PROCESSING OF APPLICATIONS UNDER RESOLUTION 1454(2002)

Statistical update as of 28 February 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 similar updates dated 5 December 2002 and 27 January 2003 provided by OIP to the Security Council Committee established pursuant to resolution 661(1990). The paper was prepared in line with the request of the 661 Committee to be provided with a monthly update on processing of applications under the Goods Review List (GRL) rules.

2. The document contains usual processing statistics as of 28 February 2003 and comments 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 earlier updates and the current data.

3. As resolution 1454(2002) was adopted on 30 December 2002, the experience with implementation of the new elements adopted in addition to the ones in resolution 1409(2002) remains limited.

GENERAL PROCESSING STATISTICS

4. Table 1 below provides general processing statistics as of 28 February 2003. If compared to the statistics of 5 December 2002 and 27 January 2003, 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 6,500 applications worth nearly \$15 billion or some 800 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) until the recent decline under 100 applications. At the same time, the number of Non-Compliant/Inactive applications (awaiting response form the suppliers on OIP queries) has declined by some 45 applications (see Table 2d) although the value has gone up in comparison to 27 January 2003 data, an indication of more complex applications being processed.
- Apart from the category of "lapsed" applications, a new category of 'GRL lapsed' appears for the first time with eight applications. The two categories include applications for which the suppliers failed to provide information requested by either OIP or UNMOVIC/IAEA 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 77 and 62 percent respectively on 28 February 2003. This category shows an upward trend and that 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/GRL Inactive) was 27 per cent (43 per cent value-wise) in early December 2002, these percentages on 28 February 2003 stand at 18.6 and 30.6 per cent respectively. The numbers in this category have been reduced in both relative and absolute terms with fewer applications pending response from the suppliers (see table 2e).
- The level of applications found to contain GRL items continues to rise in both absolute and relative terms, from 3.6 per cent (6.2 per cent value-wise) in early December 2002 to 4.7 and 9.1 percent respectively at 28 February 2003. The increase in terms of value was particularly sharp due to several high-value applications found to contain GRL items. Further details on GRL applications are available in the relevant section below.

	Application	ESB (S	59 per cent)	ESC (1	3 per cent)	T	OTAL
	category	a	ccount	ac	count		
		No.	Value	No.	Value	No.	Value
1.	Total number of applications received/regist.*	5,422	\$14,529.6	1,122	\$157.4	6,544	\$14,687
2.	Under OIP Review	88	\$290.4	11	\$0.62	99	\$291.0
3.	Non-compliant/ Inactive	348	\$2,795.5	6	\$1.5	354	\$2,797.0
4.	Lapsed	85	\$222.4	0	0	85	\$222.4
5.	Under UNMOVIC/ IAEA Review	249	\$939.3	20	\$9.0	269	\$948.3
6.	GRL non- compliant/ GRL Inactive**	916	\$2,629	33	\$33	949	\$2,662
7.	GRL Lapsed	8	\$24.5	0	0	8	\$24.5
8.	OIP Approved***	3,508	\$6,823.3	1,019	\$103.2	4,527	\$6,926.5
9.	Applications containing GRL Items****	220	\$805.2	33	\$10.1	253	\$815.3

 TABLE 1: GENERAL PROCESSING STATISTICS AS OF 28/02/03 (in \$ mil)

Note: row (1) = rows (2)+(3)+(4)+(5)+(6)+(7)+(8)+(9)

* 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-andvoid.

5. So far, 6,445 applications worth \$14,396M have been reviewed by OIP (3+4+5+6+7+8+9), of which 6,006 (93.2 per cent) worth \$11,377 (79.0 per cent) were cleared and moved to the next processing stage (5+6+7+8+9) with UNMOVIC/IAEA and 439 (6.8 per cent) valued at \$3,019M (21 per cent) either await response to request for clarifications or have lapsed due to the failure of the suppliers to provide the requested information within 180 days (3+4).

6. So far, 5,736 applications worth \$10,429M have been reviewed by UNMOVIC/IAEA or "fast-tracked" by OIP (6+7+8+9), of which 4,527 (79 per cent) worth \$6,926.5M (66.4 per cent) contained no GRL items (or were subsequently amended to remove/downgrade GRL items) and were approved by OIP (8), 957 (16.7.1 per cent) worth \$2,686.5M (25.8 per cent) await response to requests for additional technical information or have lapsed (6+7), and 253 (4.4 per cent) worth \$815.3M (7.8 per cent) contained one or more GRL items (9).

PROCESSING TIMES

7. The average processing times for new applications for registration and review by OIP experts stand at 1.3 and 4.8 working days respectively (see Table 2a). At the same time, the average processing time for UNMOVIC/IAEA stands at 8.7 working days. Table 2a also provides a comparison between current average processing times and the ones recorded in October and December 2002 as well as January 2003. While the processing times remain within maximums stipulated in the procedures, the comparison shows recently stable processing time for OIP and minor increase for UNMOVIC/IAEA with 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. However, with fewer responses now pending, the average processing time by OIP appears to have stabilized lately.

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, indicating the very recent reduction in the number and value of applications in GRL Non-compliant/Inactive category as more additional information is being provided and reviewed.

10. 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. Out of the 1,095 applications currently in GRL Non-compliant/Inactive category, 146 have been in that category at least twice i.e. had repeated questions. As an other example, out of 87 requests for additional information during the last week of February 2003, 58 (or 67 per cent) were second or third time requests.

11. 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 8.7 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.

12. As at 28/02/03, the total of 483 applications worth \$1,255.7 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. This represents 10.7 per cent of all applications approved by OIP under GRL procedures or 18.1 per cent in terms of value. It took on average 4.2 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 continue to allow for fast approval 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.

Processing Stage	Average processing time (in working days)						
	23/10/02	05/12/02	27/01/03	28/02/03			
REGISTRATION (Check and issuance of Comm. Number)	1.4	1.2	1.3	1.3			
OIP REVIEW	3.0	2.7	4.9	4.8			
UNMOVIC/IAEA REVIEW	3.9	4.9	8.6	8.7			

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

TABLE 2b: NUMBER AND VALUEOF APPLICATIONS UNDER OIPREVIEW (Chronological overview)

Date	09/09/02	18/10/02	01/11/02	15/11/02	05/12/02	27/01/03	28/02/03
Number	0710710	10/10/02	01/11/02	10/11/02	00/12/02	21101100	20/02/00
	170	262	220	111	110	117	00
(US\$ value	179	263	230	111	112	117	99
in mil.)	(\$339.5)	(\$789.8)	(\$752.8)	(\$358)	(\$242.4)	(\$360.6)	(\$291.0)

TABLE	2c:	NUMBER	AND	VALUEOF	APPLICATIONS	UNDER
UNMOV	[C/IA]	EA REVIEW	(Chron	ological overvi	ew)	

Date	09/09/02	18/10/02	01/11/02	15/11/02	05/12/02	27/01/03	28/02/03
Number (US\$ value in mil.)	94 (\$216)	275 (\$476.3)	409 (\$739.6)	404 (\$942.5)	384 (\$1014.7)	403 (\$1,242)	269 (\$948.3)

 TABLE 2d: NUMBER AND VALUEOF NON-COMPLIANT and INACTIVE

 APPLICATIONS (chronological overview)

Date	09/09/02	18/10/02	01/11/02	15/11/02	05/12/02	27/01/03	28/02/03
Number	7 40	405	250	205	200	200	0.5.4
(US\$ value in	540 (\$2,819)	437 (\$2,661)	379 (\$2,283)	395 (\$2,448)	399 (2,492)	399 (\$2,709)	354 (\$2,797)
mil.)	(\$2,017)	(\$2,001)	(\$2,203)	(\$2,440)	(2,4)2)	$(\psi 2, 707)$	$(\Psi 2, I) I$

TABLE 2e: NUMBER AND VALUEOF GRL NON-COMPLIANT andINACTIVE APPLICATIONS (chronological overview)

Date	09/09/02	18/10/02	01/11/02	15/11/02	05/12/02	27/01/03	28/02/03
Number (US\$ value in mil.)	210 ((\$658)	1,284 (\$3,872)	1,152 (\$3,220)	1,156 (\$3,448)	1,090 (\$3,305)	1,057 (\$2,985)	949 (\$2,662)

MOST COMMON REASONS FOR EXTENDED PROCESSING TIMES

13. 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. While previous reports noted increase in Non-compliant and GRL Non-compliant applications, the efforts aimed at reducing these categories have been successful in conjunction to the introduction of 'lapsed' category thus resulting in reduction of both Noncompliant and GRM Noncompliant categories.

14. Over 93 per cent of applications received after 1 July 2002 was registered by OIP immediately upon receipt i.e.comm. number has been issued without any delay. The remaining 7 percent had some initial problems that were resolved fast. Not more than 0.8 per cent of all received applications remained unregistered at any given time since 1 July 2002. Table 3a contains the overview of reasons for non-registration as of 28 February 2003. The statistics show only minor changes in comparison to the previous ones with missing electronic copy of Excel attachment still being the most common one.

15. The reasons for processing delays at the level of OIP review still remain the same – in most cases (over 85 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 15 per cent and range from unacceptable payment terms, services not explained to numerical accuracies.

16. 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 earlier noted the 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, many of them from 'old hold' category.

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REASON	Frequency of reason as <i>per cent</i> of total number of reasons
Excel attachment to the Application Form	
(list of goods) not submitted electronically.	27.3%
Old version of the application used for	
applications submitted after 1 July 2002.	14.8%
Total value of line items in Excel	
attachment differs from total value of the	9.7%
contract.	
Boxes in the application form are not	
completed or filled in correctly.	9.2%
Application identified as a duplicate of	
another application previously submitted	3.6%
(same contract No.).	
Electronic Data submitted could not be	
opened. Accessible copy requested.	5.7%
No contract attached to the application.	2.4%
Certifying seal/signature omitted.	
	1.4%
Original application illegible.	3.0%
All other reasons (missing pages, tech	
specs, unit of measurement, paperwork in	22.9%
the wrong format, etc.).	
Total	100%

 TABLE 3a: REASONS FOR NON-REGISTRATION BY OIP

PROCESSING OF GRL ITEMS

17. The number of applications currently containing one of more GRL/687 items has reached 253 applications valued at \$815.3 million. This represents 4.4 per cent of all applications assessed for GRL/687 items (to include "old holds") so far or 7.8 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 just above 4.0 per cent. Added to the number of 205 applications are 35 applications worth 218.5 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).

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 (152 out of the total 253) although the balance has gradually shifted to the side of new applications as 'old hold' are being cleared out.

19. Paragraph 9 of the revised procedures allows the submitting missions and UN agencies to request, prior to circulation, a UN assessment of the humanitarian, economic and security applications of the approval or denial of GRL item(s), including the viability of the whole contract in which the GRL item(s) appears and the risk of diversion for military purposes. Such assessment has been requested in the case of 40 applications with one or more GRL items identified out of the total 288. While some of the assessments are still being prepared (on average, it takes some 30 days to prepare such an assessment), 24 have been circulated to the Committee with GRL items. Of these, only three (12.5 per cent) have been approved by the Committee and in one case (4.2 per cent) the Committee had additional questions. The remaining 20 (83.3 per cent) have been denied approval or rejected. In summary, while the number of impact assessments fully processed by the Committee remains fairly small, the initial results indicate that a submission of impact assessment does not appear to make any difference in terms of approval rate – the rate is 12.5 per cent in comparison to the general rate of percent.

DATE	09/09/02	18/10/02	01/11/02	15/11/02	05/12/02	27/01/03	28/01/03
Number of applications containing GRL items	14	93	108	137	158	205	253
The above as percentage of total # assessed	1.4%	3.2%	3.3%	3.7%	3.9%	4.1%	4.4%
US\$ value (in millions)	\$27.65	\$204.7	\$279	\$449.6	\$531.8	\$623.6	\$815.3

 Table 4a: Applications containing GRL items from 09/09/02 to 28/02/03

20. 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).

21. Although the suppliers may request partial shipment of non-GRL items while GRL items continue to be processed, OIP/CPMD received only one such request so far. This is 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, 21 applications worth \$167.2 million were cleared of GRL items in such manner with additional 39 applications worth some \$280.7 million having amendments pending or being processed.

Table 4b. General status over view for applications containing GKL items (26/02)									
GRL	GRL	%	Application	% of total					
applications	Applications	of total	Value	value					
(status)	(number)	number							
GRL Notice	18	6.3%	\$46.5M	4.6%					
GRL Processing*	124	43%	\$566.2M	54.9%					
661 Approved	30	10.5%	\$15.0M	1.4%					
661 Rejected	28	9.7%	\$59.2M	5.7%					
Supplier Lapsed	43	15%	\$50.9M	4.9%					
Null-and-void	5	1.7%	\$5.6M	0.5%					
687 Notice/ret	5	1.7%	\$71.8M	6.9%					
Sub-total:	253	-	\$815.3	-					
OIP approved**	35	12.1%	\$218.5M	21.1%					
TOTAL	288	100%	\$1,033.8	100%					

Table 4b: General status overview for applications containing GRL items (28/02)

* see table 4c for further details

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

(as of 28/02/03)								
Status	No. of applications	US\$ value						
661 Pending(10)	25	\$35.2M						
661 Pending(5)	1	\$1.3M						
Pending assessment	11	\$45.6M						
Pending amendment	31	\$151.6M						
661 Denied	40	\$172.4M						
Amendment Processing	8	\$129.4M						
Reconsideration	4	\$29.7M						
Pending response	4	\$0.9M						
TOTAL	124	\$566.1M						

Table 4c: Detailed breakdown of GRL processing applications (as of 28/02/03)

22. 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 46 out of 288 cases. In five cases the UN experts changed their initial GRL assessment based on the additional information and clarifications provided.

23. Table 4d below provides status of applications that have been fully processed by the 661 Committee. So far, 146 applications valued at \$299.8 million have been decided on by the Committee out of the total 253 applications worth \$815.3 found to contain one or more GRL items. This represents 57.7 per cent and 36.8 in terms of value. The approval rate stands at 20.4 per cent in terms of numbers and 5.0 per cent in terms of value of all applications fully processed so far compared to 21.4 and 4.4 per cent respectively as at 27 January 2003.

24. Most of the applications approved by the Committee so far have been approved under the condition of end-use verification. About half of the applications

approved by the Committee (13 out of 27) are for the three Northern governorates. However, the increased denials are registered lately even for applications for the three northern governorates, with denial of approval for all four such applications processed by the Committee in February.

GRL	GRL	%	Application	% of total
applications	Applications	of total	Value	value
(status)	(number)	number		
661 Approved	30	20.5%	\$15.0M	5%
661 Denied	40	27.4%	\$172.4M	57.5%
661 Pending (5)	1	0.7%	\$1.3M	0.4%
661 Rejected*	28	19.2%	\$59.3M	19.8%
Pending Response**	4	2.7%	\$0.9M	0.3%
Supplier lapsed***	43	29.5%	\$50.9M	17%
TOTAL	146	100%	\$299.8M	100%

4d: Applications fully processed by the 661 Committee as of 28/02/03

* 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

25. 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 29 petitions on applications worth \$40.4 million that have been considered by the 'denying' member(s) as at 27/01/03. Only in two cases worth \$0.4 million the petition resulted in approval of GRL item(s). The remaining 27 cases were rejected.

26. Categories of items identified as GRL included:

- live vaccines (recently some denials registered)
- trucks
- 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
- oscilloscopes

PROCESSING OF APPLICATIONS UNDER PARAGRAPH 18

27. <u>Category A Holds:</u> 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 28 February 2003, the suppliers entertained the right to resubmit such applications in 30 cases (worth US\$100.4 million). Of the total resubmitted, 8 applications worth US\$17.3 million have been approved by OIP as containing no GRL items, five were null-and-void, three were found to contain GRL item(s), and the remaining ones are at various stages of processing with OIP and UNMOVIC/IAEA, to include 13 pending response by the suppliers on various questions asked by OIP and UNMOVIC/IAEA.

28. <u>Category B Holds:</u> 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 28 February 2002. A number of re-assessed applications in this category have now been approved as they contain non-GRL items. The "GRL Non-Compliant" category still contains 562 applications worth \$1,931.7 million pending response form suppliers although the numbers have come down from 840 applications worth \$2,828.4 million at 5 December 2002.

30. The approval of so many 'old holds' in the past seven months represents a success in implementation of paragraph 18 of the procedures, but many remain unfunded due to the revenues shortfall. At 28 February 2003, only 324 applications previously on hold worth \$468 million were funded (29 per cent and 23 per cent respectively of the total number and value approved in this category). The remaining approved applications remain unfounded, as a part of a batch containing over 2,500 applications worth over \$4.9 billion still pending funding as at 28 February 2003.

Returned from UNMOVIC/IAEA	No. of Applications	US\$ million
No GRL items*	1,107	\$2,072.6M

TABLE 5: Status of Category B Holds as of 28 February 2003

Additional Questions (GRL Non- Compliant or UNMOVIC/IAEA review)	562	\$1,931.7M
GRL Items**	152	\$607.9M
Null-and-void (after return from UNMOVIC/IAEA)	39	\$72.2M
Total Reviewed	1,860	\$4,684.4M

* Also includes 22 applications initially containing GRL item(s) but subsequently amended ** Does not include 22 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.

32. Paragraph 3 of the resolution directed the UN Secretariat 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. On 21 February 2003 the Executive Director of the Office of Iraq Programme has forwarded the table containing the consumption rates for the relevant items to the 661 Committee. The implementation of this procedure is to start on 1 March 2003.

33. The UN Secretariat reviewed a number of applications for vehicles previously assessed as GRL against the new GRL criteria. Of the total 95 applications reassessed, 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 are to be re-submitted if the suppliers would still seek approval.

34. The Committee has requested more detailed analysis of the impact the revised Goods Review List had on approval of applications, in particularly vehicles. The Office of Iraq Programme noticed that more applications have been cleared as non-GRL lately with more being identified as containing GRL items faster than usual. At the same time, the number and value of GRL Non-compliant applications has been decreasing. All this can be attributed to more clear definitions in the GRL.

35. At the same time, among the total number of GRL-rated applications, the ones containing trucks still represent a majority -- out of 253 applications worth \$815.3 million, 132 worth \$557.2 million were for trucks (52.2 per cent in terms of number

of applications but 68.3 per cent in terms of value). These percentages were higher on 1 December 2003 (63 per cent of the total number of applications with GRL items or 78.6 per cent in terms of value). That may suggest that fewer applications for trucks fall under the GRL category following the changes adopted under resolution 1454(2002). On the other hand, this may simply indicate that other items are submitted and identified as GRL more often than trucks. Additional study of applications for trucks approved as non-GRL after 1 January 2003 would be needed to assess a full impact of GRL changes under resolution 1454(2002). It should also be mentioned that the approval rate for GRL-rated trucks fully processed by the Committee currently stands at 22.3 per cent in terms of number of applications and only 3.6 per cent value-wise, a marginally better rates than 17.8 and 3.1 per cent respectively on 1 December 2003.