

PROCESSING OF APPLICATIONS UNDER RESOLUTION 1454(2002)

Statistical update as of 27 January 2003

(prepared by OIP/CPMD)

INTRODUCTION

1. This paper represents a comprehensive statistical update on processing of applications under the revised procedures adopted by resolution 1454(2002). The format follows a similar update dated 5 December 2002. The paper was prepared in line with the OIP's commitment to provide the 661 Committee with regular updates on processing of applications under the Goods Review List (GRL) rules.

2. Apart from the usual statistics and tables, the document contains additional information, namely comments by OIP/CPMD on the developing trends and reasons for these in different areas of general and GRL processing. In most cases, the trends were observed based on the comparison of data from the updates prepared in December, October and August 2002, as well as the current data.

3. As resolution 1454(2002) was adopted only on 30 December 2002, the experience with implementation of the new elements adopted in addition to the ones in resolution 1409(2002) is fairly limited. However, the paper addresses two important aspects of the new resolution, namely impact of the revised GRL definition for trucks and preparations for implementation of paragraph 3 of the resolution with regards to consumption rates.

GENERAL PROCESSING STATISTICS

4. Table 1 below provides general processing statistics as of 27 January 2003. If compared to the statistics of 5 December 2002, the following trends can be observed:

- The number of applications received and registered (to include 'old holds' and legacy applications that were to be processed under the new procedures) has reached almost 6,000 applications worth \$13.5 billion or some 850 applications on average per month, excluding extensions, corrections and amendments.
- The number of applications under OIP review has remained relatively constant over the past several months (see table 2b) although the value of applications in this category has lately increased, suggesting more complex, high-value applications are being processed. This, in turn, had an impact on average processing times.
- The number of Non-Compliant applications (awaiting response from the suppliers on OIP queries) has remained identical from 5 December 2002 and stands at 399 applications although the value is some \$300 million higher, again an indication of more complex applications being

processed. The relative values of applications in this category have decreased somewhat with 7.3 per cent of all applications reviewed by OIP pending response or 21 per cent in terms of value as at 27 January 2003. The comparative figures in December 2002 were 8.2 per cent and 22.4 per cent respectively.

- For the first time we have a category of “lapsed” applications, including applications for which the suppliers failed to provide requested information in more than 180 days. This is a new category introduced under resolution 1409(2002) and it is intended to prevent applications staying active for extensive periods of time, even if the suppliers are not cooperating in providing the requested information.
- The level of applications containing no GRL items (and consequently approved by OIP) has increased from around 70 per cent of all applications reviewed by UNMOVIC/IAEA on 5 December 2002 (50 per cent in terms of value) to 75 and 60 percent respectively on 27 January 2003. This is a direct consequence of more items being cleared after the provision of additional information requested by the UN experts – while the level of applications pending response to UNMOVIC/IAEA (GRL Non-compliant) was 27 per cent (43 per cent value-wise) in early December 2002, these percentages on 27 January 2003 stand at 21 and 33 respectively. The numbers in this category have been reduced not only in relative but also in absolute terms with fewer applications pending response from the suppliers.
- The level of applications found to contain GRL items has gone up in both in absolute and relative terms, from 3.6 per cent (6.2 per cent value-wise) in early December 2002 to 4.1 and 6.8 percent respectively at 27 January 2003. That, however, is an expected development with now a steady influx of new GRL-rated applications of an average ten per week. Further details on GRL applications are available in the relevant section below.

TABLE 1: GENERAL PROCESSING STATISTICS AS OF 27/12/02 (in \$ mil)

	Application category	ESB (59 per cent) account		ESC (13 per cent) account		TOTAL	
		No.	Value	No.	Value	No.	Value
1.	Total number of applications received/regist.*	4,867	\$13,338M	1,083	\$152M	5,950	\$13,490M
2.	Under OIP Review	86	\$358.2M	31	\$2.4M	117	\$360.6M
3.	Non-compliant/ Inactive	397	\$2,708.2M	2	\$1.2M	399	\$2,709.4M
4.	Lapsed	24	\$57.7M	0	0	24	\$57.7M
5.	Under UNMOVIC/ IAEA Review	315	\$1,230M	88	\$12.7M	403	\$1,242.7M
6.	GRL non-compliant/ GRL Inactive**	1012	\$2,945.3M	457	\$39.7M	1057	\$2,985M
7.	OIP Approved***	2,853	\$5,421.2	892	\$89.8M	3745	\$5,511M
8.	Applications containing GRL Items****	180	\$617.4M	25	\$6.2M	205	\$623.6M

Note: row (1) = rows (2)+(3)+(4)+(5)+(6)+(7)+(8)

* Includes new applications as well as fully processed OLD HOLDS and “legacy” applications.

** Includes OLD HOLDS processed under para 18 and GRL Non-compliant, as well as “legacy” applications now with the same status.

*** Includes also applications previously on hold and now OIP approved under para. 18.

**** **DOES NOT include 22 applications worth \$134.9M previously with GRL item(s) but subsequently amended or re-assessed under SCR 1454(2002) and now “OIP Approved”.** However, this category includes 5 applications with GRL items that have been declared null-and-void.

5. So far, 5,833 applications worth \$13,129.4M have been reviewed by OIP (3+4+5+6+7+8), of which 5,410 (92.7 per cent) worth \$10,362.3 (79 per cent) were cleared and moved to the next processing stage (5+6+7) with UNMOVIC/IAEA, and 423 (7.3 per cent) valued at \$2,767.1M (21 per cent) await response to request for clarifications (3+4) or have lapsed due to the failure of the suppliers to provide the requested information within 180 days.

6. So far, 5,007 applications worth \$9,119.6M have been reviewed by UNMOVIC/IAEA or “fast-tracked” by OIP (6+7+8), of which 3,745 (74.8 per cent) worth \$5,511M (60.4 per cent) contained no GRL items (or were subsequently amended to remove/downgrade GRL items) and were approved by OIP (7), 1,057 (21.1 per cent) worth \$2,985M (32.7 per cent) await response to requests for additional technical information (6), and 205 (4.1 per cent) worth \$623.6M (6.8 per cent) contained one or more GRL items (8).

PROCESSING TIMES

7. The average processing times for new applications for registration and review by OIP experts stand at 1.3 and 4.9 working days respectively (see Table 2a). At the same time, the average processing time for UNMOVIC/IAEA stands at 8.6 working days. Table 2a also provides a comparison between current average processing times and the ones recorded in December and August 2002. While the processing times remain within maximums stipulated in the procedures, the comparison shows increase in the processing times for both OIP and UNMOVIC/IAEA and no change in the registration average time.

8. The reasons for increased processing averages for OIP review includes increased influx of new applications, higher return of responses to questions asked by OIP experts, increase in number of requests for corrections and amendments, as well as increased complexity of applications that need to be reviewed. While the previous reports included statistics based, for a large part, on processing of simple applications like food and medicines, the latest statistics also include technically complex applications in sectors such as electricity, telecommunications and oil industry spare parts.

9. Similarly, UNMOVIC/IAEA had to assess increasingly complex applications together with numerous responses to the questions they asked during previous months (especially on ‘old holds’), as well as the increasing number of corrections and amendments. Some of that increase is documented in Table 2c below. Also, UNMOVIC/IAEA experts often have to repeatedly ask for information after the suppliers failure to provide full set of information based on the initial request. To allow for timely and orderly processing of these documents, almost all applications currently take maximally allowed 10 working days for UNMOVIC/IAEA review to be completed. Also, applications with traditionally short processing times, such as food and medicines, are now subject to “fast track” procedures and do not even go for UNMOVIC/IAEA review thus further affecting the average. The combined effect of the above developments resulted in average processing time going up from about 5 days in early December to the current average of 8.6 working days. However, once the backlog of ‘old holds’ is cleared and provided there are no major fluctuations in the weekly influx of new applications, it can be expected that the average processing times for UNMOVIC/IAEA will decrease again, although the additional reporting required under paragraph 4 of resolution 1454 (2002) has slightly increased the workload.

10. As at 27/01/03, the total of 295 applications worth \$903 million have been processed under the “blue list” rules applying to food, medicines, basic medical supplies, paper items, clothes and basics educational and agricultural supplies. It took on average 4.7 working days from registration to approval these applications, provided the OIP experts had no questions. As the average processing/approval time for applications that require UNMOVIC/IAEA review stands at 13.5 working days (to include average OIP review), it may be concluded that the “blue list” processing as per paragraph 4 of the revised procedures have, indeed, allowed for “fast-tracking” of basic humanitarian goods. Copies of “fast track applications” continue to be provided to the members of the 661 Committee upon request and following approval, as are the copies for all other applications approved by OIP.

TABLE 2a: AVERAGE PROCESSING TIMES (all stages) - comparison

Processing Stage	Average processing time (in working days)			
	26/08/02	23/10/02	05/12/02	27/01/03
REGISTRATION (Check and issuance of Comm. Number)	1.6	1.4	1.2	1.3
OIP REVIEW	4.5	3.0	2.7	4.9
UNMOVIC/IAEA REVIEW	3.7	3.9	4.9	8.6

TABLE 2b: NUMBER AND VALUE OF APPLICATIONS UNDER OIP REVIEW (Chronological overview)

Date	26/08/02	09/09/02	18/10/02	01/11/02	15/11/02	05/12/02	27/01/03
Number (US\$ value in mil.)	122 (\$369)	179 (\$339.5)	263 (\$789.8)	230 (\$752.8)	111 (\$358)	112 (\$242.4)	117 (\$360.6)

TABLE 2c: NUMBER AND VALUE OF APPLICATIONS UNDER UNMOVIC/IAEA REVIEW (Chronological overview)

Date	26/08/02	09/09/02	18/10/02	01/11/02	15/11/02	05/12/02	27/01/03
Number (US\$ value in mil.)	72 (\$139.5)	94 (\$216)	275 (\$476.3)	409 (\$739.6)	404 (\$942.5)	384 (\$1014.7)	403 (\$1,242)

MOST COMMON REASONS FOR EXTENDED PROCESSING TIMES

11. At the onset, it should be noted that processing ‘delays’ are, for a large part, inherent to the system that requires the UN Secretariat to establish that an application meets certain criteria before it can be either approved or forwarded to the Committee. Nevertheless, OIP continues to watch processing times very closely in order to observe trends and identify possible bottlenecks with a view of addressing the situation as it emerges. Previous reports noted increase in Non-compliant and GRL Non-compliant applications and a great deal of effort has been made to further educate the suppliers how to prepare applications as to avoid delays due to additional questions that would have to be asked. Consequently, as noted in paragraph 4 above, there has recently been a decrease in both categories as the questions are being answered and applications move forward. Inevitably, that caused increase in average processing times for both OIP and UNMOVIC/IAEA.

12. Since 1 July 2002, OIP has received 3,868 new applications. Of this number, 3,502 (or 90.5 per cent) were fully compliant and were immediately registered i.e. comm. numbers were issued. This represents further improvement from 88 per cent reported in early December 2002 and 82 per cent from August 2002. It is also a clear indication that the suppliers and submitting missions have learned the requirements for submission of application. The remaining 366 (or 9.5 per cent) had one or more reasons for which they could not be registered. Among these, 259 applications have been registered following clarification or correction while 107 applications were still pending registration as of 27 January 2003. It should also be noted that out of 107 applications still unregistered, 89 are duplicates of previously submitted and registered applications, leaving only 18 applications as ‘true’ non-compliant cases.

13. Table 3a contains the overview of reasons for non-registration as of 27 January 2003. The statistics show the only increase in the category where the suppliers failed to submit Excel attachment to the application form (currently 29 per cent as opposed to 26.6 per cent in December). Other categories have remained the same or have declined in relative terms. It is expected that the category of ‘old application form’ will increase temporarily as the new application form becomes mandatory on 1 February 2003 but these problems tend to be resolved fast, as it was the case with introduction of the new form in July 2002.

14. The reasons for processing delays at the level of OIP review still remain the same – in most cases (over 80 per cent) OIP experts must revert to the suppliers for complete list of items to be exported to Iraq. All other reasons combined constitute less than 20 per cent and range from unacceptable payment terms, services not explained to numerical inaccuracies.

15. The most common reason for processing delays at the level of UNMOVIC/IAEA review is the lack of necessary information for GRL assessment, in particular on the pumps, valves, pipes, nozzles, vehicles, filters and ball bearings. The Secretariat has also recently noted increase in cases where the same questions had to be asked twice or more as the initial responses would fail to provide the full information. As at 27 January 2003, there were 139 such applications worth almost \$750 million, a sizeable porting of the total of 1,057 applications worth almost \$3.0 billion in the GRL Non-compliant category.

TABLE 3a: REASONS FOR NON-REGISTRATION BY OIP

REASON	Frequency of reason as per cent of total number of reasons
Excel attachment to the Application Form (list of goods) not submitted electronically.	26.6%
Old version of the application used for applications submitted after 1 July 2002.	14.1%
Total value of line items in Excel attachment differs from total value of the contract.	9.6%
Boxes in the application form are not completed or filled in correctly.	8.9%
Application identified as a duplicate of another application previously submitted (same contract No.).	4.1%
Electronic Data submitted could not be opened. Accessible copy requested.	6.6%
No contract attached to the application.	2.5%
Certifying seal/signature omitted.	1.4%
Original application illegible.	3.0%
All other reasons (missing pages, tech specs, unit of measurement, paperwork in the wrong format, etc.).	20.3%
Total	100%

PROCESSING OF GRL ITEMS

16. The number of applications currently containing one or more GRL/687 items has reached 205 applications valued at \$623.6 million. This represents 4.1 per cent of all applications assessed for GRL/687 items (to include "old holds") so far or 6.8 per cent in terms of value. As shown in Table 4a, there has been a steady increase in both absolute and relative (as percentage of all applications assessed at a given time) numbers of these applications. The recent levels remain at around 4.0 per cent. Added to the number of 205 applications are 22 applications worth 134.9 million, previously assessed as containing one or more GRL items but subsequently amended to remove GRL item(s) or re-assessed as non-GRL under resolution 1454(2002).

17. As reported earlier, the main “hike” in GRL-rated applications was recorded in mid-October as UNMOVIC/IAEA returned a number of applications previously on hold and then re-assessed for GRL/687 items under paragraph 18. At present, applications previously on hold and re-assessed under paragraph 18 still account for most of the total found to contain one or more GRL/687 items (128 out of the total 205) although the balance is gradually moving to the side of new applications as ‘old hold’ are being cleared out.

18. It should be noted that the UN experts recently identified, for the first time, five applications worth \$71.8 million containing military vehicles prohibited from export to Iraq under paragraph 20 of resolution 687(1991). These applications are ‘old holds’ that used to be on hold for ‘dual use’ reasons but were re-assessed under paragraph 18 of the revised procedures. One of the five applications has already been returned to the supplier as inadmissible while 4 are pending response to 687 Notice. In addition, the UN experts have identified items of “dual use” under paragraph 24 of resolution 6687(1991) in two applications containing demining equipment for UNOPS. One of these applications was approved while another was denied and is currently pending response to a petition.

Table 4a: Applications containing GRL items from 26/08/02 to 27/01/03

DATE	26/08/02	09/09/02	18/10/02	01/11/02	15/11/02	05/12/02	27/01/03
Number of applications containing GRL items	8	14	93	108	137	158	205
The above as percentage of total # assessed	1.2%	1.4%	3.2%	3.3%	3.7%	3.9%	4.1%
US\$ value (in millions)	\$3.54	\$27.65	\$204.7	\$279	\$449.6	\$531.8	\$623.6

19. Table 4b provides status overview of applications assessed by UNMOVIC/IAEA as containing GRL item(s). It includes applications still being processed (GRL Notice or GRL Processing) or completed and, consequently, with one of the final statuses (661 Approved, 661 Rejected, Supplier Lapsed, 687 Returned and OIP Approved/per amendment).

20. Although the suppliers may request partial shipment of non-GRL items while GRL items continue to be processed, OIP/CPMD received no such requests so far. This is quite understandable, given the fact that most of the applications found to contain GRL item(s) are for vehicles/trucks and any removal of GRL item in such cases would leave no non-GRL items or only spare parts. The more popular way of dealing with GRL items is still through amendments deleting or replacing GRL items with non-GRL ones. So far, 18 applications worth \$132.6 million were cleared of GRL items in such manner with additional 27 applications worth some \$131 million having amendments pending or being processed.

Table 4b: General status overview for applications containing GRL items (27/01)

GRL applications (status)	GRL Applications (number)	% of total number	Application Value	% of total value
GRL Notice	18	7.9%	\$67.8M	8.9%
GRL Processing*	104	45.8%	\$386.5M	50.1%
661 Approved	25	11%	\$10.9M	1.4%
661 Rejected	19	8.4%	\$43.6M	5.7%
Supplier Lapsed	29	12.8%	\$37.3M	4.9%
Null-and-void	5	2.2%	\$5.6M	0.7%
687 Notice/ret	5	2.2%	\$71.8M	9.5
Sub-total:	205	-	\$623.6M	-
OIP approved**	22	9.7%	\$134.9M	17.8%
TOTAL	227	100%	\$758.5M	100%

* see table 4c for further details

**based on amendment to remove GRL items or re-assessment under SCR 1454(2002)

Table 4c: Detailed breakdown of GRL processing applications (as of 27/01/03)

Status	No. of applications	US\$ value
661 Pending(10)	19	\$48.4M
661 Pending(5)	4	\$9.9M
Pending assessment	13	\$49.2M
Pending amendment	21	\$76.5M
661 Denied	37	\$145.6M
Amendment Processing	5	\$54.4M
Reconsideration	2	\$1.4M
Pending response	3	\$1.2M
TOTAL	104	\$386.5M

21. The requests for reconsideration of the initial GRL assessment by the UN experts, in accordance with paragraph 11 of the revised procedures, have been made in 40 out of 227 cases. Only in three cases the UN experts changed their initial GRL assessment based on the additional information and clarifications provided.

22. Table 4d below provides status of applications that have been fully processed by the 661 Committee. So far, 117 applications valued at \$248.5 million have been decided on by the Committee out of the total 205 applications worth \$623.6 found to contain one or more GRL items. This represents 57 per cent and 39.8 in terms of value, a clear increase from 41.8 per cent or 17.9 per cent in terms of value at 5 December 2002. Although additional 11 applications were approved by the 661 Committee since early December (up to 25 from 14 applications), the approval rate stands at 21.4 per cent in terms of numbers and 4.4 per cent in terms of value of all applications fully processed so far i.e. it remains practically unchanged from 5 December 2002.

23. Most of the applications approved by the Committee so far have been approved under the condition of end-use verification. Most of the applications approved by the Committee (19 out of 25) are for the three Northern governorates. The remaining 6 approved for center-south contain animal vaccines and mobile cranes and fire fighting vehicles.

4d: Applications fully processed by the 661 Committee as of 27/01/03

GRL applications (status)	GRL Applications (number)	% of total number	Application Value	% of total value
661 Approved	25	21.4%	\$10.9M	4.4%
661 Denied	37	31.6%	\$145.6M	58.6%
661 Pending (5)	4	3.4%	\$9.9M	4%
661 Rejected*	19	16.2%	\$43.6M	17.5%
Pending Response**	3	2.6%	\$1.2M	0.5%
Supplier lapsed***	29	24.8%	\$37.3M	15%
TOTAL	117	100%	\$248.5M	100%

* Following a negative response to a petition

** Following a denial but with additional questions

*** Following failure on the part of suppliers to submit a petition after d denial by 661 Committee

24. Paragraph 13 of the revised procedures allows the supplier to submit one final petition in cases where the Committee denied approval for GRL items in the first instance. So far, the suppliers submitted 20 petitions on applications worth \$40.4 million that have been considered by the 'denying' member(s) as at 27/01/03. Only in one case worth \$0.09 million has the petition resulted in approval of GRL item(s). The remaining 19 cases were rejected.

25. Finally, it should be noted that applications contain GRL-rated trucks still represent the largest group among all GRL applications, especially in terms of value (108 applications out of total 205 i.e. 53 per cent; in terms of value this category includes contracts worth \$513.7 million or 82.4 per cent of the total \$623.6 million). The status of the 108 applications containing GRL-rated vehicles as at 27/01/03 was as follows:

Denied/Rejected/Supplier Lapsed	(60)	\$277.5M
Still processed by the Secretariat	(32)	\$228.3M
Approved by the 661 Committee	(16)	\$ 7.9M
TOTAL	(108)	\$513.7M

26. Other item categories identified as GRL included:

- live vaccines (so far, most circulated have been approved, with several recently denied for additional information)
- corrosion resistant valves and pumps (separate or as part of larger units as compact units)
- wind tunnel
- x-ray equipment (non-medical)
- weather radar system
- radiation detecting equipment
- measuring and testing equipment
- protection masks/respirators
- laboratory equipment
- water treatment chemicals
- biological safety cabinets
- medical lasers
- pesticides
- telecommunications equipment
- fiber-optic cables
- sensors (vibration and others) and flow meters
- titanium anodes
- demining equipment (for UNOPS in the North), partially denied approval

PROCESSING OF APPLICATIONS UNDER PARAGRAPH 18

27. Category A Holds: By 15 October 2002 all of the 171 applications worth US\$315.4 million containing one or more 1051 items were returned to submitting missions as per paragraph 18 of the procedures adopted under resolution 1409(2002) [now paragraph 19 of the revised procedures adopted by resolution 1454(2002)]. As of 27 January 2003, the suppliers entertained the right to resubmit such applications in 28 cases (worth US\$124.3 million). Of the total resubmitted, 7 applications worth US\$26.6 million have been approved by OIP as containing no GRL items, two were null-and-void, one was found to contain GRL item(s), one was null-and-void and the remaining 18 are at various stages of processing with OIP and UNMOVIC/IAEA, to include 11 pending response by the suppliers on various questions asked by OIP and UNMOVIC/IAEA.

28. Category B Holds: By July 2002 almost 2,200 applications worth over \$5.0 billion have been identified as “category B” holds and their re-assessment for GRL items started. A number of applications in this category were approved-released from hold by the Committee before re-assessment under paragraph 18 could be completed and the rest were null-and-void. The remaining 1,860 applications worth \$4,684 million were re-assessed under paragraph 18.

29. Table 5 provides status of the applications re-assessed by UNMOVIC/IAEA as of 27 January 2002. Over 50 per cent of the re-assessed applications in this category have now been approved as they contain non-GRL items (40 per cent in terms of value). The “GRL Non-Compliant” category still contains 679 applications

worth \$2,256.9 million pending response from suppliers although the numbers have come down from 840 applications worth \$2,828.4 million at 5 December 2002.

30. Although the approval of so many 'old holds' in the past seven months represents a success in implementation of paragraph 18 of the procedures, this fact was clouded by inability to fund all the approved applications in this category. At 27 January 2003, only 308 applications previously on hold worth \$425 million were funded (30 per cent and 23 per cent respectively of the total number and value approved in this category). The remaining approved applications remain unfunded, as a part of a batch containing some 2,400 applications worth almost \$4.5 billion still pending funding as at 27 January 2003. Nevertheless, the approval of many important applications previously on hold allowed for better prioritization within the funds available.

TABLE 5: Status of Category B Holds as of 27 January 2003

Returned from UNMOVIC/IAEA	No. of Applications	US\$ million
No GRL items*	1,023	\$1,847.8M
Additional Questions (GRL Non-Compliant or UNMOVIC/IAEA review)	679	\$2,256.9M
GRL Items**	128	\$542.2M
Null-and-void (after return from UNMOVIC/IAEA)	30	\$37.5M
Total Reviewed	1,860	\$4,684.4M

* Also includes 16 applications initially containing GRL item(s) but subsequently amended

** Does not include 16 applications referred to above(*)

UPDATE ON IMPLEMENTATION OF RESOLUTION 1454(2002)

31. The resolution was adopted on 30 December 2002. The Office of Iraq Programme has immediately informed Permanent Mission and suppliers of the changes mandated under the resolution, to include the requirement for the new application form that becomes mandatory on 1 February 2003. All necessary updates on the web site have been made, to include a special notice addressing most common reasons for delays in approval of applications. OIP is currently working with UNMOVIC/IAEA on preparation of revised standard technical information sheets and well as the list of frequently asked questions (FAQs) to be placed on the OIP web-side as soon they are completed.

32. The UN Secretariat reviewed a number of applications for vehicles previously assessed as GRL against the new GRL criteria. Of the total 95 applications re-assessed, 14 applications worth \$49.0 million were found not to be subject to the GRL provisions any longer. Of the 14 applications in total, eight worth \$46.7 million were immediately approved by OIP. The remaining 6 (worth \$2.3 million) have been earlier circulated to the Committee and either denied or rejected. Two were consequently approved on the basis of a petition stating the change in GRL status while the remaining four will have to be re-submitted if the suppliers would still seek approval. There were also several applications where some of the earlier GRL criteria did not apply any longer but the same items were now captured under the additional GRL thresholds (e.g. hydraulic lifting capacity), leaving the applications still in the GRL-rated category. In addition, in some cases the UN experts would require additional information from suppliers to complete the re-assessment. In all these cases OIP notified the supplier of the changes and advised on the possible courses of action.

33. Paragraph 3 of the resolution directed the Secretary-General, to develop, within 60 days, consumption rates and use levels for the implementation of paragraph 20 of Annex B of the resolution, to include organophosphate pesticides, atropine in concentration exceeding 0.6 mg/ml, certain antibiotics, growth media, etc. The Office of Iraq Programme is currently working with the UN Office of Humanitarian Coordinator in Iraq (UNOHCI) and the relevant UN agencies and programmes in Iraq on the consumption rates draft with appropriate justifications. At the same time, OIP is working closely with UNMOVIC on setting internal procedures for practical implementation of these requirements, to include adjustments to the database. It is expected that the information on the established consumption rates will be communicated to the Council with the system for processing of applications containing items subject to the above procedures fully operational by 1 March 2003