farmers are upset that the sector stabilization fund, FRC, has failed to support producer prices, despite having collected ample levies for the duration of the crisis. The Economist Intelligence Unit, in a March 2005 assessment concludes that "it has been evident for close to a year that cocoa-sector funds have been mismanaged, and are widely understood to have been diverted to fund military and other off-budget expenditure".

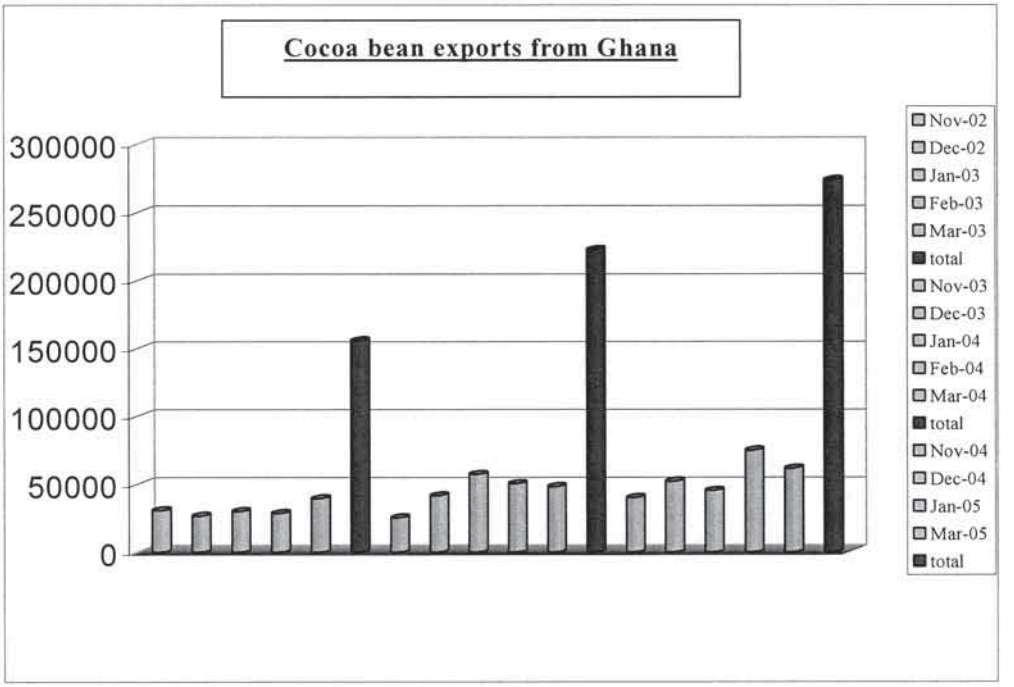
36. With external official and private flows at a standstill and the domestic tax base eroded because of the crisis, the Government has become ever more dependent on fiscal levies on cocoa taken by the organizations referred to above, even though such high levies encourage crop diversion.

37. International donor unease at this situation resulted in heavy pressure upon the Government to commission an independent audit of financial flows in the sector. An audit commissioned by the Government but funded by the European Union was undertaken from August 2003 and a final report produced in September 2004. A summary of that report was made public and has resulted in a political struggle over whether a follow-up audit will be permitted.

38. The audit report describes a confused situation of competing agencies whose mandates overlap and which report differing cocoa volumes and revenue. For example, the customs service systematically reports higher export volumes and State levies than BCC. Several of the quasi-fiscal agencies, such as FDPCC and FRC, failed to allow the audit team access to their accounts. The audit report also raised concerns about high duties, amounting to 37 per cent of sector revenue compared with a recommended level of 30 per cent. This has acted as an incentive for illegal cocoa sales to Ghana and Togo.

39. As a result of the discrepancy between Ivorian and Ghanaian cocoa prices, many farmers in Côte d'Ivoire smuggle their cocoa beans across the border to Ghana. Exporters estimate the amount smuggled to Ghana to be around 150,000 tons per season. If we compare the past three main seasons, November 2002-March 2003, November 2003-March 2004 and November 2004-March 2005, for export figures of cocoa beans from Ghana, exports increase each year by more than 30 per cent and in two years have almost doubled.

Figure 2
**Ghana cocoa bean production (by tons and season)**




*Source*: Ghana Customs and Excise.

40. This increase is too great to be accounted for solely by improved Ghanaian crop husbandry. Some 15 per cent increase per season can credibly be credited to improved domestic yields, but the further 15 per cent increase is likely to be smuggled cocoa from Côte d'Ivoire.

41. In May 2005, the Group met with the editor of the newspaper *L'Express du Faso* in Bobo Dioulasso (Burkina Faso). He showed them a number of recent photos taken by his journalists of lorries laden with Ivorian cocoa parked in the city while in transit to Lomé; this transport is organized by Lebanese businessmen. The Group also observed, on the outskirts of Yamoussoukro, lines of lorries laden with cocoa waiting to cross the zone of confidence into the north.

42. Although Togo is a member of ICCO, the lack of comprehensive statistics and figures in Togo makes it difficult to make a credible estimate of how much cocoa is smuggled to the harbour of Lomé. Anecdotal evidence suggests that the trade is significant and increasing. In its August 2005 review of the cocoa market, ICCO has tried to estimate the amount of cocoa beans available from Togo, but these figures are "serious underestimates" ICCO told the Group. Nevertheless, these figures show a steep increase in cocoa beans from Togo since 2003.

Table 3
**Figures for Togolese cocoa beans**

| *Year* | *2002/03* | *2003/04* | *2004/05* |
|---|---|---|---|
| Amount (thousand tons) | 7.9 | 21.7 | 30.0 |

*Source*: ICCO.

## C. Cotton

43. Côte d'Ivoire has seen a steady decline in its exports of cotton since the crisis occurred. In 2004, exports of cotton suffered a drop in volume of 26.9 per cent. This is because much of the cotton is cultivated in the FN-controlled north and is exported from there to Mali and Burkina Faso, where it is mixed in with the local harvest. Figures are difficult to obtain, but some estimates are that the Ivorian raw crop diverted to Mali and Burkina Faso may be as high as 55 per cent of national production. Moreover, growers fetch a better price in Burkina Faso at CFA 210 per kilogram, compared with CFA 160-180 per kilogram in their home market.

44. At the Burkina Faso border with Côte d'Ivoire, the Group saw large amounts of spilt cotton buds along the side of the road from Banfora to the border and into Côte d'Ivoire. Also, many people talked about regular lorry trips to Burkina Faso ginneries from Côte d'Ivoire and a FN commander at Ouangolodougou confirmed a regular cotton trade to Mali and Burkina by road from northern Côte d'Ivoire.

45. In Mali, Mahamar Maiga, the Director-General of the State *Compagnie malienne pour le développement des textiles* was arrested with six co-accused by the police in early 2005 on allegations of profiteering by claiming Ivorian and Bukinabè cotton as Malian and making money on the price difference. He and his co-accused are currently awaiting trial.

46. The FN secretary-general, Guillaume Soro, promised in February 2005 to maintain order in the sector, to enforce the official producer price for top-grade cotton and to prevent diversion to neighbouring countries. His statement has had little impact. Much of this trade appears to be run by local intermediaries rather than by the cotton-ginning firms operating in specific geographic locations, which increasingly favours crop diversion. Three firms were responsible for purchasing cotton, *Ivoire Coton* (IC), the *Compagnie cotonnière ivoirienne* (LCCI) and the *Compagnie ivoirienne de développement des textile* (CIDT), but only IC seems to continue to function without major incident. LCCI is in debt and early in 2005 CIDT was in dispute with the FN over the paying of duties to them rather than to the Government.

## D. Diamonds

47. The Kimberley Process Certification Scheme covers much of the global trade in rough diamonds. Since its launch in January 2003, this scheme has aimed to stop the trade in conflict diamonds by ensuring that all rough diamonds traded between its participants (42 States and the European Community) are accompanied by a valid Kimberley Process certificate.

48. Côte d'Ivoire is a small producer of rough diamonds and has been a participant in the Kimberley Process Certification Scheme since its inception. Côte d'Ivoire has never legally exported any rough diamonds since its accession to the scheme and has never issued any Kimberley Process certificates. In a letter dated 13 October 2004, the Minister of Mines and Energy of Côte d'Ivoire informed the Chair of the Kimberley Process that all exports of rough diamonds from Côte d'Ivoire were prohibited on the basis of a ministerial order issued on 19 November 2002 (decree No. 0070).

49. The Group investigated the production and export of rough diamonds from the Séguéla, Bobi and Diarabala localities in northern Côte d'Ivoire in July 2005 and obtained credible information about this diamond production.

50. Séguéla, Bobi and Diarabala are three villages located in the north-west of the Zone of Confidence in Côte d'Ivoire. The Group visited the area and received information that significant artisanal production of rough diamonds occurs along a number of small streams between the villages, but that semi-industrial or industrial mining techniques are not used.

51. Hundreds of workers work in the various diamond pits daily, according to photographs taken in mid-2005. These workers are divided into groups of 10 persons and are employed by contractors. Such a group receives a weekly retainer of approximately CFA 20,000 (US$ 40), irrespective of whether diamonds are found. The mining continues throughout the year and there is a camp in the neighbourhood of Diarabala where the workers spend the night. The contractors sell the diamonds to local dealers.

Photo 2: Diamond production at Séguéla

*Source*: UNOCI, Séguéla, 2005.

52. Three of the town dealers are Malian and one Guinean. Some of the dealers are only known by their nicknames. One of the biggest dealers has moved out of Séguéla and located himself in Mali, but his representatives are still based in Séguéla and undertake dealings on his behalf. The number of workers prospecting for diamonds for this person is estimated to be in excess of 3,000. These dealers operate in Séguéla, Bobi and Diarabala, and in the Tortiya region.

53. Estimating the current volume of production is difficult. However, judging from the number of active pits and workers, it appears that production is at a level of 300,000 carats per year, which is equal to production prior to the conflict. The revenue accrued by the groups controlling this production is many millions of United States dollars per year.

54. Possible markets for the illicit export of diamonds are Guinea and Mali. Guinea is a Kimberley participant and Mali is an applicant. Illicit diamonds of Ivorian provenance can easily be smuggled and distributed to international markets, such as Antwerp, Dubai or Tel Aviv, without going through the Kimberley Process Certification Scheme.

55. A tour of Séguéla town showed a higher standard of living in this region than in many other places in Côte d'Ivoire; this is linked to the diamond trade. Many new motorcycles and vehicles circulated and the local market had a wide range of products.

56. The Group believes that revenue from this illegal diamond production provides an important income for the FN. In an effort to maximize their funding, the FN have created an "economic police force" that requires a tax on many vehicles and motorcycles which drive in and around Séguéla. After payment of this "economic tax", the FN issue number plates. Where this income then goes is unclear.

Photo 3: FN-issued number plate in Séguéla

*Source*: Group of Experts, Séguéla, August 2005.

57. An organization called the *Groupement vocation coopérative* (GVC) provides oversight of the diamond production. It was established in 1986 by the Minister of Industry and Mines and under its original licence receives a percentage of the value of the diamonds extracted. Prior to the conflict, GVC paid tax to the Government, but now it pays the FN.

58. The FN provides combatants daily to secure the area around the diamond pits. During its visit to Séguéla, the Group was refused access to the diamond production areas by the local FN leaders. This is not unusual: even UNOCI has experienced and reported problems in gaining access to these mines. It is clear that the FN wish to avoid independent scrutiny of Séguéla's lucrative diamond business.

# V. Effectiveness of the sanctions

59. The Group of Experts travelled widely in Côte d'Ivoire, in the subregion and elsewhere in its efforts to assess compliance with the embargo and to establish what extra measures could be taken to improve its effectiveness.

## A. Ports

60. The main ports of Côte d'Ivoire are strategic for the national economy and for the subregion. They are also important for the importation of military equipment, as observed by the Group from a satellite photograph of the unloading at a dock in Abidjan port of significant amounts of munitions prior to the embargo. A March 2005 UNOCI assessment of Abidjan port concluded that, prior to the embargo, unnamed Russian-, Portuguese- and Cuban-registered ships had been involved in unloading arms and munitions at the fish and fruit terminals. The United Nations Civilian Police (CIVPOL) in Abidjan were also informed by operators in the port that proper customs procedures were not being followed at the fruit terminal. In March 2005, there was clandestine unloading there of Greek and Panamanian-registered ships, without declaration to customs and police. In June 2005, the fruit terminal was also used for the unloading of 22 military-type vehicles from Belarus (see case study two). The fruit terminal is next door only to the military terminal in an isolated part of the seaport, which is the reason military-type equipment is unloaded there.

Box 3

**It takes one phone call: importing UAZ-3151 jeeps through Abidjan port**

The delivery to FANCI of 22 UAZ-3151 vehicles from Belarus at Abidjan port's fruit terminal on 23 June 2005 illustrates how easy it is to avoid standard importation procedures at the port.

The *Société ivoirienne de manutention et d'acconage* (SOCIMAC) provides intermediary services for commercial operators with the port customs for all bureaucratic issues. SOCIMAC has to evaluate all the paperwork to ensure it is in order prior to its submission to customs to allow goods to exit the port.

In the case of the 22 jeeps, standard procedures were quickly dropped. SOCIMAC was instructed by the Director of Customs to release the vehicles immediately to the Customs School, situated next to the fruit terminal, which was where the containers had been deposited. Normally these vehicles should have had a customs declaration, a copy of the invoice from the seller and a verification statement by BIVAC International, but these were lacking. The paperwork that does exist was incorrectly filled in. On the *Bordereau de mouvement conteneur* form, Maersk Logistics was entered as the customs broker. Maersk Logistics is not authorized in Côte d'Ivoire to provide such services.

Since August the Group has tried to meet the Director General of Customs to discuss this paperwork, but he has been unavailable. His phone call to SOCIMAC on 23 June seems to have released these 22 jeeps immediately into the hands of FANCI.

61. In the early months after the imposition of the embargo, UNOCI was impeded on a number of occasions from observing the unloading of ships. On 13 December 2004 in San Pedro, CIVPOL officers tried to gain access to the port to verify the arrival of a Chinese-registered cargo ship, but were denied entry. This continued to be a problem in San Pedro in January 2005, when UNOCI reported that local customs agents were denied access by the Government to search incoming ships. From 1 February 2005, customs officials were also often barred in Abidjan from boarding incoming ships and inspecting them. UNOCI also experienced difficulties obtaining access to Abidjan port and the effectiveness of its efforts only improved when the Government granted improved access in May. This situation resulted in a period of six months without adequate sanctions monitoring of the ports.

62. Because of the above, the Group decided to undertake an assessment of the ports and coastline of Côte d'Ivoire. In August 2005, the Group, accompanied by UNOCI personnel, visited the Autonomous Port of Abidjan, Grand Lahou, Fresco, Sassandra, Monogaga, Grand Bereby, the Autonomous Port of San Pedro and Tabou. In all these locations the Group examined ports and jetties, and discussed the implementation of the embargo with the relevant authorities and businesses and with UNOCI.

63. In none of these locations did the Group find evidence of violation of the embargo. With the exception of San Pedro and Abidjan, the ports and coastline lacked the infrastructure to import significant amounts of arms and military equipment.

64. Abidjan has all the port facilities needed to violate the embargo. It is the principle port of Côte d'Ivoire and was one of the busiest in West Africa prior to the crisis. Access to the port is controlled by the Gendarmerie, which checks the identity of all traffic entering the port. Exit from the port is controlled by customs. Since 1 July 2004, Abidjan port has been certified as complying with the International Ship and Port Facility Security Code.

65. BIVAC International has audited imports to the port for taxation purposes for the Government since 2002 and is responsible for a 13 per cent increase in revenue

for the Government from customs taxes. In March 2005, BIVAC installed in the port a commercial scanner for containers and some 20 containers are screened daily. The containers are chosen for scanning by customs, not BIVAC. The BIVAC contract precludes its inspection of explosives, arms, munitions and other material for defence.

66. San Pedro is the second largest port of Côte d'Ivoire. It is the world's leading port for the export of cocoa and is also used to export large volumes of timber. Importation of goods through the port is limited in comparison to Abidjan and many ships arrive empty. Security is provided by the port itself, port police and a brigade of the Gendarmerie. A closed circuit television system has also been installed. UNOCI reported a good working relationship with the port authorities, who denied any illicit activities.

## B. Airports

67. Côte d'Ivoire has over 20 airports on its territory. Three of these have "international" status (Abidjan, Bouaké and Yamoussoukro). Many other landing strips are not indexed by the aeronautical authorities.

68. The Group examined unscheduled flight movements from and into Côte d'Ivoire. The statistics for air traffic to neighbouring countries, such as Guinea, Mali, Burkina Faso and Ghana, were also examined. From this examination, the Group did not identify any suspicious flight during the period of the embargo (from 15 November 2004).

69. The Group did examine the landing of an AN-124 aircraft carrying a 392-ton cargo from Belarus on 16 October 2004, just prior to the embargo. This flight continued to Lomé, Togo and was linked to the Darkwood company (see case study one below). The Ivorian Presidency took responsibility for the payment of all airport royalties related to this flight during its stopover in Abidjan: these have not been paid (see annex II).

## C. Land borders

70. The Group travelled to the frontier areas of Côte d'Ivoire with Guinea, Mali, Burkina Faso and Liberia during its mandate.

71. In the Forestière region of Guinea the Group visited the Piné and Wolono border posts in May 2005. The Group observed that in these areas the border was officially closed, although villages on both sides of the border continued to inter-relate with one another because of their strong cultural and ethnic bonds. The situation in these border areas was calm and firmly under control, as was highlighted in the Group's interim report (S/2005/470), although in late March and early April 2005 there had been a number of small attacks by uncontrolled FN elements, including one on Kokota village, that appear to have been primarily aimed at securing food.

72. The Group was informed of an incident in April 2005 in the Forestière region of Guinea near Sinko, a major market town serving Guinea, Côte d'Ivoire and even Mali. According to the Governor of Forestière, 17 people had been arrested by Guinean security forces following an armed exchange, in which one individual was

injured and later died. These men were transferred later to Conakry and many of them were identified as Ivorian nationals. According to the Guinean authorities, they were carrying false Malian identity papers and were FN soldiers linked to the Ibrahim Coulibaly faction who had been setting up a rear base in a remote cave near the Ivorian border. It is possible that they wanted to use the weekly Wednesday market in Sinko as cover to seek further recruits.

73. On 15 July 2005, the Guinean authorities reported a further armed exchange between their soldiers and FN elements at Noumoundjila near the frontier with Côte d'Ivoire, during which one FN soldier was killed.

74. During its three visits to Guinea, the Group tried to obtain copies of the Malian identity documents and the serial numbers of the arms seized by the Guinean military in April 2005, but was not provided with these despite a firm promise by the Ministry of Security.

75. In May 2005, the Group visited the main border crossing from Burkina Faso into Côte d'Ivoire at Dandanougou. The Group witnessed some trucks and other lighter traffic crossing the border and noted that, except for pedestrians, the FN extracted money for all traffic that crossed to and from Côte d'Ivoire. The Group also visited the police checkpoint of Niangoloko and inspected the "movement register", but noticed no irregularities; there had been some confiscation of artisanal shotguns and pistols.

76. In Mali, the borders with Côte d'Ivoire remain open. The authorities in Mali informed the Group that there was some light weapons smuggling into Mali from Côte d'Ivoire by FN elements riding bikes on small unofficial tracks across the border. Officially, all FN personnel are told to leave their weapons in Côte d'Ivoire if they enter Mali.

77. The case of Ghana is similar to that of Mali and Burkina Faso and its borders remain open. The authorities underlined that there are no Ivorian refugees or camps in Ghana. The Group was informed of an incident in March 2005 at Saru village in northern Ghana where FN sold their weapons for food, cars and other consumer goods. After a visit from the Ghanian Minister of Defence and other senior officials to Tamale and Bole this situation was stabilized.

78. In August 2005, the Group travelled to the Ivorian border post of Pekan Moubley, crossed into Liberia and visited the Liberian border post of B'hai and the United Nations Mission in Liberia (UNMIL) Battalion 7, Company 4 at Toe Town. This border remained open, but with little traffic. Although the Group had all the correct papers to cross into Liberia, FANCI troops at the border blocked its passage for a number of hours before finally allowing the Group to continue on its journey.

## D. UNOCI and Licorne inspections

79. The Group consulted with UNOCI and Licorne regarding their sanctions inspection efforts. There is a division of labour between them, with UNOCI taking the lead in undertaking inspections south of the Zone of Confidence and Licorne in the north. These inspections include surprise road blocks and visits to ports, airports and train stations. Both forces reported having observed no major violations. Since April 2005, the monthly "Control of embargo" reports by UNOCI summarize these activities for the Security Council Committee.

80. UNOCI personnel regularly expressed their frustration at not having good intelligence to follow up on and at the lack of technical skills needed to accomplish their mandate. In its interim report (S/2005/470) the Group already observed that UNOCI would benefit from having its own customs expert to assist its efforts to monitor the Ivorian ports. UNOCI is actively seeking such a specialist, and such an appointment would have an impact.

81. The Group maintained a good working relationship with the UNOCI Joint Military Analysis Centre sanctions cell and CIVPOL. It also conducted its inspections of ports and the coastline with UNOCI in August and inspected two hotel registers in Abidjan as a joint effort.

82. The Group has noted an improvement in UNOCI reporting and investigation of alleged sanctions violations since May, although often there is no follow up by UNOCI. Where reports contained promising leads, the Group fulfilled this role. Such follow-up by the Group included an investigation of the importation of 22 vehicles mentioned in case study two and also of an incorrect report of tear gas importation and the obtaining of 9 mm ammunition with a 02-05 Israel Military Industries Ltd. (IMI) stamp on it. The Government of Israel reported to the Group that this ammunition had been manufactured in 2002 for the Netherlands military.

## E. Regional and international compliance

83. The Group was pleased to observe widespread general awareness of the existence of Security Council resolutions 1572 (2004) and 1584 (2005). As noted in the interim report (S/2005/470), understanding of the specifics of the resolutions was less good and the Group believes that this could be improved by tighter definition of the scope of the embargo in any future resolution. There also remained frustration on the part of Member States at not being able to implement resolution 1572 (2004) as the Committee has failed to provide them with the names of individuals or organizations for an assets freeze or travel ban.

84. Nevertheless, the Group observed that the embargo is being complied with by many States. The following are examples of contracts with Côte d'Ivoire that have been suspended or denied because of the Security Council measures:

- Supply of an electronic surveillance system from Verint Systems, Israel;
- Supply of arms and ammunition from Metalika-AB Ltd. Bulgaria;
- Military training by the Russian Federation;
- Military training by the People's Republic of China;
- Supply of military goods and services by BSVT, Belarus, via Darkwood;
- Supply of Puma spare parts by Elbit Systems Ltd. of Israel;
- Subscription to Airway and Flight Information data from Jeppesen of Germany.

# VI. Possible violations of the embargo

## A. Current needs

85. Since the imposition of Security Council measures on Côte d'Ivoire the Government has restrained procurement of weapons and munitions. This is due to an intensive procurement programme prior to the embargo and limited use of arms and ammunition during the short period of intensive armed conflict in 2004. Currently there is no urgent strategic need for new procurement. The Government is experiencing a tighter fiscal environment and this also acts as a disincentive for a new procurement drive. The holding of elections is also an increased priority and funds are being earmarked for that.

86. However, training, maintenance and transportation remain government priorities. It is the same for the FN, who in September 2002 captured large amounts of arms and ammunition and are well equipped except in the areas of transportation and training. In these areas, the Group has found examples of activities for which the Security Council Committee will need to make a judgement about whether or not they violate the embargo.

Photo 4: FN military vehicles in Bouaké

*Source*: Group of Experts, Bouaké, August 2005.

## B. Dual-use items

87. In its previous report (S/2005/470), the Group highlighted the widespread confusion over the procurement and use of dual-use equipment in Côte d'Ivoire and sought guidance from the Security Council Committee. The Committee responded

by saying it would look at each example provided by the Group on a case-by-case basis to reach an opinion. The Group provides below three case studies — on air power; vehicles for military use; and mercenaries and mechanics — for the Committee to examine and reach a timely decision on whether they violate the embargo.

## C. Case studies

### Case study one: Air power

#### Background

88. A functional Ivorian airforce the Force aérienne de la Côte d'Ivoire (FACI), is currently a strategic and political priority for the Government. This has resulted in many contradictory reports about FACI air assets by Governments, intergovernmental organizations, the press and non-State actors. Some of these reports allege that Côte d'Ivoire maintains hidden air assets in Guinea, Ghana and Togo. In such a speculative climate, the Group conducted an audit of FACI air assets.

89. From its creation in 1961 and until 2002, FACI had been small. In October 1980, FACI put into service six Dassault/Dornier Alpha Jet CI light attack and training aircraft. In 1983, an additional Alpha Jet was supplied and all were stationed at Bouaké airbase. Owing to poor maintenance, these aircraft became inoperational — the last recorded flight was in April 1994 — and they remained stored in Bouaké.

90. Following the 19 September 2002 rebellion, Bouaké airbase and its Alpha Jets came under the control of the "mutineers", who subsequently and over-optimistically threatened to use them for attacking Abidjan.

91. In response to this crisis, from October 2002 FACI embarked upon a procurement drive, ordering new aircraft and helicopters to complement its single Cessna 421 Golden Eagle, an SA 365 Dauphin and the presidential Gulfstream 3. Between January and March 2003, four newly acquired Puma IAR-330L (two in VIP configuration and two under SAR-multi-role configuration) arrived under a contract signed in February 2002 with the Romanian company IAR Brason, via Quentin Services International Ltd. and Elbit Systems Ltd. of Israel.

92. By 2004 the airforce had grown significantly, acquiring four Su-25s (all from Belarus, two single seaters delivered in 2003 and two double seaters in 2004); two MiG-23 "Flogger" combat aircraft (from Bulgaria via the Metalika A-B Ltd. company in April 2003); two Mi-24Vs (from Bulgaria in December 2002), two Mi-24Vs (from Belarus via the Darkwood company in 2003) and the four IAR-330 Pumas. An Mi-24P (Mi-35) was delivered in late 2002 from an unknown destination by a Cyprus registered but Israeli managed brokering firm, Dignia Co. Ltd.

93. Côte d'Ivoire also, in late 2002, paid for two BAC 167 Strikemasters from Jean-Jacques Fuentes, a French private military contractor, who covertly obtained them via a circuitous route that included Malta. In March 2003, one Strikemaster painted in the Botswana Defence Force camouflage pattern was re-registered to the Ivorian registry as TU-VRA in Malta. A second Strikemaster, purchased for spare parts, transited Malta in September 2003: it had been advertised for sale by

Strikemasters Films Ltd. for US$ 170,000. Both aircraft were previously unarmed and used as display aircraft, being re-exported ostensibly for the same purpose. They arrived in Côte d'Ivoire in 2004. Officially FACI describes them as "reconnaissance" aircraft, although the Group observed that one aircraft has hardened points added under its wings, which were adapted to attempt to carry munitions of non-NATO specification for military action. One Strikemaster remains operational and is based in Abidjan.

94. Two Unmanned Aerial Vehicles (UAVs) from the Aeronautics Defence Systems Ltd. in Israel were delivered early in 2004. A UNOCI inspection of the UAV at Yamoussoukro on 28 June 2005 observed a refuelling roster on a tank with its last entry as 28 September 2004. The second UAV has been destroyed.

95. The Group noted that the majority of these military aircraft sales were declared by Belarus, Bulgaria and Romania in their submissions to the United Nations Register of Conventional Weapons for 2002, 2003 and 2004. However, the Mi-24P (Mi-35) from an unknown country and the two BAC 167 Strikemasters were not declared to the United Nations Register.

96. In addition to the above-mentioned aircraft, an AN-12 was obtained in March 2004 and an Mi-8T helicopter in October 2004 from Belarus by the Darkwood company for Ivorian use. Darkwood claims that it owns the Mi-8T helicopter and leased it to the Government of Côte d'Ivoire under contract 0151004 of 14 October 2004 with the Ministry of Economy and Finance. Belarus, however, claims it sold this helicopter to Côte d'Ivoire under licence No. 002050300000511 of 29 October 2003. Two further Mi-8V helicopters (LZ-CAE and LZ-CAF) operated by the Sofia-based Heli Air were leased between late 2002 and July 2004 by FACI in a deal brokered by Israeli businessman Moshe Rothchild through the Russian firm Eco Trends Limited and later the Amsterdam based Golden Creek Limited. FACI also leased two Bulgarian An-32 tactical transport aircraft during the same period.

97. FACI officials admit that during this period its procurement and leasing programme was not based just on tactical needs. A number of these purchases were "political", designed to maximize profits for those individuals involved in the supply chain. According to a report by the Bulgarian Interdepartmental Commission on Export Control and Non-Proliferation of Weapons of Mass Destruction, the 2003 sale of two Mig-23 MLDs and two Mi-24Vs (and three 120 mm mortars) was valued at US$ 5,778,000.

98. Following the breaking of the United Nations-sponsored ceasefire and the attack by one of the FACI Su-25 aircraft on the French base in Bouaké on 6 November 2004, French Licorne forces were ordered to neutralize the two Su-25s at Yamoussoukro airport. This was followed by a further operation at the Yamoussoukro helicopter base near the presidential palace. Two Mi-24s and a Puma IAR-330L were destroyed, while the Mi-8T's fin was cut off by another missile. The BAC 167 Strikemaster was left intact and one Mi-24P helicopter (TU-VHO) located in another part of the Yamoussoukro presidential compound escaped French attention. Later the same day, military action at the FACI airbase at Abidjan International Airport resulted in the two other Su-25s, two Mi-24V helicopters and a UAV being destroyed.

99. The Group inspected the FACI airforce in Abidjan and Yamoussoukro. Table 4 below is a summary of FACI aircraft.

Table 4
**FACI aircraft**

| *Type* | *Registration* | *Condition* | *Location* |
|---|---|---|---|
| SU-25 UB | TU-VCJ | Destroyed | Abidjan |
| SU-25 UB | TU-VCK | Destroyed | Abidjan |
| SU-25K | | Repairs needed | Abidjan |
| SU-25K | | Repairs needed | Abidjan |
| BAC 167 Strikemaster | TU-VRB | Operational | Abidjan |
| BAC 167 Strikemaster | TU-VRA | Repairs needed | Abidjan |
| Antonov 12 | TU-VMA | Operational | Abidjan |
| Mi-24P (Mi-35) | TU-VHO | Operational | Abidjan |
| Mi-24V | TU-VHS | Destroyed | Abidjan |
| Mi-24V | TU-VHL | Destroyed | Abidjan |
| Mi-24V | TU-VHQ | Repairs needed | Abidjan |
| Mi-24V | TU-VHR | Repairs needed | Abidjan |
| Puma IAR 330L TAC | TU-VHE | Destroyed | Abidjan |
| Puma IAR 330L TAC | TU-VHM | Operational | Abidjan |
| Puma IAR 330L VIP | TU-VHI | Operational | Abidjan |
| Puma IAR 330L VIP | TU-VHP | Repairs needed | Abidjan |
| Mi-8T | TU-VHT | Destroyed | Abidjan |
| SA-365 Dauphin | TU-VAV | Repairs needed | Abidjan |
| UAV | | Operational | Yamoussoukro |
| UAV | | Destroyed | Abidjan |
| Gulfstream-4 | TU-VAD | Operational | Outside Côte d'Ivoire |
| Gulfstream-3 | TU-VAF | Operational | Abidjan |
| Fokker-100 | TU-VAA | Repairs needed | Abidjan |

*Source*: Group inspections and information provided by FACI, UNOCI and Licorne.

100. The Group also inspected Bouaké airbase, currently under the control of the FN. The following aircraft were observed, all of them inoperable and requiring repair and technical support beyond the capability of the FN, even if they actively sought to maintain an air wing.

Table 5
**Aircraft at Bouaké airbase**

| *Type* | *Registration* | *Condition* |
|---|---|---|
| Alpha Jet | TU-VCB | Repairs needed |
| Alpha Jet | TU-VCC | Repairs needed |
| Alpha Jet | TU-VCE | Repairs needed |
| Alpha Jet | TU-VCG | Repairs needed |
| Bonanza | TU-VBC | Repairs needed |
| Bonanza | TU-VBD | Repairs needed |
| Bonanza | TU-VBE | Repairs needed |
| Bonanza | TU-VBF | Repairs needed |
| Bonanza | TU-VBG | Repairs needed |
| Bonanza | TU-VBH | Repairs needed |
| Cessna 421C | TU-VBA | Repairs needed |

*Source*: Group inspection.

101. Since November 2004, the Government of Côte d'Ivoire has sought to repair, maintain and rebuild FACI as a political statement that air power provides the Government with a military advantage that the FN do not have.

102. Eight Belarus nationals and two Ukrainian aviation technicians are currently under contract to assist FACI in this task, according to the Ministry of Defence.

103. FACI has moved all its surviving and damaged air assets to its Abidjan International Airport airbase. It appears that UNOCI provided permission for FACI to fly its surviving Mi-24 aircraft and a BAC 167 Strikemaster from Yamoussoukro to Abidjan airbase on 24 January 2005 after they had been inspected for weapons by the Yamoussoukro United Nations Military Observers MILOB team. Around the same time, FANCI troops began dismantling the SU-25 aircraft at Yamoussoukro for eventual relocation to Abidjan. On 13 March 2005, these two damaged SU-25 aircraft were transported by road on trailers to the Abidjan airforce base under UNOCI escort. Currently stationed in the main hangar at the airforce base are two Mi-24V helicopters without the blades for their main rotor and one functioning Mi-24P with blades (registration TU-VMO). There are also four SU-25 frames and eight separated wings, two of which are still on a towing truck.

104. The Mi-8T was also transported to Abidjan airbase in early 2005 by the Darkwood company and has been cannibalized for spare parts. The main rotor and two engines are located in the main FACI hangar for safekeeping. Darkwood claims that it would like to export pieces of this Mi-8T to Togo as spare parts but its requests to UNOCI have gone unanswered. UNOCI MILOB team observed foreign technicians working on its carcass on 18 May 2005, for example. On 26 January 2005, the President's special adviser in charge of defence and security, Kadet Bertin, told the pro-government newspapers *Notre Voie* and *Le Courrier d'Abidjan* that the Government of Côte d'Ivoire had the right, as a sovereign State, to repair its aircraft damaged by the French troops during the November crisis, and that that action did not violate Security Council resolution 1572 (2004).

105. Throughout this Group's mandate, there has been a steady number of UNOCI MILOB team reports of foreign technicians working on the AN-12, the Mi-8T carcass and the Mi-24P helicopter at the Abidjan airbase. In May and August, during visits to the airport, the Group observed five Belarus technicians working on the AN-12. UNOCI MILOB teams observed the AN-12 flying troops and military equipment from Yamoussoukro in December 2004.

106. On 21 February 2005 UNOCI agreed to let FACI conduct two one-hour engine and systems ground tests on the last Wednesday of every month for its Mi-24P (TU-VHO), on condition that it was unarmed, outside its hangar at the Abidjan airbase and under UNOCI observation. Such tests have been carried out regularly, by FACI and one or two Belarus technicians.

107. On 24 July 2005, this agreement was breached because FACI prepared its Mi-24P for military operations in response to an alleged attack on Anyama. The helicopter was armed and attended by technicians who were preparing it for take-off. The flight was cancelled and a crisis averted only after the Commander of the Licorne force, General Irastorza, phoned the FANCI Chief of Staff, General Mangou, to say that such a flight would be considered as a hostile action. General Mangou and President Gbagbo both complained to UNOCI that this deprived their forces of means of defence following armed aggression. This incident demonstrates how ready the Government is to mobilize its air assets during any internal crisis.

108. The decision by UNOCI to permit these aircraft to move to Abidjan in January and March 2005 and to permit ground testing of the Mi-24P was made without consultation at the time with the Security Council Committee. This resulted in widespread confusion in Côte d'Ivoire and around the subregion over the status of these aircraft and repair work under resolution 1572 (2004).

109. The embargo is having an impact also on FACI efforts outside the country to procure spare parts and technical data. In June 2005 FACI tried to persuade the Jeppesen company to continue to provide the Airway Manual and Flight Information data package, which had been discontinued owing to embargo restrictions. FACI has also appealed to UNOCI to intervene for those services to be reinstated.

110. The Government of Côte d'Ivoire also contacted UNOCI in March 2005 and the Chair of the Security Council Committee in May 2005 about obtaining spare parts for its Puma IAR 330L helicopters. The Government was informed on both occasions that the request needed to be put directly to the Security Council Committee for its consideration.

111. During its meeting with FACI in May the Group received a similar request concerning Puma spare parts. Colonel Adou, Deputy Air Force Commander, again emphasized in June to UNOCI that the Ivorian Air Force needed to buy spares for its Puma helicopters. The Israeli company Elbit is ready to provide spares, but owing to the arms embargo is unable to do so.

112. In December 2004 Elbit asked the Government of Israel if it could supply Puma spare parts to Côte d'Ivoire and sought clarification again in early 2005. On both occasions the Government of Israel informed the company about Security Council resolution 1572 (2004).

113. FACI has provided UNOCI with two lists of spare parts and repair equipment that it is seeking for its Puma helicopters. IAR Brasov, the manufacturer of the Ivorian Puma helicopters, has not received any direct approach from Côte d'Ivoire for spare parts, but the Romanian authorities showed the Group its contract with the Government of Côte d'Ivoire, which restricted the use of these helicopters to civilian use only. The Group has observed that TU-VHM is painted with a green military camouflage pattern and is operated by FACI. UNOCI MILOB observed that on 7 June 2005 the two functioning Pumas carried 20 FANCI commandos and some gendarmes from Abidjan Airport to Jacqueville and that it returned to Abidjan the following day.

**MI-8Ts**

114. FACI also told the Group that it finds Mi-8T helicopters more reliable and would like to import a Mi-8T helicopter that is available for its use. It would replace the one badly damaged by French action in November 2004, which according to FACI and the Ministry of Defence was leased from Darkwood, run by Robert Montoya out of Togo. Two Mi-8T helicopters are currently being rebuilt at Lomé Airport in Togo in the hangar of Darkwood and are linked to Côte d'Ivoire. The Darkwood company was the authorized broker for three separate contracts from 2002 until November 2004, prior to the embargo, for the importation of military equipment from Belspetsvneshtechnika (BSVT) to Côte d'Ivoire (see annex III). Some defence experts estimate that Darkwood was responsible for two thirds of Ivorian military procurement between 2002 and 2004, including four Su-25s, two Mi-24Vs, the AN-12 and the Mi-8T mentioned above.

115. A Darkwood-brokered contract between BSVT and Côte d'Ivoire in early 2004 delivered two Su-25 aircraft and spare parts, spare parts for an Mi-8T helicopter and two Mi-8T ground simulators — carcass bodies for flight practice. On 16 October 2004, the two Su-25s, the Mi-8T simulators and the Mi-8T spare parts were flown to Abidjan aboard an AN-124 of Volga-Dnepr Airlines, registration number RA82042. In Abidjan, the Su-25s were unloaded and two Mig-23s were loaded during an 11-hour stopover. The AN-124 then departed and landed in Lomé, Togo at 10.06 hrs on 17 October 2004 with a cargo of 392 tons. It left at 22.26 hrs on the same day for Benghazi in Libya, having unloaded its heavy cargo.

116. The two Mi-8T simulators were then moved into the Darkwood hangar along with spare parts for Mi-8T helicopters, including eight helicopter blades. Subsequently, several Togo-based Belarus technicians employed by Darkwood have been slowly rebuilding these simulators into functional helicopters. Word spread that spare parts for Ivorian helicopters were sought in Lomé and the Belgian firm

Skytech probed the market in early 2005 but was dissuaded from pursuing the business when told that Robert Montoya controlled this market.

117. The Group visited Togo in June 2005 and inspected both Mi-8T helicopters, which were clearly under renovation. The Group also saw one of them again in its hangar in September 2005, still under refurbishment. Darkwood had moved the second carcass body to outside the hangar for extra work. The important question is who owns these two Mi-8T helicopters and spare parts?

Photo 5: Mi-8T bodies being refurbished in Lomé

*Source*: Group of Experts, Lomé Airport, June 2005

118. Robert Montoya is a BSVT agent in West Africa and claims to own these helicopters as part of an agreement with BSVT to set up an aircraft rehabilitation workshop in Lomé: these Mi-8T simulators are for this joint venture. However, Mr. Montoya was unable to provide contract documents to prove ownership and he admitted to the Group that the Government of Côte d'Ivoire had paid for the AN-124 flight to Lomé.

119. The Group also questioned BSVT in Minsk and was shown its 2004 contract with the Government of Côte d'Ivoire, which included two Mi-8T simulators and Mi-8T spare parts. Darkwood was, as in previous contracts, the broker but the end user was always the Government of Côte d'Ivoire. The airway bill for the AN-124 flight from Minsk to Abidjan on 16 October 2004 indicated that this cargo was destined for the *Agence Nationale de L'Aviation Civile* in Abidjan, as the consignee. This may not be the case as the Group has obtained an official note dated 17 October 2004 signed by Michel Kapylou, Counselor to the Ministry of Defence of Belarus and to the Ministry of Defence of Côte d'Ivoire, stating that this flight was the responsibility of the Ivorian Presidency and that the Presidency would pay all parking and cargo fees related to this aircraft while it was in Abidjan.

**Mig-23s**

120. These two Mi-8T helicopters in Togo are also connected to the unloading of two Mig-23 aircraft that had been loaded onto the AN-124 in Abidjan on 16 October 2004. The Mig-23s were unloaded and partly re-assembled by a team of Belarus technicians until the Togo authorities intervened to stop their work in early November 2004, following a protest by the Government of France. They currently are at the Lomé military airbase, moved next to the Licorne logistics base for unimpeded observation following a request from the Government of France. The planes are in the open air and are deteriorating. It would take a significant investment to enable them to fly and they pose no immediate threat in the Group's opinion.

121. According to FACI and the Ministry of Defence their two Mig-23 "Floggers" were exchanged for a discount from BSVT on the two SU-25s imported to Côte d'Ivoire in October 2004 and are now the property of Darkwood. The ownership of these aircraft is opaque, although one of the aircraft still carries its Ivorian registration, TU-VHC, on its tail fin. BSVT deny that these aircraft are theirs or that they ever negotiated a part-exchange deal with Côte d'Ivoire or any non-State entity for them, and showed the Group their three contracts with Côte d'Ivoire to prove this. The Spokesperson for the Government of Togo, Pitang Tchalla, however, issued a public statement on 14 November 2004 claiming that these aircraft were the property of "BSVP" (sic). Robert Montoya was unable to provide the Group with any document to show exchange of ownership from Côte d'Ivoire to the Darkwood company or BSVT.

Photo 6: Two Mig-23s at Lomé Airport

*Source*: Group of Experts, Lomé Airport, July 2005

122. The Group also consulted the authorities of Bulgaria, the original exporter of these aircraft, as to whether they were aware of the re-export of these aircraft. The Bulgarian authorities and the broker Metalika AB Ltd. expressed surprise at the transfer. They noted that under export agreement No. 0080/MDCDPC/CAB-00 dated 11 November 2002, signed by the Ivorian President's special adviser-in-charge of defence and security, Kadet Bertin, "The Ministry of Defence of the Republic of Côte d'Ivoire warrants by this that the goods stated in paragraph will be used for its needs and irrevocably undertakes not to sale, re-export, hand over to any third party without consent of the exporter and to export authority of the exporting state". Since the Bulgarian authorities have not been otherwise notified by Côte d'Ivoire, they believe that these two Mig-23s remain the legal property of the Government of Côte d'Ivoire. As above with the Mi-8T helicopters referred to above, there is ambiguity over who really owns the Mig-23s. The vendors claim it is Côte d'Ivoire. Darkwood has failed in both cases to provide paperwork to document that it now owns these aircraft.

### Guinea and Ghana

123. The FN, the Ivorian media and NGOs have alleged that FACI has stationed its helicopters in Guinea and Ghana, in addition to Togo, to avoid the embargo. The Group visited Ghana in June 2005 and found no evidence that Ivorian air assets were stored there. Because of widespread allegations of Guinean involvement, the Group took these allegations more seriously and visited Guinea three times, in May, August and September 2005, and met with government officials on each occasion. The Group accounted for all military or dual-use helicopters on Guinean soil. The Government of Ukraine confirmed that two of these Mi-24s were transferred to Ukraine for maintenance work in late 2004 but had since returned to Guinea; this may have contributed to the speculation that an extra helicopter for Côte d'Ivoire had arrived in Conakry. A widely quoted June 2005 report by the International Crisis Group that a helicopter destroyed at Yamoussoukro by the French on 6 November 2004 was Guinean is incorrect, as was demonstrated by the Group's audit.

### Case study two: Vehicles for military use

### UAZ-3151 vehicles

124. During an arms embargo inspection at the fruit terminal of Abidjan port on 23 June 2005, UNOCI spotted 10 FANCI soldiers unloading jeeps with a military appearance from four containers. Some of these jeeps were driven out of the port and others were towed to the Ministry of Defence in Abidjan. In its report on the incident to the Security Council Committee the Force Commander of UNOCI, General Fall, noted that:

> "Although these jeeps do not constitute in themselves military equipment, UNOCI's assessment is that the jeeps have soft tops, without roofs, they could be used by the military for carrying commanders/key persons in the battlefield and used as mobile unit platforms to mount medium calibre weapons like machine guns, anti-aircraft machine guns or 75mm recoilless rifles."

125. On 16 September 2005, the Ministry of Defence informed the Group that it had stored these 22 vehicles until the Security Council Committee reached a verdict on whether they violated the embargo.

126. The Group investigated the supply chain for the delivery of these vehicles to establish if those involved had prior knowledge that the end user would be the Ivorian Ministry of Defence. The documents that UNOCI obtained at the time of the incident showed that:

- There were four containers (SEAU865106/5, MSKU829108/4, MSKU892244/6 and TGHU722044/7);
- The customer was the Elite Africa company;
- Maersk Logistics was responsible for transportation.

127. Research on the original bill of lading indicates the following (see annexes IV and V):

- Transportation was ordered by: Elite Africa Ltd. — by order of ORDAN Ltd., Neot Golf E-112, Ceasarea, Israel;
- The consignee on the original document is: Ministry of Economy and Finance, for the attention of Mr. Zohore Aubert, Directeur de Cabinet;
- On a copy the consignee is given as: Direction Générale des Douanes;
- The shipped goods are described as: 22 AUTOMOBILE UAZ-3151;
- Under the same heading is the mention: To notify Mr. Daniel Chekroun.

The vehicles were to depart by ship from the port of Klaipeda (Lithuania) on 14 May 2005 for Abidjan.

128. To obtain further details about this shipment the Group met with the Ivorian Ministry of Defence. The Director de Cabinet of the Ministry claimed it had purchased civilian vehicles, which had been provided in the place of an ammunition order that could not be completed because of the Security Council sanctions. He provided the Group document No. 194/MD/DGEM, dated 1 March 2004, ordering a large consignment of ammunition, addressed by the Department of Military Engineering and Equipment of the Ministry of Defence, to the Director of Ordan Ltd. Belspetsvneshtechnika, Israel Head Office, King David Avenue, P.O. Box 399407, Tel Aviv. The order has a value of 300 million CFA and refers to invoice No. 1855BSD0225, dated 24 February 2004, drawn up by Ordan Ltd. member of Clear Sky Group Ltd., and signed by Commander Dan Even, Director Afrique West, Ordan Ltd. The invoice states: "The customer must provide an End User Certificate for all the above items on the name of BELSPETSVNESHTECHNIKA" (see annexes VI and VII).

129. According to the *directeur de cabinet*, Ordan Ltd. could not immediately supply the goods. Despite this, the Ministry made a payment order of US$ 180,505.42 on 25 May 2004 to a Swiss account in the bank Selvi & Cie SA, 4 rue du Grütli in Geneva with reference to order number 1855BSD0225 (see annex VIII).

130. Following the imposition of the Security Council embargo on Côte d'Ivoire in November 2004, Ordan Ltd. and the Ministry of Defence looked for an alternative

solution to complete this contract. During 2005, Daniel Chekroun, the president of Ordan Ltd., offered to provide 22 UAZ-3151 vehicles instead of the ammunition. After some consultation, the Ministry of Defence agreed to this proposal. What is remarkable is that these negotiations were, according to the *directeur de cabinet*, entirely oral, and that there is no written correspondence about this deal. All subsequent contact between the Ministry of Defence and Ordan Ltd. was with Daniel Chekroun, because his Abidjan-based business partner Dan Even died in January 2005.

131. During its visit to the Ministry of Defence in Abidjan, the Group noticed the above-mentioned vehicles parked nearby in a military barracks. With the approval of the *directeur de cabinet*, these vehicles were inspected and photographed by the Group. It counted 19 vehicles, 3 of them with "BY" (the international acronym for Belarus) stickers on their rear windows. These vehicles are refurbished and in good condition.

Photo 7: UAZ-3151 vehicles at the Ministry of Defence, Abidjan

*Source*: Group of Experts, Abidjan, July 2005.

132. All the vehicles have number plates issued by the Ministry of Defence of Côte d'Ivoire attached to them. According to the Ministry of Defence the vehicles are earmarked for use by a new unit called the *Centre de Commandement des Opérations de Sécurité*. The Group was also told that three other vehicles were parked at another FANCI base in Abidjan.

133. The Group visited the shipper AP Moller-Maersk's headquarters in Copenhagen and obtained the following information. The Minsk-based company Transcond requested a transportation quote for 22 UAZ cars and a United States-based company, Greyson House, requested Maersk to position the four containers at Budionnogo Street in Minsk. The freight for the 22 cars was paid in cash with

reference to the Greyson House company, an unusual but not entirely uncommon procedure (see annexes IX and X).

134. In Minsk, the Group was briefed by the Government of Belarus that UAZ-3151 vehicles are passenger cars with cross-country capability and are considered to be items for general-purpose use. No special permission from the State export control agency for their export to Lithuania was therefore required.

135. In March 2005, the Minsk Automobile Repairing Plant at Budionnogo Street signed a contract with the Lithuanian company Lisenas ir Ko in Vilnius for the delivery of 22 UAZ-3151 vehicles to Lithuania. In this contract is a clause that forbids the buyer to use these vehicles for military purposes and a statement that the vehicles are intended for the national economy. The 22 cars were sold for US$ 90,200. According to the contract, the cars were loaded in Minsk between 29 April and 4 May 2005 for delivery to Lithuania (see annex XI).

136. Transcond was to provide freight services, but refused. Daniel Chekroun's Eastern Europe manager, Mark Veltman, then used a Lithuanian firm to transport these vehicles from Minsk to the Lithuanian port of Klaipeda. Maersk Logistics provided delivery from Klaipeda to Abidjan.

137. Belspetsvneshtechnika (BSVT) denies any involvement in this deal between the Government of Côte d'Ivoire and Ordan Ltd. and says that its name has been fraudulently put on the agreement documents.

138. In Vilnius, the Group interviewed the director of the company Lisenas ir Ko, Erik Kaltan. Kaltan admits that he knew Mark Veltman and that Veltman had asked him to be a middleman for the purchase of 22 vehicles in Minsk because the Minsk Automobile Repairing Plant had refused to sell directly to Veltman's company. Veltman promised to take care of all the transportation arrangements and would pay all costs (see annexes XII and XIII). Kaltan received US$ 330 for his "services" and in return his company acted as a front for the purchase of the 22 cars from Belarus. Lisenas immediately sold the 22 cars to Elite Africa Ltd. for US$ 90,530 on 16 March 2005 (see annex XIV). Kaltan and Veltman were both present when the 22 vehicles were loaded into the four containers at Budionnogo Street in Minsk, prior to their journey to Klaipeda and Abidjan.

139. The Group visited Israel and interviewed Daniel Chekroun and Mark Veltman in their Elite Alpha office in Ceasarea, north of Tel Aviv. Chekroun confirmed that he was the president of the Abidjan-based company Ordan Ltd., and also president of the Elite Africa and Elite Alpha companies, both registered in Israel. These three companies are part of his Clear Skys Group portfolio. Chekroun briefed the Group about Elite Alpha, explaining that it specialized in security training and VIP protection and that these companies in the Clear Skys Group delivered many goods, including arms and ammunition. Africa is an important market for him.

140. Mr. Chekroun confirmed that he had an ammunition deal with Côte d'Ivoire, but that following the Security Council embargo he proposed to the Ivorian Ministry of Defence to reimburse the US$ 180,505.42. According to Chekroun, the Ministry of Defence, via its defence attaché in Tel Aviv refused this proposal because it feared that the Ministry of Finance would reallocate those funds for non-military purposes. The Ministry of Defence suggested that Chekroun provide it with other goods valued at US$ 180,505.42.

141. The Group was then informed by Chekroun that he had heard from a Lithuanian company, Lisenas, that 22 4x4 vehicles were on the market and he had thought this might be a good replacement for the ammunition, to which the Ivorian Ministry of Defence agreed. Chekroun provided the Group with a copy of the contract between Elite Africa and Lisenas and confirmed that he had paid US$ 90,530 for the purchase and transportation of these vehicles.

142. Chekroun said that he believed the vehicles were civilian vehicles but he was vague about why he had used Elite Africa instead of Ordan Ltd., which had the initial contract with the Ministry of Defence. He failed to explain the discrepancy between the amount of US$ 180,505 originally transferred by the Ivorian Ministry of Defence and the amount of US$ 90,530 he spent on the 22 vehicles. He told the Group only that it had been "a good deal".

143. The Group was promised details of the money transfer between Ordan Ltd. and Elite Africa and a copy of invoices for the shipping costs, but to date no additional documents have been provided, even after a follow-up telephone call.

144. The Group noted that Chekroun provided it with a contract between Elite Africa and Lisenas but did not provide it with the appendix which stated that Mark Veltman would make all the transportation arrangements from Minsk to Klaipeda.

145. Taking all the above facts into consideration, the Group concludes that there was a premeditated effort by Chekroun and his associates to disguise the end-user of these 22 vehicles. The following irregularities were found:

- Irregularities between Ordan Ltd. and BSVT;
- Irregularities in the bill of lading and the final destination of the 22 vehicles;
- Irregularities between Ordan Ltd. and Elite Africa Ltd.;
- Irregularities concerning Lisenas;
- Significant price difference between the two contracts;
- Missing documents.

146. **Irregularities between Ordan Ltd. and BSVT.** Initially the Ministry of Defence placed an order for ammunition in March 2004 with Ordan Ltd. Ordan Ltd. issued an invoice on which it and BSVT are referred to. The Ivorian Ministry of Defence then issued an end-user certificate to Ordan Ltd. — BSVT. BSVT denies any link between it and Ordan Ltd. and claims that it has never been requested by Côte d'Ivoire to have BSVT on any end-user certificate. Chekroun and the Ivorian Ministry of Defence say that only Dan Even could explain this, but he died in January 2005.

147. **Irregularities in the bill of lading and the final destination of the 22 vehicles.** Although all the negotiations were with the Ministry of Defence, the bill of lading refers to the Ministry of Economy and Finance and the Director-General of Customs. The containers were emptied and at least four vehicles were driven away by FANCI and all the vehicles are parked at Ministry of Defence establishments with FANCI number plates on them.

148. **Irregularities between Ordan Ltd. and Elite Africa Ltd.** Although the initial contract for ammunition and subsequent negotiations for the vehicles were

with Ordan Ltd., the transportation documents for these vehicles recorded Elite Africa Ltd., another Chekroun company.

149. **Irregularities concerning Lisenas.** The Minsk Automobile Repairing Plant refused to deal directly with Mark Veltman and Veltman used a contact, the director of the Lithuanian firm Lisenas, to front this vehicle deal with the Minsk Automobile Repairing Plant for Elite Africa. Lisenas was instructed to procure the vehicles, so that Elite Africa could transport them immediately to Côte d'Ivoire. In his interview with the Group, Chekroun suggested that Lisenas had notified him of a business opportunity concerning the 22 vehicles in Minsk, whereas the Group has established that it was his employee, Veltman, who organized this deal.

150. **Significant price difference between the two contracts.** None of the parties involved seems to be concerned that there is a significant discrepancy between the original sum of US$ 180,505 transferred by the Ivorian Ministry of Defence and the US$ 90,530 paid for the 22 vehicles. Nobody seems to be asking where the rest of the money has gone.

151. **Missing documents.** In spite of his promise, Chekroun failed to provide additional documents to the Group that would shed light on the financial transactions of Ordan Ltd. and Elite Africa Ltd. relating to these vehicles.

**Mitsubishi vehicles**

152. The case described above has attracted attention, but the Group observed other, unreported, examples of the importation of vehicles for military use. At Abidjan Airport in August 2005 the Group saw three new Mitsubishi L-200 4x4 vehicles registered to FACI being driven about the military base carrying personnel and equipment. One of these vehicles was then parked next to the waiting room for UNOCI flights. The Group inspected one of these vehicles and obtained its chassis number and took photographs. It was still so new that plastic import covers were on its seats and the distance gauge recorded only 199 km.

Photo 8: A new FACI Mitsubishi L-200 vehicle parked by an Mi-24 helicopter

*Source*: Group of Experts, Abidjan Airport, August 2005.

153. Through Central Motors, the Mitsubishi dealer in Abidjan, the Group established that 30 vehicles had been purchased by the Ministry of Defence between January and the end of July 2005: 4 "Canter" lorries, 7 "Pajero" vehicles, 1 "Nativa" and 18 4x4 pick-ups (see, for example, annex XV).

154. The four "Canter" lorries were transformed at the request of the Ministry of Defence into troop carriers in mid-2005. This work was carried out by *Construction Métallique et Transformation* (CMT) following a request from Central Motors. The bill for this work by CMT, No. 0507003, records "*Transformation de transport de troupes — Chassis: A45084-A45349*" (see annex XVI). Another bill, from Thelen Sarl, is for: "*Construction d'une carosserie de 32 places sur chassis cabine Mitsubishi Canter FE 645 — Châssis A45373*". As in the case of the Belarus vehicles described above, the Security Council Committee will need to reach a decision on whether the use of these vehicles by the military violates the embargo.

**Burkina Faso and Togo 4x4s**

155. The two case studies described above concerned 4x4 vehicles destined for the Government of Côte d'Ivoire. Such vehicles are more important for the FN, whose military mobility and command structures are built upon their use. The Group investigated the supply of such vehicles to northern Côte d'Ivoire, but was handicapped by being unable to conduct a close inspection of FN vehicles, although it took photos of a number of them in a military convoy in Bouaké. In FN areas, these vehicles are usually driven with their number plates covered or removed, or replaced in locations such as Séguéla with plates issued by the FN.

156. During its visits to Burkina Faso, the Group was informed by multiple eyewitnesses near the border about new 4x4 vehicles such as Mitsubishi L-200s being driven into Côte d'Ivoire. The Group also met in Ouagadougou with the vehicle dealership CICA Burkina, an importer of such types of vehicle in Burkina Faso.

According to CICA, there are no sales to Côte d'Ivoire but some to Mali, and some of these vehicles might be destined for Côte d'Ivoire. None of these sales are high-volume.

157. The Government of Togo provided the Group with import statistics of 4x4 vehicles at Lomé Port, the port of entry for many of these vehicles. There appears to have been an incident in late 2004 or early 2005 when a shipment of vehicles destined for Burkina Faso was impounded in Lomé Port by the authorities, following a request from the authorities of Côte d'Ivoire, who suspected that their ultimate destination was the FN. These vehicles were eventually permitted to leave the port for Burkina Faso after an investigation by the authorities of Togo, with French assistance.

### Case study three: Mercenaries and mechanics

#### Recruitment of fighters

158. The armed conflicts in Liberia, Sierra Leone, Guinea and Côte d'Ivoire have reverberated across each country's porous borders. Gliding back and forth across these borders is a migrant population of young fighters — regional warriors — who view war mainly as an economic opportunity.

159. During the 2002-2003 armed conflict in Côte d'Ivoire, the number of Liberians fighting for the Government of Côte d'Ivoire was estimated to be between 1,500 and 2,500, while close to 1,000 were thought to have fought alongside Ivorian rebels (see S/2004/972).

160. The November 2004 raids by the Government of Côte d'Ivoire against the FN-held cities of Bouaké and Korhogo appeared to have spawned a period of increased recruitment efforts in Liberia. In March 2005, Human Rights Watch recorded incidents of recruitment, including recruitment of children, since at least November 2004. An alleged Ivorian recruiter, Adam Keita, was arrested by the UNMIL Civilian Police and the Liberian National Police in Zwedru on 31 March 2005, thus reducing recruitment for a time. Mr. Keita was later released for lack of evidence (see S/2005/360).

161. In western Côte d'Ivoire, the Group visited the Nicla refugee camp near Guiglo and crossed into Liberia to Toe Town (Grand Gedeh County) in August 2005. It also visited Nonah transit camp for Ivorian refugees in Guinea. In all these locations, the Group was informed that there had not been any attempted recruitment recently but that if conflict erupted again in Côte d'Ivoire this could change.

#### Training and maintenance

162. Foreign nationals continue to play a role in maintaining the air assets of Côte d'Ivoire, especially its Mi-24P helicopter. Prior to the embargo in November 2004, Côte d'Ivoire paid for a significant number of foreign State and private military contractors to assist with training and the procurement, maintenance and use of military equipment. The Group knows of nationals of Belarus, Bulgaria, France, Israel, the Russian Federation, South Africa, Ukraine and the United Kingdom who have provided such services. Many of them were accommodated in Abidjan at the Hotel Ivoire, a State-run hotel, Ibis hotel and private houses. The Group, jointly with UNOCI visited these two hotels in August 2005 to check their registers for

names of foreign nationals known to the Group to have worked for FANCI in the past.

163. Following the hostilities of 6 November 2004, the majority of these contractors left the country. On 9 November 2004, French troops at Abidjan airport impounded a Ukrainian An-12 aircraft, on board which were eight Ukrainian citizens. They also arrested 15 FACI pilots and technicians, all from the Russian Federation, Ukraine and Belarus. These individuals were handed over to the Russian Consul in Abidjan on 11 November 2004. The Ukrainian aircraft and its passengers were released on 16 November 2004.

164. The Government of Belarus confirmed to the Group that it had 26 technicians in Côte d'Ivoire and provided their names. They were recalled to Minsk in November 2004 and the contract with the Government of Côte d'Ivoire suspended. Another group of eight Belarusian technicians fled by vehicle to Togo on 16 November 2004 and contacted a Belarusian technician who had arrived on the AN-124 flight in Lomé and was working for Robert Montoya's Darkwood company. They were detained by the Togolese authorities and on 22 November 2004 deported to Ghana, where they caught a flight from Accra to Amsterdam.

165. The Government of Côte d'Ivoire also provided the Group with the names of the eight Belarusian technicians for its Mi-24P helicopter and An-12 aircraft who in 2005 continue to work for it. The Group is also aware of Michel Kapylou, who calls himself a counsellor to the Ministry of Defence of Belarus and the Ministry of Defence of the Republic of Côte d'Ivoire. The Group obtained a copy of his Ivorian identity card and attempted to contact him to establish whether he currently works for the Government of Belarus, although the Government of Belarus denies any knowledge of him (see annex XVII).

166. According to the Ministry of Defence there are also two Ukrainian nationals hired under a separate contract to assist FACI. The number of Ukrainian nationals was recently downsized to two by the Government because of the limited work available. A South African national continues to provide training for FANCI also.

167. The Group also investigated reports of Israeli nationals providing security services to the Government. In November 2004, 46 Israeli nationals were evacuated on an Italian flight. It is not clear if some of them subsequently returned. The Israeli company Aeronautics Defence Systems Ltd. reported that its two technicians for the UAVs had left Côte d'Ivoire on 7 November 2004 and the contract had expired.

# VII. Observations

168. The defence expenditure of Côte d'Ivoire is high and the Security Council should call upon the Government of Côte d'Ivoire to submit a comprehensive breakdown of this expenditure for 2005 to the United Nations Instrument for Reporting Military Expenditures as a matter of urgency.

169. The amount of revenue from cocoa production and exports and how it is allocated lack fiscal transparency. The quasi-fiscal cocoa agencies require a comprehensive, independent, credible, international financial audit. The Security Council should call upon the Government to commission an audit which includes all agencies, such as FDPCC. This audit should be completed by May 2006. A copy of

the full audit should be provided to the Security Council Committee and the IMF for evaluation and a summary of it should be made public.

170. The export of diamonds from Côte d'Ivoire is illegal, but there is no credible evaluation of current export volumes of rough diamonds. UNOCI and the Kimberley Process Secretariat should investigate together the production and the illicit export of diamonds and make public reports of their findings. Ivorian diamond exports may enter the Kimberley Process supply chains thus threatening the credibility of the Kimberley Process Certification Scheme.

171. The fruit terminal at Abidjan port is clearly a strategic location for the unloading of military goods and equipment and requires increased UNOCI monitoring. There needs to be better declaration procedures for the release of cargo and UNOCI should be permitted to spot check any unopened container it wishes using the new scanner managed by BIVAC International.

172. The hiring by UNOCI of a customs expert would also strengthen sanctions monitoring efforts.

173. The Group was pleased to note that a number of countries have suspended or blocked the export of military goods and services to Côte d'Ivoire. The authorities of Belarus, Bulgaria, Romania, South Africa and Israel were forthcoming with information that assisted the Group in its task. The Government of Guinea, despite repeated requests for documents, failed to provide information.

174. The Group appreciated the openness of FANCI in assisting its enquiry, although the Director General of Customs failed to assist the Group, despite numerous requests. The FN failed to cooperate adequately with the Group and hindered its investigation in Séguéla. The Group recommends that the Security Council call upon the FN to provide UNOCI with a comprehensive inventory of the weapons it has in its possession as a matter of urgency.

175. The Group also noted that Côte d'Ivoire has not made submissions to the United Nations Register of Conventional Arms and recommends that it does so by submitting a baseline statement of acquisitions currently in its possession (with the year and export country indicated). The Group welcomes the establishment by the Government of Côte d'Ivoire in May 2005 of the National Commission for the ECOWAS Moratorium on Small Arms and Light Weapons and hopes that Côte d'Ivoire will play an active role in the negotiations to transform the moratorium into a binding regional convention.

176. The Group concludes that currently the Government and the FN do not have a strategic need for or the financial capability to procure heavy and light weapons. Their immediate needs are for transport, such as helicopters and 4x4 vehicles and trucks. UNOCI is vigilant concerning air asset importations, but less focused upon the steady number of vehicles for military use that have been imported by FANCI and the FN. Currently there is a "dual-use" loophole. This could be remedied by the Security Council drafting a tighter definition when it reviews the Côte d'Ivoire sanctions regime.

177. Ownership of the wrecked Mi-8T at Abidjan airport, the two Mi-8T helicopters being refurbished at Lomé airport and the two Mig-23s at Lomé is unclear. The Committee should request that the Governments of Belarus, Bulgaria, Côte d'Ivoire and Togo submit to it a report on the ownership of these aircraft. The Committee

should also request the Darkwood company to submit all its paperwork on these aircraft to the Committee.

178. As already observed by the Group in its interim report (S/2005/470), there is widespread frustration on the part of Member States at not being able to implement fully Security Council resolution 1572 (2004) because the Committee has failed to provide them with the names of individuals or organizations for an assets freeze or travel ban. The Committee needs to clarify this situation as a matter of urgency.

# Annex I

## Meetings and consultations

### Belarus

*Government*

Ministry of Foreign Affairs
Ministry of Defence
Ministry of Internal Affairs
Department of International Security and Arms Control
Ministry of Finance, Customs and Export Control
State Military and Industrial Committee
State company, Belspetsvneshtechnika (BSVT)

*Diplomatic entities*

Embassy of the United States of America

*Multilateral and bilateral agency*

United Nations Development Programme (UNDP)

### Belgium

*Government*

Ministry of Defence

*Multilateral and bilateral agencies*

European Commission, External Relations, Kimberley Process

*Private sector*

Skytech

### Bulgaria

*Government*

Ministry of Foreign Affairs
Ministry of Defence
Ministry of the Economy

*Multilateral and bilateral agencies*

UNDP

*Private sector*

Heli Air Services
Metalika AB Ltd.

*Multilateral and bilateral agencies*

Centre for the Study of Democracy

**Burkina Faso**

*Government*

Ministry of Foreign Affairs
Ministry of Defence
Ministry of Transport
Ministry of Security
Governor of Bobo Dioulasso
Radio Nationale
Niangoloko Customs Office

*Diplomatic entities*

Embassy of Côte d'Ivoire
Embassy of Denmark
Embassy of France
Embassy of the United States of America

*Multilateral and bilateral agencies*

UNDP

*Private sector*

CICA
Evénement
L'Express du Faso

**Côte d'Ivoire**

*Government*

Ministry of Foreign Affairs
Ministry of Defence
Ministry of Transport

*Armed non-State actors*

Forces nouvelles

*Diplomatic entities*

Embassy of Angola
Embassy of Germany
Embassy of France
Embassy of Italy
Embassy of Israel
Embassy of the Russian Federation
Embassy of South Africa

Embassy of the United Kingdom of Great Britain and Northern Ireland
Embassy of the United States of America

*Multilateral and bilateral agencies*

African Union
Agence pour la Sécurité de la Navigation Aérienne en Afrique et à Madagascar (ASECNA)
ECOWAS
Francophonie
Licorne
UNOCI
European Commission

*Private sector*

Pathfinder
Groupement Professionnel des Exporteurs de Café et de Cacao (GEPEX)
Global Energy Ventures
Société Ivoirienne de Coco Râpé (SICOR)
SGS
Cotecna
BIVAC International
SOCIMAC
Maersk Logistics
Central Motors CFAO
Hotel Ivoire
Hotel Ibis

**Denmark**

*Government*

Ministry of Foreign Affairs
Ministry of Justice

*Private sector*

AP Moller-Maersk

**France**

*Government*

Ministry of Foreign Affairs
Ministry of Defence

*Private sector*

Indigo Publications, *La Lettre du Continent*

**Ghana**

*Government*

Ministry of Foreign Affairs
Ministry of Defence
Ghana Civil Aviation Authority
Customs, Excise and Preventive Service
Head of Police

*Multilateral and bilateral agencies*

UNDP
Foundation for Security Development in Africa (FOSDA)
Third World Network Africa
African Security Dialogue and Research (ASDR)

**Guinea**

*Government*

Ministry of Foreign Affairs
Ministry of Defence
Ministry of Security
Ministry of Transport
Ministry of Territorial Administration and Decentralization
Governor of Forestière
Border post at Piné
Border post at Wolono

*Diplomatic entities*

Embassy of France
Embassy of Mali
Embassy of Ukraine
Embassy of the United States of America

*Multilateral and bilateral agencies*

ECOWAS
International Organization for Migration (IOM)
Office of the United Nations High Commissioner for Refugees (UNHCR)
World Food Programme (WFP)

*Other*

Nonah transit camp

**Israel**

*Government*

Ministry of Foreign Affairs
Ministry of Defence
Civil Aviation

*Diplomatic entities*

Embassy of Côte d'Ivoire

*Private sector*

Verint Systems Inc.
Tacy Ltd.
Ordan Ltd.
Elite Africa Ltd.
Elite Alpha Ltd.

**Latvia**

*Government*

Ministry of Foreign Affairs
Ministry of the Interior Security Police

*Multilateral and bilateral agencies*

Financial and Capital Market Commission

**Liberia**

*Government*

Border post at B'hai

*Multilateral and bilateral agencies*

United Nations Mission in Liberia (UNMIL)

**Lithuania**

*Government*

Ministry of Foreign Affairs
Ministry of Finance, Customs Department

*Private sector*

Lisenas ir Ko Ltd.

**Mali**

*Government*

Ministry of Foreign Affairs and African Integration
Ministry of Defence
Ministry of Transport and Equipment
Ministry of Internal Affairs and Security
Ministry of Administration and Territory
Centre for Strategic Studies

*Diplomatic entities*

Embassy of Côte d'Ivoire
Embassy of France
Embassy of Guinea
Embassy of the United States of America

*Multilateral and bilateral agencies*

UNDP

*Private sector*

Maison de presse

**Portugal**

*Government*

Ministry of Foreign Affairs
Ministry of Defence

*Multilateral and bilateral agencies*

International Institute for Strategic and International Studies

**Romania**

*Government*

Ministry of Foreign Affairs

*Multilateral and bilateral agencies*

UNDP

**Senegal**

*Multilateral and bilateral agencies*

Agence pour la Sécurité de la Navigation Aérienne en Afrique et à Madagascar (ASECNA)
ICAO Regional Office
International Crisis Group

United Nations Office for West Africa
United Nations Office on Drugs and Crime

**South Africa**

*Government*

Ministry of Foreign Affairs
National Conventional Arms Control Committee

*Parliamentary entities*

Foreign Affairs Committee
Defence Committee
Democratic Alliance party

*Multilateral and bilateral agencies*

Institute for Security Studies
South African Institute of International Affairs
Africa Institute of South Africa

*Private sector*

JS Consultancy

**Togo**

*Government*

Ministry of Foreign Affairs
Ministry of Defence
Ministry of Transport
Ministry of Commerce

*Diplomatic entities*

Embassy of France
Embassy of Ghana
Embassy of the United States of America

*Multilateral and bilateral agencies*

United Nations Regional Centre for Peace and Disarmament in Africa
UNDP

*Private Sector*

Darkwood Logistics
SAS Togo
Gypaele Togo
RM Holdings

**United Kingdom of Great Britain and Northern Ireland**

*Government*

Foreign and Commonwealth Office

*Multilateral and bilateral agencies*

Federation of Cocoa Commerce Ltd.
International Cocoa Organization (ICCO)
Royal Institute of International Affairs, Chatham House

*Private sector*

Africa Confidential
Economist Intelligence Unit
Jane's Information Group
ED&F Man Cocoa Ltd.

**United States of America**

*Government*

Department of State

*Multilateral and bilateral agencies*

Council for Foreign Relations
Human Rights Watch
International Crisis Group
International Monetary Fund (IMF)

**United Nations**

Department for Disarmament Affairs
Department of Peacekeeping Operations
Department of Political Affairs

*Permanent Missions*

Côte d'Ivoire
France
Greece
Israel

**Annex II**

**Ivorian Presidency refuelling IOU for AN-124 flight**

# RECONNAISSANCE DE PRISE EN CHARGE DU VOL DE L'AVION IMMATRICULE RA82042 DE TYPE ANTONOV 124.

Je soussigné Monsieur KAPYLOU MICHEL, CONSEILLER DU MINISTRE DE LA DEFENSE DE LA REPUBLIQUE DU BELARUS ET DU MINISTRE DE LA DE DEFENSE DE LA REPUBLIQUE DE COTE D'IVOIRE, reconnaît que le vol effectué par l'Antonov 124 immatriculé RA82042 est pris en charge par la PRESIDENCE de la REPUBLIQUE.
En conséquence, les taxes afférentes seront réglées par ladite PRESIDENCE.
En foi de quoi ce document, peut servir et valoir ce que de droit.

L'intéressé

le 17.10.2001

# Annex III

## Air waybill for transportation of Mi-8T helicopters

412- 0081945 3 | 412- 0081945 3

Shipper's Name and Address | Shipper's account Number

BELSPETSVNESHTECHNIKA (B.S.V.T.)
3, PASHKEVICH STREET
220029 MINSK, REPUBLIC OF BELARUS

Not Negotiable
Air Waybill
issued by
Volga-Dnepr Airlines
14 Karbysheva Street,
Ulyanovsk 432072 Russia

Волга Днепр
VOLGA-DNEPR AIRLINES

VOLGA-DNEPR UK LTD · ENDEAVOUR HOUSE · LONDON STANSTED AIRPORT · ESSEX CM24 1AL

Consignee's Name and Address | Consignee's account Number

AGENCE NATIONALE DE L'AVIATION CIVILE
OF THE REPUBLIC
COTE-D'IVOIRE,
REPUBLIC COTE-D'IVOIRE

Copies 1,2 and 3 of this Air Waybill are originals and have the same validity

VOLGA-DNEPR AIRLINES

Accounting Information

Agent's IATA CODE | Account No.

Airport of Departure (Addr. of first Carrier); and requested Routing
BARANOVICHI

To: ABJ | By first Carrier | Routing and Destination | to | by | to | by

Currency | CHGS Code | WT/VAL PPD | WT/VAL COLL | Other PPD | Other COLL | Declared Value for Carriage | Declared Value for Customs

Airport of Destination: ABIDJAN | Flight/Date (For Carrier use only): VDA 4948 | Flight/Date: 15/10/2004

Amount of Insurance | Insurance:- the carrier offers insurance, and such insurance is requested in accordance with the conditions thereof, indicating amount to be insured in figures in box marked "Amount of Insurance".

Handling Information
Dangerous goods as attached shipeer's declaration.

(For the USA only). These commodities licenced by U.S. for ultimate destination.....Diversion contrary to U.S. Law is prohibited

| No. of Pieces RCP | Gross Weight | kg lb | Rate Class / Commodity Item No. | Chargeable Weight | Rate / Charge | Total | Nature and Quantity of Goods (Incl. Dimensions or Volume) |
|---|---|---|---|---|---|---|---|
| 12 | 11 100 | kg | | 11 100 | | AS AGREED | TECHNICAL EQUIPMENT<br>Contract Number 09/16/14-001992<br>БРЭСЦКАЯ МЫТНЯ<br>ВЫПУСК ДАЗВОЛЕНЫ<br>Інспектар<br>14 ОКТ 2004 г.<br>76 |
| 12 | 11 100 | kg | | | | AS AGREED | |

Prepaid: AS AGREED | Weight Charge | Collect | Other Charges

Valuation Charge

Tax

Total other Charges Due Agent

Total other Charges Due Carrier

Shipper certifies that the particulars on the face hereof are correct and that insofar as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations.

BELSPETSVNESHTECHNIKA

Signature of Shipper or his Agent

Total prepaid: AS AGREED | Total collect

Currency Conversion Rates | CC Charges in Dest. Currency

14.10.2004 MINSK VOLGA-DNEPR AIRLINES

Executed on (Date) at (Place) Signature of Issuing Carrier or its Agent

# Annex IV

## Original bill of lading for 22 UAZ-3151 vehicles

31-MAY-2005 11:09 FROM TO 7086512221 P.01/01

OR MULTIMODAL TRANSPORT

KPD004847

Shipper
ELITE AFRICA LTD.
BY ORDER OF ORDAN LTD.
NEOT GOLF E-112, CEASAREA, ISRAEL
TEL.: 972-52-2700122, 972-52-5541717

Booking No.

Export references

Forwarder's name & address

Consignee (negotiable only if consigned "to order", "to order of" a named Person or "to order of bearer")
MINISTERE DE L'ECONOMIE ET DES FINANCES
A L'ATTENTION DE MONSIEUR ZOHORE AUBERT,
DIRECTEUR DE CABINET, (*)

Notify Party (see clause 22)

Onward inland routing (Not part of Carriage as defined in clause 1. For account and risk of Merchant)

Place of Receipt. Applicable only when document used as Multimodal Transport B/L (see clause 1)
MINSK S/D

Vessel (see clause 1 + 19): KOMET III
Voyage No.: 0528
Port of Loading: KLAIPEDA
Port of Discharge: ABIDJAN

Place of Delivery. Applicable only when document used as Multimodal Transport B/L (see clause 1)

PARTICULARS FURNISHED BY SHIPPER - CARRIER NOT RESPONSIBLE

| Kind of packages; Description of goods; Marks and Numbers; Container No./Seal No. | Gross Weight | Measurement |
|---|---|---|
| 4 X40'HC<br>SAID TO CONTAIN<br>22 PCS.<br>AUTOMOBILE UAZ-3151.<br>MSKU8291084<br>ML-LT0008392<br>MSKU8922446<br>ML-LT0006266<br>SEAU8651065<br>ML-LT0008324<br>TGHU7220447<br>ML-LT0008393<br>(*) ABIDJAN - COTE D'IVOIRE<br>TO NOTIFY MR. DANIEL CHEKROUN<br>TEL.: 972-52-5541717<br>972-52-2700122<br>SHIPPER'S LOAD, STOW, WEIGHT AND COUNT<br>FREIGHT PREPAID | KGS<br>41800.000 | |

ORIGINAL

Above particulars as declared by Shipper, but without responsibility of or representation by Carrier (see clause 14)

| Freight & Charges | Rate | Unit | Currency | Prepaid | Collect |
|---|---|---|---|---|---|
| | | | | | |

Carrier's Receipt (see clauses 1 and 14) Total number of containers or packages received by Carrier: 4 CONTAINER(S)

Declared Value (see clause 7.3)

Place of Issue of B/L: KLAIPEDA

Number & Sequence of Original B(s)/L: 1/3

Date of Issue of B/L: MAY 14 2005

SHIPPED, as far as ascertained by reasonable means of checking in apparent good order and condition unless otherwise stated herein, the total number or quantity of Containers or other packages or units indicated in the box opposite entitled "Carrier's Receipt" for carriage from the Port of Loading (or the Place of Receipt if mentioned above) to the Port of Discharge (or the Place of Delivery, if mentioned above), such carriage being always subject to the terms, rights, defences, provisions, conditions, exceptions, limitations, and liberties hereof (INCLUDING ALL THOSE TERMS AND CONDITIONS ON THE FACE HEREOF NUMBERED 1-26 AND THOSE TERMS AND CONDITIONS IN THE CARRIER'S APPLICABLE TARIFF) and the Merchant's attention is drawn in particular to the Carrier's liberties in respect of on deck stowage (see clause 16) and the carrying vessel (see clause 19). Where this bill of lading is non-negotiable the Carrier may allow delivery of the Goods to the named consignee upon reasonable proof of identity and without requiring surrender of an original bill of lading. Where the bill of lading is negotiable, the Carrier will be entitled to give delivery of the Goods against what he reasonably believes to be a genuine original bill of lading. Delivery as aforesaid is authorised and shall constitute due delivery hereunder and the Merchant shall have no claim for loss or non-delivery. In accepting this bill of lading, any local customs or privileges to the contrary notwithstanding, the Merchant agrees to be bound by all Terms and Conditions stated herein whether written, printed, stamped or incorporated on the face or reverse side hereof, as fully as if they were signed by the Merchant.
IN WITNESS WHEREOF the number of original bills of Lading stated on the face hereof have been signed and notwithstanding any original bill of Lading this bill shall be void.

LOADED ON BOARD MAY 14 2005

Signed for the Carrier A.P. Moller - Maersk A/S trading as Maersk Sealand

# Annex V

## Official copy of bill of lading for 22 UAZ-3151 vehicles

BILL OF LADING FOR OCEAN TRANSPORT OR MULTIMODAL TRANSPORT

B/L No. KPD004847

Shipper
ELITE AFRICA LTD.
BY ORDER OF ORDAN LTD.
NEOT GOLF E-112, CEASAREA, ISRAEL
TEL.: 972-52-2700122, 972-52-5541717

Booking No.

Export references

Forwarder's name & address

Consignee (negotiable only if consigned "to order", "to order of" a named Person or "to order of bearer")
DIRECTION GENERALE DES DOUANES

Notify Party (see clause 22)

Onward inland routing (Not part of Carriage as defined in clause 1. For account and risk of Merchant)

Place of Receipt. Applicable only when document used as Multimodal Transport B/L (see clause 1)

| Vessel (see clause 1 + 19) | Voyage No. |
|---|---|
| KOMET | 0528 |
| **Port of Loading** | **Port of Discharge** |
| KLAIPEDA | ABIDJAN |

Place of Delivery. Applicable only when document used as Multimodal Transport B/L. (see clause 1)

PARTICULARS FURNISHED BY SHIPPER - CARRIER NOT RESPONSIBLE

| Kind of packages; Description of goods; Marks and Numbers; Container No./Seal No. | | | Gross Weight | Measurement |
|---|---|---|---|---|
| | | FREIGHT PREPAID | | |
| MSKU8291084 | 4 | X40'HC | | |
| ML-LT0008392 | | SAID TO CONTAIN | KGS | CBM |
| MSKU8922446 | | 22 PCS. | 41800.00 | 160.000 |
| ML-LT0006266 | | AUTOMOBILE UAZ-3151. | | |
| SEAU8651065 | | | | |
| ML-LT0008324 | | (*)ABIDJAN - COTE D'IVOIRE | | |
| TGHU7220447 | | TO NOTIFY MR. DANIEL CHEKROUN | | |
| ML-LT0008393 | | TEL.: 972-52-5541717, | | |
| | | 972-52-2700122 | | |
| | | CY / CY | | |
| | | SHIPPER'S LOAD, STOW, WEIGHT | | |
| | | AND COUNT | | |

COPY

Above particulars as declared by Shipper, but without responsibility of or representation by Carrier (see clause 14)

| Freight & Charges | Rate | Unit | Currency | Prepaid | Collect |
|---|---|---|---|---|---|
| | | | | | |

Carrier's Receipt (see clauses 1 and 14) Total number of containers or packages received by Carrier.
4 CONTAINER(S)

Declared Value (see clause 7.3)

Place of Issue of B/L
KLAIPEDA

Number & Sequence of Original B(s)/L
3/THREE

Date of Issue of B/L
MAY 14 05

SHIPPED, as far as ascertained by reasonable means of checking in apparent good order and condition unless otherwise stated herein the total number or quantity of Containers or other packages or units indicated in the box opposite entitled "Carrier's Receipt" for carriage from the Port of Loading (or the Place of Receipt, if mentioned above) to the Port of Discharge (or the Place of Delivery, if mentioned above), such carriage being always subject to the terms, rights, defences, provisions, conditions, exceptions, limitations, and liberties hereof (INCLUDING ALL THOSE TERMS AND CONDITIONS ON THE FACE HEREOF NUMBERED 1-26 AND THOSE TERMS AND CONDITIONS IN THE CARRIER'S APPLICABLE TARIFF) and the Merchant's attention is drawn in particular to the Carrier's liberties in respect of on deck stowage (see clause 18) and the carrying vessel (see clause 19). Where the bill of lading is non-negotiable the Carrier may give delivery of the Goods to the named consignee upon reasonable proof of identity and without requiring surrender of an original bill of lading. Where the bill of lading is negotiable, the Carrier will be entitled to give delivery of the Goods against what he reasonably believes to be a genuine original bill of lading. Delivery as aforesaid is authorised and shall constitute due delivery hereunder and the Merchant shall have no claim for loss or non-delivery. In accepting this bill of lading, any local customs or privileges to the contrary notwithstanding, the Merchant agrees to be bound by all Terms and Conditions stated herein whether written, printed, stamped or incorporated on the face or reverse side hereof, as fully as if they were all signed by the Merchant.
In WITNESS WHEREOF the number of original Bills of Lading stated on this side have been signed and wherever one original Bill of Lading has been surrendered any others shall be void.

Signed for the Carrier A.P. Moller - Maersk A/S trading as Maersk Sealand

As Agent(s) for the Carrier

# Annex VI

## Ivorian end-user certificate issued to Ordan Ltd.

MINISTERE DE LA DEFENSE

REPUBLIQUE DE COTE D'IVOIRE
Union - Discipline -Travail

*DIRECTION DU GENIE ET DES EQUIPEMENTS MILITAIRES*

BP V 11 ABIDJAN
Tél : 20-22-18-50

Fax : (225) 20-22-18-50

N° 194 /MD/DGEM

Abidjan, le 17 MAI 2004

Monsieur le Directeur de ORDAN LT
BELSPETSVNESHTECHNIKA
Israël Head Office
King David Avenue P.O Box
399407 TELAVIV 61393
TEL : 972 52 27 00 122
FAX : 972 86 51 2221

Objet : Commande ferme de munitions.

Référence : Votre facture n°1855 BSD0225 du 24/02/2004.

Conformément à vote facture citée en référence, j'ai l'honneur de vous passer commande ferme des articles suivants :

- 50.000 cartouches de 7,62 mm x 39
- 30.000 cartouches de 7,62 mm x 54 sur bandes
- 12.000 cartouches de 12,7 mm
- 1000 cartouches de 20 mm
- 500 obus de 82 mm
- 420 obus de 120 mm TR F1
- 2000 roquettes de RPG 7
- 100 grenades à main OF
- 100 grenades à main DF

Le montant total ne doit pas excéder trois cent millions (300.000.000) de francs CFA.

Veuillez agréer, Monsieur le Directeur, l'expression de mes sentiments distingués.

Copie à :
- DPF
- Transit - EGS
- A /C

Ministère de la Défense
Direction du Génie et des Equipements Militaires

# Annex VII

## Ordan Ltd. invoice to Ivorian Ministry of Defence

ORDAN LTD.

*Member of Clear Sky Group Limited*

CONFIDENTIEL

FACTURE PROFORMA N°. BSD0256

Date: 24.02.2004
Commande n° : 1855BSD0225
Client n° : AF0054
Délivré par : BI 001-55
Nombre de pages : 2

CLIENT :
République de Côte d'Ivoire
.....
Ministère d'Etat, Ministère de la Défense et de la protection Civile
.....
DIRECTION DU GENIE ET DES EQUIPEMENTS MILITAIRES
.....

| Description | Quantité | Prix unitaire | Prix Total USD | Poids Kg. |
|---|---|---|---|---|
| Ammunition 7.62X39 mm. | 50,000 | 0.1375 | 6,875 | 1,100 |
| Ammunition 7.62X54 mm | 30,000 | 0.1595 | 4,785 | 887 |
| Ammunition 12.7 mm. | 12 ,000 | 2.981 | 35,772 | 2,175 |
| 82 mm.Sell +fuse | 500 | 106.7 | 53,350 | 6,750 |
| 120 mm.Sell +fuse | 420 | 162.8 | 68,376 | 33,180 |
| RPG7 Rocket | 2000 | 100.1 | 200,200 | 7,800 |
| HAND Grenade explosive | 100 | 27 | 2,700 | 50 |
| HAND Grenade | 100 | 31 | 3,100 | 50 |
| Cartouche de 20 mm. | 1000 | 8.95 | 8,950 | 300 |
| Transport à Abidjan | - | Total | 384,108 | POIDS Total |
| IL 76 Cargo Airplane Mink-Benghazi - Abidjan | | livré | 202,000 | 56 Ton |
| | | TOTAL | 586,108 | |

1. The customer must provide an End User Cerficate for all the above items on the name of : "BELSPETSVNESHTECHNIKA".
2. Time of delivery up to 45 days from presentation of the origin EUC to the supplier and transfer of the payment to the supplier bank.

ISRAEL HEAD OFFICE: KING DAVID Avenue P.O.Box 39407 Tel Aviv 61393
[illegible]
Branch Office: Minsk, Abidjan, Lomé, Kinshasa, Pretoria, Oklahoma City

ORDAN LTD.

*Member of Clear Sky Group Limited*

3. Payment terms: 100% in advance by bank transfer in USD currency:
   Transfer to: Selvi & Cie SA
   4 Rue du Grutil
   1204 GENEVA
   Swift Bic: SELV CH GG
   In favour of : 102007790
   Correspondent Bank for all currencies is : Lloyds TSB Bank plc – Geneva
   Swift Bic –LOYD CH GG
4. This P/I is valid up to the 30.03.04

With our best regards,

Commandant DAN EVEN
Directeur Afrique West
ORDAN LTD.

ISRAEL HEAD OFFICE: KING DAVID Avenue P.O.Box 39407 Tel Aviv 61393
[illegible]
Branch Office: Minsk, Abidjan, Lomé, Kinshasa, [illegible]

## Annex VIII

### Transfer notification for a payment by the Ivorian Ministry of Defence

24/05/04-15:33:27 LocalAckMP-1786-002711

```
---------------------- Instance Type and Transmission --------------
 Notification (Transmission) of Original sent to SWIFT (ACK)
 Network Delivery Status    : Network Ack
 Priority/Delivery          : Normal
 Message Input Reference    : 1532 040524CSSSCIABAXXX0519002920
---------------------------- Message Header -------------------------
 Swift Input     : FIN 103 Transfer de cred client unique
 Sender          : CSSSCIABXXX
          CAISSE AUTONOME D'AMORTISSEMENT (CAA)
          ABIDJAN CI
 Receiver        : CITIFRPPXXX
          CITIBANK INTERNATIONAL PLC
          PARIS FR
---------------------------- Message Text ---------------------------
  20: Reference de l'emetteur
      VXC371/ET
 23B: Code de l'operation bancaire
      CRED
 32A: Date val/dvs/mnt regl interbq
      Date            : 25 May 2004
      Currency        : USD (US DOLLAR)
      Amount          :                #180505,42#
 33B: Devise/Montant de l'ordre
      Currency        : XOF (CFA FRANC BCEAO)
      Amount          :              #100000003,#
  36: Taux de change
      554,
 50K: Client donneur d'ordre - nom/adr
      CTRE ADMINISTR.FANCI BP V11 AB
      J CASIER 50
 53A: Correspondant de l'emetteur-BIC
      /0142034069
      CITIFRPP
      CITIBANK INTERNATIONAL PLC
      PARIS  FR
 57A: Inst gestionnaire compte - BIC
      LOYDCHGGXXX
      LLOYDS TSB BANK PLC
      GENEVA  CH
  59: Client beneficiaire -nom/adresse
      /102007790
      SELVIE ET CIE SA
      4, RUE DU GRUTIL 1204 GENEVE
  70: Informations sur le versement
      REGLT RELIQUAT CDE NO 1855 BSD
      0225 DU 10/03/04
 71A: Details des frais
      SHA
  72: Info emetteur - destinataire
      /ACC/VEUILLEZ EFFECTUER LE TRAN
      //SFERT PAR LE DEBIT DU CPTE EN EUR
---------------------------- Message Trailer ------------------------
```

Commandant DAN EVEN
Directeur Afrique West
ORDAN LTD.

# Annex IX

## Transportation booking by Transcond

Xtrade Invoice

A.P.Moller-Maersk A/S
VAT no. DK-53139655
50, Esplanaden DK-1098 Copenhagen K,
trading under the name of Maersk Sealand

Invoice Number: G2P0035918-KPD004847
Invoice Date: 16-JUN-05
Due Date: 14-MAY-05
B/L Number: KPD004847

Payer:
TRANSCOND
SUKHAIA 4
220004 MINSK
BELARUS

Customer No.: 16100000615
Your VAT No.:
Your reference:

Our contact/phone no.:
Tatjana Khareckaja / +370 46490765

| Place of receipt: | Place of delivery: | Main vessel name: |
|---|---|---|
| MINSK S/D | ABIDJAN | CLAES MAERSK |
| Sailing date: | Vessel name: | Voyage: |
| 14-MAY-05 | KOMET | 0528 |

| Item description: | Qty: | UOM: | Curr | Unit price: | USD |
|---|---|---|---|---|---|
| BASE FREIGHT | 4 | 40'HC CON | EUR | 2,400.00 | 12,348.54 |
| TRUCKING | 4 | 40' HC (S | EUR | 780.00 | 4,013.27 |
| B.A.F. | 4 | 40' HC (S | EUR | 344.00 | 1,769.96 |
| RISK SURCHAR | 4 | 40' HC (S | EUR | 320.00 | 1,646.47 |
| ORIGIN THC | 4 | 40' HC (S | EUR | 145.00 | 746.06 |
| ADMIN. FEE | 1 | SURCH LUM | EUR | 360.00 | 463.07 |
| CUST CLEAR | 4 | 40' HC (S | EUR | 65.00 | 334.44 |
| ORIGIN DOC FEE | 4 | 40' HC (S | EUR | 15.00 | 77.18 |
| EXP FEE | 1 | SURCH LUM | EUR | 25.00 | 32.16 |
| CARRIER SECURITY CHARGE | 4 | 40' HC (S | USD | 6.00 | 24.00 |
| | | | | Total due: | 21,455.15 |

Containers :
MSKU8291084 ( 40 ' HIGH )
MSKU8922446 ( 40 ' HIGH )
SEAU8651065 ( 40 ' HIGH )
TGHU7220447 ( 40 ' HIGH )

This invoice must be paid prior to release of cargo or original bills of lading.
Payment ref.: By payment/bank transfer please include invoice no. G2P0035918-KPD004847
Bank commissions/fees must be paid on top of the amount of this invoice.
VAT exempt in accordance with Art. 28b (C) (3), Art. 28b (D), Art. 14 (1) (i) and Art. 15 (13) of the 6th EU VAT Directive.

Please pay to: Maersk Lietuva UAB, Liepu g. 5, Klaipeda, 92138
Lithuania, code No. 1414153, VAT code LT100001047812

Bank: AB bankas "Hansabankas"
Taikos pr. 22,
Klaipeda
SWIFT: HABA LT 22
Account: LT35 7300 0100 8278 8732
Correspondent Bank:
for payments in EUR: Deutsche Bank AG, Frankfurt/Main
SWIFT: DEUTDEFF BLZ 500 700 10
for payments in USD: Deutsche Bank, Trust Company Americas

## Annex X

### Request for containers by Greyson House Ltd. Co.

# Greyson House Ltd. Co.

400 West Apple Street, Tea, South Dakota (SD) 57064-2066, USA. Reg.№ DL00695
Account: LV 04 AIZK 0001 1400 4051 3 in Aizkraukles Banka, Riga, Latvia. SWIFT: AIZK LV 22
USD: Correspondent Bank: American Express Bank, Ltd. New York, United States. Correspondent Account: 74975
SWIFT: AEIB US 33
EUR: Correspondent Bank: Deutsche Bank AG, Frankfurt am Main, Germany. Correspondent Account: 9475096.
SWIFT: DEUT DE FF

Маэрск Эйджепсия ИУТП Компании Маэрск А/С
С. Мазуренко
Дирекгору
25.04.2005 г.

Компания Greyson House Ltd. Co. просит в соответствии с предыдущими договорённостями осуществить подачу 4 НС контейнеров 27.04.2005 г. по адресу: г. Минск, ул. Будённого, 1-а.

Доставка 22 автомобилей УАЗ по маршруту Минск – Клайпеда - Абиджан, Кот Д'Ив

КРО

f8 28004749

С уважением,

П. Сучанд
Greyson House Ltd. Co.
Директор

GREYSON HOUSE LTD. CO. SOUTH DAKOTA UNITED STATES OF AMERICA

16/00020615

# Annex XI

## Contract with Minsk Automobile Repairing Plant

КОНТРАКТ № 45

"11" 03 2005г.

г. МИНСК

Производственное республиканское унитарное предприятие «124 автомобильный ремонтный завод», именуемое в дальнейшем «Продавец», в лице директора Стрелецкого А.В., Республики Беларусь, действующего на основании Устава предприятия – с одной стороны и ЗАО «Лисенас и Ко» Республика Литва, именуемое в дальнейшем «Покупатель», в лице директора Калтан Э., действующего на основании Устава - с другой стороны, все вместе и каждый в отдельности в дальнейшем именуемые соответственно «Стороны» и/или «Сторона», заключили настоящий Контракт и нижеследующем:

### 1. ПРЕДМЕТ ДОГОВОРА

1.1. Продавец обязуется передать после текущего ремонта автомобили УАЗ-3151 в количестве 22 штук, далее именуемые «автомобили», в собственность Покупателя, а Покупатель обязуется принять и оплатить автомобили.

1.2 Автомобили приобретаются для вывоза за пределы Республики Беларусь.

### 2.СТОИМОСТЬ РАБОТ

2.1. Цена автомобилей устанавливается в долларах США.

2.2. Цена одного автомобиля определяется на основании калькуляции Продавца и составляет 4 100 (Четыре тысячи сто) долларов США, в том числе НДС 0%.

2.3. Общая сумма настоящего Контракта за 22 автомобиля составляет 90 200 (Девяносто тысяч двести) долларов США, в том числе НДС 0%.

2.4. Покупатель в течение 5 (Пяти) календарных дней с даты подписания настоящего Контракта производит предоплату в размере 100% за поставляемые по настоящему Контракту автомобили, предоплата осуществляется в долларах США в безналичном порядке на расчетный счет Продавца

### 3. СРОКИ И УСЛОВИЯ ПОСТАВКИ

3.1. Датой отсчета срока отгрузки по настоящему Контракту считать дату поступления предоплаты в размере 100% на расчетный счет Продавца согласно п. 2.4 настоящего Контракта.

3.2. Срок поставки автомобилей - 35 календарных с даты оговоренной в п. 3.1

3.3. Поставка автомобилей осуществляется на условиях EXW, г.Минск, в соответствии с Инкотермс-2000.

3.4. Упаковка, в которой отгружаются автомобили, должна соответствовать установленным стандартам или техническим условиям и обеспечивать сохранность автомобилей, предохранять их от повреждений во время транспортировки всеми видами транспорта.

3.5. Приемка автомобилей производится в соответствии с Положением о приемке товара по количеству и качеству, утвержденным Постановлением Кабинета Министров Республики Беларусь от 26.04.96г. №285

3.6. Прием качества и работоспособности автомобилей производят полномочные представители Покупателя и Продавца. Результаты приемки отражаются в Акте приёмки автомобилей, который подписывают обе стороны.

### 4. ОБЯЗАННОСТИ СТОРОН

4.1. Продавец принимает на себя следующие обязательства:

- произвести поставку автомобилей в согласованные сроки.

4.2. Покупатель принимает на себя следующие обязательства:

- произвести расчет с Продавцом согласно условий настоящего Контракта;
- произвести приемку автомобилей на территории предприятия Продавца: г. Минск, ул. Буденного, 1а

### 5. ОТВЕТСТВЕННОСТЬ СТОРОН

5.1. Сторона, нарушившая любые положения настоящего Контракта, что повлекло за собой финансовые или иные убытки, обязана принять меры к немедленному устранению нарушений и возмещению указанных убытков в полном объеме.

5.2. Взаимоотношения сторон в части, не предусмотренной настоящим Контрактом, регулируются действующим законодательством Республики Беларусь.

5.3. При неисполнении, ненадлежащем исполнении принятых на себя обязательств Стороны несут ответственность:

Продавец:

- за просрочку сроков поставки автомобилей - пеня в размере 0,1% от стоимости просроченных к поставке автомобилей по настоящему Контракту за каждый день просрочки, но не более 10% от стоимости просроченных к поставке автомобилей, выполняемых по настоящему Контракту;

ПРОДАВЕЦ _____ ПОКУПАТЕЛЬ _____



Покупатель:

- за несвоевременную оплату стоимости автомобилей - пеня в размере 0,1% от просроченной суммы платежа за каждый день просрочки, но не более 10% от неуплаченной в срок суммы.

5.4. По взаимной договоренности стороны могут отказаться от взыскания штрафных санкций.

### 6. АРБИТРАЖ

6.1. Все споры и разногласия, которые могут возникнуть в ходе выполнения условий настоящего Контракта или в связи с ним, будут разрешаться непосредственно между сторонами путем партнерских переговоров. При невозможности урегулирования разногласий путем переговоров, после письменной констатации разногласия передаются на рассмотрение в Хозяйственный суд, в соответствии с требованиями хозяйственного процессуального законодательства Республики Беларусь, решение которого является окончательным для обеих сторон.

### 7. ФОРС - МАЖОР

7.1. При наступлении обстоятельств невозможности полного или частичного исполнения любой из сторон обязательств по настоящему договору непосредственно повлиявших на их исполнение, а именно, пожара, стихийного бедствия, войны, военных операций любого характера, блокады, а также государственные и правительственные распоряжения, связанные с экспортно-импортными операциями, или других независящих от сторон обстоятельств, исполнение отодвигается соразмерно времени, в течение которого будут действовать такие обстоятельства.

7.2. Сторона, для которой создалась невозможность исполнения обязательств по настоящему договору, должна письменно уведомить другую сторону об этом в течение трех суток. Факты изложенные в уведомлении должны быть подтверждены Торгово-промышленной или иным компетентным органом соответствующей страны. Не уведомление или несвоевременное уведомление лишает сторону возможности ссылаться на любые вышеизложенные обстоятельства как на основание, освобождающее от ответственности за неисполнение обязательств.

### 8. ПРОЧИЕ УСЛОВИЯ

8.1. Все изменения, приложения и дополнения к настоящему Контракту являются его неотъемлемой частью и будут иметь юридическую силу при условии если они совершены в письменном виде и подписаны уполномоченными на то представителями обеих Сторон.

8.2. Настоящий Контракт вступает в силу с момента его подписания и действует до полного исполнения Сторонами взятых на себя в рамках настоящего Контракта обязательств.

8.3. Настоящий Контракт, может быть, расторгнут по соглашению Сторон, а также по иным основаниям, предусмотренным законодательством Республики Беларусь.

8.4. Стороны признают юридическую силу документов, переданных посредством факсимильной связи, но при условии бесспорного определения Сторонами подлинности этих документов, а также при условии достоверного подтверждения, что документ исходит от стороны Контракта.

8.5. Во всем остальном, не предусмотренном настоящим Контрактом, Стороны будут руководствоваться действующим законодательством Республики Беларусь.

8.6. Покупатель подтверждает, что автомобили, приобретаемые по настоящему Контракту, не будут использоваться им в военных целях, а предназначены для использования в народном хозяйстве.

8.7. Гарантийный срок эксплуатации автомобилей, поставляемых по настоящему договору, не предоставляется.

### 9. ЮРИДИЧЕСКИЕ АДРЕСА И БАНКОВСКИЕ РЕКВИЗИТЫ СТОРОН

| ПРОДАВЕЦ | ПОКУПАТЕЛЬ |
|---|---|
| Производственное республиканское унитарное предприятие «124 автомобильный ремонтный завод» | Закрытое акционерное общество «Лисенас и Ко» |
| Республика Беларусь, 220070 г. Минск Буденного, 1-а | Республика Литва, г. Вильнюс, |
| УНН 100017307, ОКПО 14553814 | ул. Станевиннаус, 66-85 |
| Кс 001-1-909140 в "JP Morgan Chase Bank, New York | р/с LF 7044 0600 0167 9206 |
| SWIFT CHASUS33 | в «АВ Вильнюс Банк, Каренинский филиал |
| расчет 381122409200 | |
| в Спецуправлении | |

_____ Стрелецкий

_____ Э. Калтан

К 24/3-06 - 2006

# Annex XII

## Elite Africa Ltd. contract with UAB Lisenas ir Ko (A)

of its appearance was delayed. The party which does not inform the other party on time and does not exercise its obligations becomes responsible for the payment of the loss, which otherwise would be avoided.

6.4. While establishing the circumstances of force majeure the provisions of the decision No 840 of July 15, 1996 of the Government of the Republic of Lithuania are applied.

### 7. The validity of agreement

7.1. The agreement comes into force after the signing, and is valid until the total fulfillment of contractual obligations.

### 8. The law applied and the solution of quarrel

8.1. All quarrels raised due to the agreement are solved according to the established order of the Republic of Lithuania.

### 9. Annexes and changes of agreement

9.1. Agreement may be changed or supplemented by written arrangement. The changes or annexes of agreement come into force from the moment of signing.

9.2. The annexes of agreement are the integral part of this agreement.

9.3. All subsequent annexes of agreement made by written form are the integral part of this agreement.

9.4. It is forbidden to refuse to exercise the conditions of agreement or to change them ex-parte.

### 10. Other conditions

10.1. In case the legal addresses and personal records change, the parties must inform each other about them immediately.

10.2. This agreement is made in two copies, one for each party. Both copies have the same juridical power.

### 11. The signs of the parties and legal records

**SELLER**
"UAB "Lisenas ir Ko"
Staneviciaus 66-85, Vilnius
Bank: AB Vilniaus Bankas,
Karoliniskiu Branch
Acc: LT41 7044 0600 0167 9206

**PURCHASER**
Elite Africa Limited / D.C.
Acc: 200799
Bank: Selvi & Cie SA
24 Geneva

ELITE AFRICA LTD.
MEMBER OF ELITE GROUP LIMITED

## Annex XIII

### Elite Africa Ltd. contract with UAB Lisenas ir Ko (B)

Additional Nr.1 to:
Purchase – sale agreement No 18/03-2005

2005-04-25

"UAB "Lisenas ir Ko", represented by attorney Erik Kaltan (further referred to as seller), and "Elite Africa Limited / D.C.", represented by VELTMAN MARK (further referred to as purchaser), made this agreement (further referred to as agreement):

**Add to the punkt "2.The terms and conditions of delivery":** 2.2. Conditions and payment for transportation:
Purchaser must pay for:

2.2.1 All transportation costs (Transportation MINSK – KLAIPEDA)
2.2.2 All customs clearing and terminal costs in KLAIPEDA

**SELLER**
"UAB "Lisenas ir Ko"
Stanevicians 66-85, Vilnius
Bank: AB Vilniaus Bankas,
Karoliniskiu Branch
Acc: LT41 7044 0600 0167 9206

**PURCHASER**
Elite Africa Limited / D.C.
Acc: 200799
Bank: Selvi & Cie SA
24 Geneva

„LISENAS" IR KO LTD VILNIUS

ELITE AFRICA LTD.
MEMBER OF ELITE GROUP LIMITED

**Annex XIV**

**UAB Lisenas ir Ko payment invoice for Elite Africa Ltd.**

UAB "Lisenas ir Ko"

Stanevičiaus 66-85,Vilnius, Lietuva. Įm.k. 2409229,
PVM k. LT240922917

AB Vilniaus Bankas
Karoliniskiu Branch.
SWIFT: CBVI LT 2X
Acc: LT41 7044 0600 0167 9206

**Buyer:**
Elite Africa Limited / D.C.
Acc: 200799
Bank: Selvi & Cie SA
4 Rue du Grutli,
24 Geneva
SWIFT: SELV CH GG

Vilnius 16.03.2005

INVOICE-PROFORMA 16/03

| | Description | Price/pcs USD | Pcs. | TOTAL SUM USD |
|---|---|---|---|---|
| 1 | Automobiles 4 × 4 | 4 115,- | 22 | 90 530,- |
| | | | | |

Payment conditions: by contract – 60 days.

Direktor
E. Kaltan

LIETUVOS RESPUBLIKA * REPUBLIC OF LITHUANIA * UAB „LISENAS" IR KO LTD. VILNIUS

# Annex XV

## Mitsubishi contract with Ivorian Ministry of Defence

Emis par OUATTARAP le 28/07/05 à 11:11 sur
AC Abidjan Ventes VN AC

D U P L I C A T A
FACTURE 2906006

Page 1

Dossier: 746686 Ouvert le: 28/07/05 Fermé le:
Suivi par: 999 Indéfini
Réf Cde: Enr. le 28/07/05
Règlement:

12439 MINDEF/CENTRE CDT OPER SEC CEC

BP V1 ABIDJAN

| Ligne | Référence | Quantité |
|---|---|---|
| 0001 | CANTER FE645 6ROUES<br>CHASSIS CABINE CU 4.2T<br>N° SERIE FE645EA45084 | 1 |
| 0002 | CANTER FE645 6ROUES<br>CHASSIS CABINE CU 4.2T<br>N° SERIE FE645EA45349 | 1 |

# Annex XVI

## Invoice for transformation of vehicles into troop carriers

C.M.T

n Métallique et Transformation

Page : 1

Doit :

Code : 2 749
CENTRAL MOTORS
01 B.P. 2114 ABIDJAN R.C.I.
21751111
0100432 G

Abidjan, le
28/07/2005

Votre B. C. N°
6531

Notre B. L. N°
05000258

FACTURE N° : 05070003

| Qté | Référence | Désignation | Px Un. HT | Rem. | Total Net H.T. |
|---|---|---|---|---|---|
| | TRANSFORMATION DE TRANSPORT DE TROUPES<br>CHASSIS : A45084 - A45349 | | | | |
| 2 | ARCEAUX001 | FOURNITURE ET POSE ARCEAUX BAC | 1 000 000 | | 2 000 000 |

| TAXES | TVA 18 % | TVA 20 % | ASDI | NET A PAYER |
|---|---|---|---|---|
| BASES | 2 000 000 | | | |
| MONTANTS | 360 000 | | | 2 360 000 |

ARRETE LA PRESENTE FACTURE A LA SOMME DE :
*DEUX MILLIONS TROIS CENT SOIXANTE MILLE FRANCS CFA*

## Annex XVII

### Ivorian Ministry of Defence identity card of Michel Kapylon

REPUBLIQUE DE COTE D'IVOIRE

MINISTERE DELEGUE AUPRES DE LA PRESIDENCE DE LA REPUBLIQUE CHARGE DE LA DEFENSE ET DE PROTECTION CIVILE

CARTE DE MEMBRE DE CABINET

NOM : KAPYLOU

PRENOMS : MICHEL

FONCTION : ASSISTANCE TECHNIQUE

TELEPHONE : 07.36.64.46

SIGNATURE DU TITULAIRE

SIGNATURE DE L'AUTORITE

Ministère de la Défense

CABINET

# Annex XVIII

Map No. 4220 Rev. 6 UNITED NATIONS
September 2005

Department of Peacekeeping Operations
Cartographic Section