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**Executive Director of the Iraq Programme**

**at the informal consultations of the Security Council**

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Mr. President,

The Deputy Secretary-General briefed the Security Council last Wednesday, 16 April, on the humanitarian situation on the ground and implementation of resolution 1472 (2003) of 28 March 2003.

I last briefed the Council on 8 April. In addition to the update on the implementation of resolution 1472 (2003) forwarded electronically to the members of the Council yesterday evening ([copy attached](#)), the Office of the Iraq Programme submitted updates to the Security Council Committee established by resolution 661 (1990) - the 661 Committee - on 2 and 14 April.

In view of the updates already submitted, it will not be necessary for me to provide further details thereon. Instead, I should like to concentrate on some matters, which require urgent and pragmatic action by the Council, in order to remove some of the bottlenecks we have been facing in the delivery of emergency humanitarian assistance to the Iraqi people who continue to encounter serious difficulties. Among the major difficulties are delays in receiving the necessary security clearances from the occupying powers.

#### **45-day period of the mandate pursuant to resolution 1472 (2003)**

You may recall that the already limited period of the 45-day mandate pursuant to resolution 1472 (2003), ending on 12 May 2003, was for all practical purposes only 34 days, because it took 11 days for the 661 Committee to approve the procedures pursuant to paragraph 4 (g) of that resolution. Furthermore, it should be noted that it was the first time that the Office of the Iraq Programme and the UN agencies and programmes concerned were authorized by resolution 1472 (2003) to contact suppliers directly. That task has indeed been daunting.

During a relatively limited time period, we had to review almost 11,000 contracts – of which 7,238 are approved and fully funded (some \$10 billion), and 3,613 are unfunded (over \$7 billion) – containing more than 525,000 items not only for the purpose of prioritization but also to determine with the suppliers whether the items urgently required for the emergency humanitarian purposes could in fact be delivered by 12 May 2003. Based on the responses received from suppliers, it was established that out of 266 contracts considered as priority contracts, only those goods in 160 contracts with a total value of \$454.6 million could be shipped within the mandated period, out of a pipeline worth some \$10 billion. Most of the goods are in the food (\$236.4 million), electricity (\$119.3 million) and health (\$53.1 million) sectors.

The 45-day deadline remains the main reason for the relatively limited number of contracts that could be processed pursuant to paragraph 4 (b) of resolution 1472. Further details

on the difficulties involved in that regard are provided in the latest update we provided to the Council yesterday evening.

Accordingly, the Council may wish to consider extending the provisions of resolution 1472 up to 3 June 2003 - a simple technical rollover - to coincide with the end of the mandate of the current phase XIII of the humanitarian programme in Iraq pursuant to resolution 1447 (2002). An extension of 21 days to 3 June would not only recover the 11 days already lost, but also provide us with the opportunity to utilize additional supplies available in the pipeline. However, in order to enable us to fully utilize the extended period, it is essential that the Council take that decision most urgently.

We will, of course, continue to provide the 661 Committee with further regular updates. Furthermore, subject to the decision of the Council regarding the extension of the provisions of resolution 1472 (2003), an assessment of the implementation of that resolution will be included in the 180-day report of the Secretary-General pursuant to resolution 1447 (2002).

Since I am referring to reports, I should also like to suggest that the assessment report on the implementation of the Goods Review List and its procedures pursuant to paragraph 5 of resolution 1447 (2002) be submitted to the 661 Committee, instead of the Council.

### **Approved supplies in the delivery pipeline**

The Office of the Iraq Programme has been flooded by inquiries from permanent missions, as well as suppliers with regard to the status of their contracts.

As of this morning, the total value of the funded supplies in the pipeline was \$9.958 billion. The total value of fully processed but unfunded contracts was \$7.174 billion. In addition, the Office of the Iraq Programme has registered contracts with a total value of over \$7 billion. The total of unencumbered funds available is \$3.223 billion - \$1.522 billion under the ESD (59 per cent) account (\$870 million for oil spare parts and equipment; \$652 million for special allocation) – and \$1.701 billion under the ESC (13 per cent) account.

It is too early to know the total amount that can be utilized from the unencumbered funds pursuant to resolution 1472 (2003), particularly in light of the constraints imposed by that resolution in the utilization of such funds. We will only know once the bills are submitted for additional costs incurred due to, *inter alia*, rerouting of shipments to alternative ports, transportation and other costs for facilitating the delivery of essential humanitarian supplies.

It may be recalled that on 14 April 2003, I informed the Chairman of the 661 Committee that, taking into account the substantial shortfall in the funds available to the programme and faced with the financial uncertainties due to the total cessation of oil exports, the Office of the Iraq Programme was obliged, on a temporary and exceptional basis, to take a pause in processing additional applications under the ESB (59 per cent) account, effective immediately. The total number of such contracts is 1,950, with a total value of over \$7 billion. We consider the decision taken to be a prudent measure under the current circumstances.

Having said that, I should like to appeal to the Council and its Sanctions Committee to address the status of the contracts urgently, particularly those which are ready for shipment or those which have already been shipped, including those which are currently on the high seas, or ready to be delivered by land and have not been selected as priority contracts under the relevant provisions of resolution 1472 (2003). Understandably, suppliers have been complaining and wish to know the status of their contracts. In all fairness, we owe them an explanation.

The Office of the Iraq Programme would also seek the guidance of the Council regarding payment for the goods that were under discharge when the UN independent inspection agents were withdrawn from Iraq, as well as goods that were discharged after departure of the inspection agents.

### **Local procurement**

Iraq is expected to have a bumper wheat harvest, on the scale of last year. Despite our efforts last year, we failed to secure the agreement of all parties concerned regarding the necessary arrangements to purchase wheat locally. I do hope that arrangements can be worked out soon to purchase wheat locally, pursuant to the provisions of paragraph 4 (i) of resolution 1472 (2003). We will keep the Council informed once the arrangements are worked out. I hope also that we will be able to purchase other locally produced goods. This would help to jump-start the local economy and provide significant employment opportunities.

### **Phase XIII of the humanitarian programme**

Since the start of the humanitarian programme in December 1996, the Iraqi people have become more dependent than ever on supplies provided under the programme, particularly with regard to essential food and medical supplies. Before the war, 560,000 metric tons of food rations valued at \$212 million were being delivered nationwide every month. Over 90 per cent of the population relied on the monthly food basket. In fact, for 60 per cent of the population, those rations had been the main source of income. Reliance will not stop as of 3 June 2003, when the current phase XIII of the programme comes to an end. If anything, with the current uncertainties and difficulties, the Iraqi people will be even more dependent, unless there is quick economic recovery.

Whatever decisions the Council may wish to take with regard to the future status of the programme, it would be advisable to ensure that modifications to the programme are introduced gradually to avoid any further disruptions in the day-to-day lives of the Iraqi people.

I should like to appeal to all concerned to give priority to the interests of the Iraqi people above all other considerations. The Iraqi people have suffered far too long. They deserve better and actions to alleviate their suffering must not be postponed.