Following Up on Our Pledge to the Libyan People

By: David S. Cohen   9/1/2011

When President Obama imposed sanctions against the Government of Libya to hold the Qadhafi regime accountable for its wanton violence against the Libyan people and abuse of their human rights, he made clear that U.S. sanctions were also intended to protect "the assets that belong to the people of Libya."

As announced by Secretary Clinton today in Paris, we are taking steps to fulfill that commitment.

Roughly $37 billion in Libyan assets have been frozen under U.S. jurisdiction, and, at the request of the Libyan Transitional National Council (TNC), Treasury has released $700 million to the TNC this week to help the TNC cover fuel and civilian operating costs and pay salaries in support of the Libyan people. The funds are being transferred to the Temporary Financing Mechanism. We remain in close contact with the TNC on the release of additional assets.

In a blog post earlier this year, I wrote that our sanctions "serve two very important objectives: depriving Muammar Qadhafi and his government access to these assets and simultaneously safeguarding them for the Libyan people."

U.S. and international sanctions isolated the Qadhafi regime from the international financial system, helping to deny it the ability to fund its military operations and maintain support in Tripoli. The disruptive impact of sanctions on the Qadhafi regime was massive. And with this initial release of frozen assets, we are taking another important step to help the TNC build a state that reflects the aspirations of the Libyan people.

At the same time, these efforts illustrate how sanctions can significantly advance U.S. national security and foreign policy goals and objectives.

Since February, our efforts have been amplified by similar action by the international community, including the adoption of UN Security Council Resolutions 1970 and 1973, which froze the assets of Muammar Qadhafi and a number of his children, as well as all entities owned or controlled by them, among others, and additional sanctions by the European Union. Together with our colleagues at the State Department, we will continue to work closely with our partners and allies on ways to release additional frozen Libyan assets to the TNC and the people of Libya.

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