

**REPORT OF THE SECRETARY-GENERAL**  
**PURSUANT TO PARAGRAPH 5**  
**OF SECURITY COUNCIL RESOLUTION 1302 (2000) OF 8 JUNE 2000**  
**(S/2000/1132)**

**Introductory statement by**

**Benon V. Sevan**

**Executive Director of the Iraq Programme**

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

**held on Monday, 4 December 2000**

Mr. President,

I have the honour to introduce the report of the Secretary-General, contained in document S/2000/1132, submitted to the Security Council pursuant to paragraph 5 of resolution 1302 (2000) of 8 June 2000. It is a comprehensive report, with details on progress made in the implementation of the programme as well as difficulties encountered. The cut-off date for data contained in the report is 31 October 2000. With only one day left for the end of the current phase VIII of the programme, I will provide you with an update of the information contained in the report, as at 30 November.

Although the date for the submission of the report was set six months ago by resolution 1302 (2000), the consideration of the report by Security Council today comes at a moment when the implementation of the humanitarian programme in Iraq has become politicized, more than ever, as reflected in recent developments with which everyone is fully familiar and preoccupied. I do hope that the consideration of the report will provide an opportunity to the Council to address the difficulties presently encountered. I should also like to reiterate the appeal to all concerned to make a determined and concerted effort to maintain the humanitarian identity of the programme, distinct from all other activities concerning Iraq.

**Revenue**

In light of some confusing and contradictory statements made recently regarding the funding level and the utilization of funds under the oil-for-food programme, I feel obliged to provide the Council with detailed information on the subject.

As at 1 December 2000, the cumulative total proceeds received and confirmed to be received were \$37,116,019,599 billion. The proceeds have been distributed, pursuant to relevant resolutions of the Security Council, as follows:

ESB (53 per cent) account for central/southern Iraq	\$19,241,537,859
ESC (13 per cent) account for the three northern governorates	\$ 4,653,246,159
ESD (2.2 per cent) account for administrative and operational costs 792,841,558	\$
ESE (UNSCOM/UNMOVIC)	\$ 268,814,452
CWA (Compensation Commission)	\$11,054,489,576
RWA (Security Council resolution 778 (1992) escrow account (suspended during phases VII and VIII)	\$ 119,500,167
ESF (Transportation costs in Turkey)	\$ 985,589,167

We need to revise downwards the phase VIII revenue estimates given in paragraph 2 of the report, in light of Iraq's decision to stop exporting oil, as at midnight, on 30 November. Accordingly, a total of 306 vessels were loaded during the current phase, with a total of 376 million barrels of oil worth \$9.7 billion at current prices. Under the present phase, a total of \$6,371,580,000 will be made available for the humanitarian programme, instead of the estimated \$6.9 billion, mentioned in paragraph 2 of the report of the Secretary-General.

As stated in paragraph 7 of the report, the total quantity of oil approved for export under those contracts corresponded to approximately 432.6 million barrels for the present phase, with an estimated revenue of \$10.3 billion (including pipeline fees if all contracts were executed, at current prices). Had Iraq continued to export oil during the five remaining days of the present phase, about \$500 million additional revenue would have been received under the oil-for-food programme.

The volume of Iraqi crude oil exported during phase VIII is 32.5 million barrels higher than the volume exported during phase VII, but 14 million barrels lower than the record of exports during phase VI (389.6 million barrels).

As for the reasons for the cessation of oil exports at midnight, 30 November, everyone is aware of the proposal made by Iraq, the recommendations made by the UN Oil Overseers in the Office of the Iraq Programme, and the decision taken by the 661 Committee. I therefore do not wish to go into details on this matter, except to give assurances that we have kept in close touch with the State Oil Marketing Organization of Iraq (SOMO) through the weekend and we are in fact continuing our discussions as I speak this morning.

We will do our utmost to resolve the difficulties encountered, which I hope are of a temporary nature. As we all know, other related issues covered under the relevant Security Council resolutions have compounded the difficulties involved in reaching an agreement on the pricing mechanism for the month of December. It is essential to adopt a Cartesian approach and find a pragmatic solution in order to ensure the resumption of oil exports for the sake of the Iraqi people.

### **Revenues available for additional contracts as at 30 November 2000**

As at 30 November, the United Nations Iraq account had a balance of \$12.2 billion, under the 53 per cent account, of which \$6.4 billion was committed for letters of credit that are issued and outstanding, \$267 million was segregated for transportation cost, and \$112.5 million is to be transferred to the appropriate accounts pursuant to resolution 986 (1995).

We also had \$779.5 million worth of letters of credit pending with BNP-Paribas at different stages of issuance. This figure includes the \$607 million covering 302 approved applications, awaiting action by the Central Bank of Iraq.

Accordingly, as at 30 November, the United Nations Iraq account had \$4.7 billion still available for issuance of additional letters of credit for new applications submitted for approval under the 53 per cent account.

I do hope this information would clarify the confusion regarding the funds under the custody of the United Nations.

### **Processing and approval of applications**

I should like first to thank the Security Council Committee for having approved a number of suggestions and proposals submitted by the Office of the Iraq Programme, which already have accelerated considerably the rate of processing and approval of applications. I should like to appeal to the Committee to act urgently on a number of other suggestions and proposals submitted by the Secretariat, some going back to February 1999.

As directed by the Secretary-General in paragraph 127 of his report, I will initiate, forthwith, consultations with the Committee and the Government of Iraq with a view to streamlining and improving procedures governing the submission, processing and approval of applications.

### **Processing of applications received under the ESB (53 per cent) account**

I should like to update the status of applications received by the Office of the Iraq Programme, as at 30 November 2000. Since the start of the implementation of the humanitarian programme in December 1996, we have received:

13,038 applications, with a total value of \$20.951 billion.

Out of the total, 10,183 applications, with a total value of \$16.955 billion have been approved by the 661 Committee or notified by the Secretariat, without reference to the Committee, pursuant to paragraph 17 of resolution 1284 (1999).

1,374 applications, with a total value of \$2.521 billion, remain on hold.

Furthermore, a total of 253 applications, valued at \$887 million - which are incomplete or non-compliant, either with the approved distribution plans or the procedures of the Committee - are awaiting processing by the Secretariat, pending submission of the required information and corrections, all by the suppliers.

A further 123 applications, which had been received during November, with a total value of \$377 million, are presently being processed.

### **Supplies delivered to Iraq**

As at 30 November, supplies with a total value of \$8.972 billion have been delivered in complete or partial shipments to Iraq. Additional quantities of supplies, covered under already approved applications, with an estimated value of \$7.983 billion, are in the production and delivery pipeline.

### **Delays in the submission of applications**

Despite some improvement since last month, the rate of submission of applications for phase VIII is still slow for the majority of sectors. With only five days left before the end of the current phase, we had received only 865 applications, valued at \$2.926 billion and comprising only 39.7 per cent of the phase VIII distribution plan budget.

Anyone with experience in negotiating contracts knows well, however, how time consuming such negotiation is, particularly when the number of contracts is so high - many highly complex and of very high value - as is the case for contracts funded under the oil-for-food programme. We need to bear this in mind. However, I say this not as an excuse for some of the inordinate delays experienced in the submission of applications.

We fully recognize that once the Government signs the contracts with its suppliers, responsibility for the submission of applications to the Secretariat lies with the contractors through their respective permanent or observer missions. Undoubtedly there are considerable delays experienced in the chain of contracting between the Government of Iraq and its suppliers as well as submission of applications by the suppliers through their permanent and observer missions. Nevertheless, it is recommended that the Government of Iraq intensify its efforts to expedite contracting and also, insist that its suppliers submit the applications most expeditiously. It would also be helpful if the Government keeps us informed, on a regular basis, on the contracts signed, in advance of the submission of applications. The Office of the Iraq Programme and the United Nations

Office of the Humanitarian Coordinator (UNOHCI) keep the Government of Iraq fully informed on the status of all applications received, at each stage of the process.

### **ESC (13 per cent) account**

Under the ESC (13 per cent) account, the United Nations agencies and programmes involved in the implementation of the humanitarian programme in the three northern governorates of Dahuk, Erbil and Sulaymaniyah, had submitted, as at 30 November, a total of 3,181 applications, of which 3,005, with a total value of \$953 million - excluding food and medicine which are procured by the Government of Iraq under the bulk purchase arrangements - had been approved by the Security Council Committee or notified by the Secretariat, pursuant to paragraph 17 of resolution 1284 (1999). Seven applications, with a total value of \$540,000, remain on hold. Forty applications, with a total value of \$17.8 million, are currently under processing or awaiting further specifications.

### **Oil spare parts and equipment**

Against a total allocation of \$2.4 billion authorized by the Council for oil spare parts and equipment under phases IV to VIII, we have received, as at 30 November, a total of 3,144 applications valued at \$1.833 billion. The total value of the 2,312 applications approved was \$1.240 billion, including also 75 applications valued at \$53.38 million, which were approved by the group of oil experts in the Office of the Iraq Programme, pursuant to paragraph 18 of resolution 1284 (1999).

A total of 554 applications valued at \$332 million, have been placed on hold, while 93 incomplete or noncompliant applications, valued at \$178 million, are still waiting for the submission of additional information, mostly by the suppliers. Eleven applications, worth \$27.3 million, are currently under active processing.

As at 31 October 2000, supplies valued at \$430.9 million had been delivered to Iraq, and supplies valued at about \$775 million, were in the production and delivery pipeline.

It is most regrettable that it took almost four months for the Committee to finally approve, on 1 December 2000, the project-based list of phase VIII oil spare parts and equipment, which we had submitted on 8 August 2000, pursuant to paragraph 18 of resolution 1284 (2000). It is also regrettable that with only five days remaining before the end of the present phase, we have received only four applications for oil spare parts and equipment valued at \$13.3 million, which represents 2.2 per cent of the \$600 million allocated to this sector, under phase VIII.

### **Incomplete and/or noncompliant applications received under the ESB (53 per cent) account**

In his letter dated 3 October 2000 addressed to the President of the Security Council (S/2000/950), the Secretary-General had expressed his very serious concern regarding,

*inter alia*, the large volume of incomplete or noncompliant applications submitted to the Secretariat, which could not be processed pending the receipt of information required from the suppliers and/or the Government of Iraq.

The approval by the Committee, on 20 October, of our proposal to authorize the Secretariat to make corrections in those applications that contain obvious technical errors, has already given good results. The decision of the Committee, together with other measures taken by us internally, has enabled the Contracts Processing Section of the Office of the Iraq Programme, to reduce the number of applications under this category by more than 41 per cent - from 434 on 3 October 2000, to 253 on 30 November 2000. Regrettably, however, the value of applications under the above category increased by about seven per cent during the same period, primarily due to the submission of seven incomplete and/or noncompliant applications of high value, which alone account for 45 per cent of the value of all applications that cannot be processed pending submission of additional information from the suppliers.

In this connection, I wish to welcome the swift action taken by the Government of Iraq to submit all the outstanding amendments to the distribution plans, as required. I very much regret, however, that despite reminders I have sent through letters addressed individually to the 38 applicant missions concerned, the rate of their response has been generally very slow. Thus, a total of 253 applications, valued at \$887 million, cannot be processed until the suppliers concerned provide, through their missions, the additional information requested by the Secretariat.

### **Applications placed on hold**

I should like to thank all concerned who have cooperated and continue to cooperate with us in our efforts to reduce the high volume of holds placed on applications. During a two-month period when we launched a vigorous campaign, starting in April 2000, a total of \$608 million worth of holds were released.

Unfortunately, however, in the meantime the volume of holds has risen drastically - from less than \$1.34 billion in mid-June, to \$2.521 billion as at 30 November, representing 11.4 per cent and 15.01 per cent, respectively, of the value of all applications circulated to the Committee. In his report before you, the Secretary-General has reiterated his continuing concern about the unacceptably high level of the applications placed on hold. As underlined in my letter dated 27 September 2000, addressed to the Chairman of the Committee, we need to launch yet another vigorous campaign to contain and reverse the increase in the number of applications placed on hold, which has been affecting adversely the implementation of the programme in most sectors, particularly in telecommunications, electricity, agriculture, education, oil, and water and sanitation, in which respectively, 45, 34, 23, 22, 21, and 20 per cent of the total value of applications remains on hold.

We will continue to provide the Committee with regular comprehensive and analytical data regarding applications placed on hold, trends in the imposition of holds, programme-

related reasons for the release of holds and the interrelationship of supplies required for given projects and activities. We are also assisting the suppliers as well as the permanent and observer missions in submitting the required information by the holding missions. I should like to emphasize that timely feedback from members of the Committee maintaining holds would enable us to take any additional action that may be required to expedite the release of the holds. The absence of timely feedback, long after the necessary clarifications are provided, may give - and in fact has given - rise to speculation as to the real motive behind the hold placed on an application.

### **Implementation of paragraph 25 of resolution 1284 (1999)**

I should like to welcome the release just recently of holds on a number of applications over which there were differences between the Secretariat experts who disagreed with members of the Committee that the items concerned in such applications were covered under the list of items notifiable under the provisions of resolution 1051 (1996). With the release of holds on some of the applications under this category, the total value of applications remaining on hold was reduced from \$486 million to \$380 million, even though there was an increase in the number of applications placed on hold from 171 to 193. I do appeal to all concerned to review their positions and ensure the release of applications, in particular those concerning trucks so direly needed for the distribution of humanitarian items in all sectors of the programme. The review mechanism has been functioning well and we stand ready to provide any additional information, which may be required by the Committee, in order to have the holds released on the remaining applications.

### **Approvals/releases on condition of monitoring/observation**

I am pleased to note that the measures taken to enhance the United Nations observation mechanism has significantly helped in the approval and/or release from hold by the Committee of 554 applications valued at about \$1 billion, on condition that special targeted monitoring and observation is to be carried out. I should like to express the hope that our regular reports on observation and monitoring of such supplies delivered to Iraq, will encourage the Committee to approve, or release from hold, those applications which contain items that are on the list provided for under resolution 1051 (1996).

### **United Nations observation mechanism**

We have already provided both the Council and its Committee with full details on the enhanced observation mechanism, which was put in place on 20 July this year. We are confident that the strengthened mechanism will meet the reporting needs of both the Council and its Committee.

In this regard, one of the underlying tasks of the new observation mechanism has been to ensure that only those carrying out observation responsibilities in the field are counted

against the 158 observation posts agreed with the Government of Iraq. While many staff members had initially joined both UNOHCI and the various UN agencies and programmes as observers, they have moved into other programme or administrative positions such as reports, programme, finance and administrative officers. Over the past weeks we have been through a cleaning-up process to ensure that staff are posted against their functional duties - either as field observers or as programme/administrative staff. This will free observer's posts to be occupied by those involved strictly in observation tasks, while at the same time ensuring that all other staffing requirements are in place to support the observation process. We will ensure that all observer posts are filled with technical experts to meet the challenges inherent in a vastly expanding and complex programme.

As a result of this exercise, we now have filled 92 out of the 158 observer posts, as follows: 12 with MDOU (Multi-disciplinary Observation Unit/UNOCHI), 40 within the Geographical Observation Unit/UNOHCI, and 40 with the UN agencies and programmes. We have already recruited an additional 18 observers whose visas have just been granted today - 12 for UNOHCI, four for Habitat, and two for the International Telecommunications Union. The Ministry of Foreign Affairs has given us assurances that, as soon as they receive our applications for visas for the remaining observers, they will process them expeditiously. UNOHCI and the UN agencies and programmes have both identified a further 15 candidates for observer posts, who are in an advanced stage of recruitment. We anticipate having a full complement of observers in place in January.

### **Notifications and approvals by the Secretariat**

Pursuant to paragraphs 17 and 18 of resolution 1284 (1999), and paragraph 8 of resolution 1302 (2000), the Secretariat had notified, as at 30 November, that 1,344 applications received, with a total value of \$2.893 billion, were eligible for payment, including seventy-five applications for oil spare parts and equipment with a total value of \$53.38 million, which were approved by the group of oil experts, without circulation to the Committee.

The proven benefits of the implementation of paragraph 17 of resolution 1284 (1999) should encourage all concerned to respond positively to the Secretary-General's strong recommendation for the expansion and extension of the lists and procedures involved under paragraph 17, to all remaining sectors in the distribution plan - beyond the presently covered agriculture, education, food and food handling, health and water/sanitation sectors. The Office of the Iraq Programme is preparing, with the help of UNOHCI and the United Nations agencies and programmes concerned, lists of additional items to be proposed to the Committee for its approval.

While during phase VII a modest start was made in the implementation of paragraph 18 of resolution 1284 (1999), covering applications for oil spare parts and equipment, during the current phase there was not a single application for phase VIII oil spare parts and



equipment approved under that paragraph. First, as stated earlier, because the project-based list of phase VIII oil spare parts and equipment was released only on 1 December, four days before the end of the current phase on 5 December. Second, the Office of the Iraq Programme received only one application for oil spare parts and equipment, as at 30 October. Before the end of the current phase tomorrow, the number of phase VIII applications received stands at four.

Now that the project-based list has been approved, I should like to appeal to the Government of Iraq to take all necessary measures to expedite contracting and, if contracts are already signed, to insist that the suppliers submit their applications most urgently. I should like to assure all concerned that our oil experts will expedite the processing of all applications received for submission to the Committee for its approval, as well as those to be approved in accordance with paragraph 18 of resolution 1284 (1999).

I wish to thank the Committee members concerned for the release of holds they had placed previously on those applications which contained items that were included later in the pre-approved lists pursuant to paragraphs 17 and 18 of resolution 1284 (1999) and paragraph 8 of resolution 1302 (2000).

### **Letters of credit**

I am pleased to inform you that since July 2000, BNP-Paribas has considerably increased the resources allocated to servicing the oil-for-food programme. As a result of the cooperation between the United Nations Treasury and BNP-Paribas, and an intensive effort on the part of all concerned, the letter of credit backlog encountered in July was cleared in August.

As noted in paragraph 50 of the report of the Secretary-General, as at 31 October, there were some 600 approved applications, including 45 for oil spare parts and equipment, with a total value of about \$1.1 billion, awaiting the necessary instructions by the Central Bank of Iraq.

I am pleased to inform the Council that the Government of Iraq has taken measures to ensure that the Central Bank of Iraq acts expeditiously. There has been a major improvement already, with a 50 per cent reduction in the number of approved applications pending issuance of instructions by the Central Bank of Iraq. As at 30 November, out of the \$779.5 worth of letters of credit pending with BNP-Paribas at different stages of issuance, \$607 million worth of letters of credit concerning 302 applications awaited action by the Central Bank of Iraq, down from the \$1.1 billion to which I have just referred.

I do hope that the Government of Iraq will respond positively to the recommendation of the Secretary-General, made in previous reports as well as in paragraph 51 of his report

before you, to deploy to New York a representative of the Central Bank of Iraq, at the appropriate level, in order to expedite activities related to banking arrangements.

### **Commercial protection**

I should like to urge, once again, that the Committee review the options submitted, on 9 July 1999, by the Office of the Iraq Programme (S/AC.25/1999/CN.31), concerning payment clauses for the ESB (53 per cent) account, in order to meet the legitimate need to provide commercial protection for the Iraqi purchasers. This need is all the more pressing in view of the growing volume as well as the greater complexity of the types of supplies increasingly being delivered to Iraq. As a result, despite efforts made by the Government of Iraq to engage reliable suppliers, there is an increase in the number of cases where supplies were not delivered in full, or did not comply with the contracted specifications.

I very much regret to state that for 17 months we have achieved nothing but frustration in seeking a decision by the Committee to allow the inclusion in contracts of provisions for commercial protection - simple, basic, normal and well established legitimate commercial protection against supplies and equipment which may be found to be defective, malfunctioning or not in compliance with the terms of the contract signed and applications approved by the Committee or the Secretariat pursuant to paragraphs 17 and 18 of resolution 1284 (1999). A decision by the Committee on this matter is long overdue.

As I said during my last briefing of the Council on 21 September this year, at present there are no provisions in contracts for performance bonds, despite the size, technical complexity and the value of contracts. We all know well that when our independent inspections agents check and authenticate the supplies arriving at the established crossing points at the border, it is literally impossible for them to open every single box and check each of the items individually, let alone checking the performance of equipment before installation.

To demonstrate clearly my point, I wish to point out that for over two years the impasse over the responsibility for the provision and payment of the complementary items for 1,010 dental chairs valued at \$29 million has not been resolved. This longstanding issue underscores the point I am making - under the present procedures and decisions of the Committee, the supplier has all the protection to receive payment in full once the supplies cross the border into Iraq, and is subject to no commercial penalties for being non-compliant with the terms of a contract it has signed with the Government of Iraq. In contrast, however, the Government of Iraq is allowed no commercial protection in its contracts.

### **Inspection and authentication of humanitarian supplies**

My Office, along with Cotecna and the Treasury, has taken additional measures to improve the transmission of electronic data from the four border entry points to the oil-

for-food database and electronic certification of authentications. These measures are expected to reduce considerably the time and resources required for finalizing the process of payments to the suppliers. However, the lamentable state of facilities at the port of Umm Qasr has caused considerable delays in the authentication of the goods delivered, which adversely affect both parties to the contract. Recently, the last remaining functioning container forklift was disabled and, consequently, cargo is accumulating in the already congested port. In addition, the lack of available trucks to remove such cargo from the port has further exacerbated the already congested port. None of the items in the \$28.5 million worth of contracts so far approved for the rehabilitation of Umm Qasr port has arrived in Iraq, due to a variety of factors, such as late contracting, delays in the submission and approval of applications as well as the time required for manufacturing and delivery of the supplies involved. Meanwhile, 10 applications with a total value of \$15.1 million, for the procurement of fire fighting vehicles, boats, trailer loaders and suction dredges, remain on hold.

### **Cash component**

As stated by the Secretary-General and recognized by all concerned, the absence of an appropriate cash component, essential for all sectors, has increasingly hampered the implementation of the programme. Unless we resolve the impasse soon, we will face serious difficulties in the effective implementation of the programme. As directed by the Secretary-General, the Humanitarian Coordinator and I have intensified our efforts to find a pragmatic mechanism, which will be acceptable to all concerned. Recent developments regarding the oil sector to which I alluded earlier in my statement, further underscores the urgency of this matter.

### **Internally displaced persons**

We continue to be gravely concerned with the increasing numbers of internally displaced persons (IDPs) in the three northern governorates of Dahuk, Erbil and Sulaymaniyah, both due to previous conflicts among the various factions in the north as well as those coming from the center/south.

A number of measures are underway to alleviate the plight of the IDPs. The Habitat survey of IDPs, coupled with the independent technical evaluation of the resettlement sector, both of which are nearing completion, will enable us to assess more clearly the progress made to date and to determine ways of accelerating the provision of housing to vulnerable groups in the context of viable communities. We have also made arrangements for the United Nations Office for Project Services (UNOPS) to provide, as an activity distinct from the mine action programme, an emergency relief organization with the necessary planning and logistics capacity to respond far more rapidly and in a well-coordinated manner to such abominable living conditions at the Kani Shaitan Camp and other locations, which I had described during my briefing of the Council, on 21 September.

While there has been no change in our understanding with the local authorities on the eventual closure of the Kani Shaitan Camp, the construction of 150 houses at Chamchamal for some of the 220 families in the camp, which was scheduled for completion by mid-October, was unfortunately delayed due to difficulties in providing construction materials. These houses are now nearing completion, and the lists of the intended occupants are being prepared by Habitat in consultation with the local authorities. Work continues on a second project for 240 houses that will accommodate the remaining residents of the camp. In the interim, we are consulting with the local authorities on an alternate campsite at Chamchamal, which will be closed once all occupants have been housed.

Unfortunately, however, the number of families at the Kani Shaitan Camp appears to be increasing. I should like to assure the Council that the inter-agency humanitarian programme will spare no effort to meet the humanitarian needs of the displaced persons. In order to address the immediate needs of the IDPs in the coming winter, we are implementing a specific project to provide tents, heaters and blankets. Addressing their needs is not sufficient, however. What is required is to address the causes that create the displacement. I should like to encourage all factions in the north to continue to refrain from activities that could cause an increase in the number of IDPs. The Government of Iraq should also take urgent measures to stop the inflow of IDPs into the north.

### **Inter-agency cooperation**

I am pleased to inform you that there is a very good inter-agency cooperation among all organizations of the United Nations system involved in the implementation of the programme, both in the field as well as at the headquarters level. We had a very productive inter-agency meeting in New York on 17 and 18 October, convened by the Deputy Secretary-General, with participation of the Humanitarian Coordinator and the representatives of all the agencies and programmes in Iraq, as well as those of us working at our respective headquarters.

The meeting was convened to take stock of four years of implementation of the programme, to identify any additional requirements as well as obstacles in the way of its improved implementation and to adopt measures to address the problems encountered. All participants shared the view that it was indeed a very constructive meeting, which will further strengthen the implementation of the programme as well as inter-agency cooperation.

In view of the growing scale of the inter-agency humanitarian programme in the three northern governorates, the United Nations is undertaking broader range of activities to address immediate and underlying causes of continuing humanitarian problems. In that connection, the multi-sectoral planning and coordinating capacity of UNOHCI is being strengthened. The agencies and programmes are also continuing to improve their

implementation capacity as well as providing local institutions with training and other resources needed to support and sustain their activities.

### **Safety and security of staff in Iraq**

In connection with the tragic event that took place in June within the premises of the FAO office in Baghdad, where two staff members were killed and eight persons, including four United Nations staff, sustained injuries, I wish to inform the Council that a criminal court in Baghdad is presently considering the case. The United Nations representatives are present during the court proceedings. In consultation with the United Nations, the Government of Iraq has taken the additional measures necessary for the safety and security of the United Nations personnel.

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Mr. President,

As stated in the report before you, undoubtedly the humanitarian situation in Iraq has generally improved since the inception of the programme, but the lives of the ordinary Iraqis have not improved commensurately. The absence of normal economic activity has given rise to the spread of deep-seated poverty, to a point where to most Iraqis the monthly food rations represent the largest proportion of their income. Without the necessary purchasing power, they are forced to either barter or sell items from the food basket in order to meet their other essential needs. As recommended by the Secretary-General, consideration should be given by the Government of Iraq to include in the next distribution plan, the provision of supplies to meet the more specific needs of the poorest among the poor within the population. To meet these specific needs, the Government may wish to further consider the establishment of a new social sector under the programme that would, *inter alia*, include, augment and enhance activities already being undertaken by the Ministry of Labour and Social Affairs.

In conclusion, I should like to end by stating the obvious. By its very nature, the humanitarian programme in Iraq involves decisions and actions as well as interaction among all concerned. The commitment to the programme and cooperation of all are essential in order to ensure the full potential of the programme. It is in this spirit that I should like to reiterate the appeal of the Secretary-General for a renewed and concerted effort by all towards alleviating the plight of the Iraqi people.

Before ending my statement, I should like to pay tribute to the Chairman of the 661 Committee, His Excellency Amb. Peter van Walsum of the Netherlands, for his distinguished leadership of the Committee. It has indeed been a privilege and an honour to work very closely with him and also enjoy his friendship. I should also like to express my sincere gratitude for all his guidance and support, as well as his delegation's support and cooperation. I said it once, and I should like to repeat it: I truly admire his ocean of patience in chairing the 661 Committee.

I also wish to thank all members of the Council and the Committee for their support and cooperation in the difficult and demanding tasks entrusted to the Office of the Iraq Programme.