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**STATEMENT BY**

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**EXECUTIVE DIRECTOR OF THE IRAQ**

**PROGRAMME**

**AT THE INFORMAL CONSULTATIONS OF THE  
SECURITY COUNCIL**

**TUESDAY, 19 NOVEMBER 2002**

Mr. President,

The Security Council has before it the [report of the Secretary-General](#) pursuant to paragraphs 7 and 8 of resolution 1409 (2002), which focuses on three main areas: (1) achievements made through the programme in improving the humanitarian situation in Iraq, as well as referring to some of the shortcomings and difficulties faced; (2) the persistent revenue shortfall for the implementation of the programme, which now stands at \$3.1 billion; and (3) an assessment of the implementation of the new set of procedures for the processing and review of contracts for humanitarian supplies, introduced under resolution 1409 (2002) in May of this year, based on the Goods Review List.

We have also made available to the members of the Council a rather lengthy [Note by the Office of the Iraq Programme](#), which reviews and describes developments in the implementation of the humanitarian programme Iraq.

I should also like to make available to the members of the Council a copy of the letter dated 12 November 2002 from the Permanent Representative of Iraq to the United Nations addressed to me in response to my letter of 15 October, requesting the Government's views concerning the implementation of the Goods Review List and its procedures. The letter from the Permanent Representative was received after the finalization of the report of the Secretary-General and therefore could not be taken into account in the assessment provided by the Secretary-General pursuant to paragraph 8 of resolution 1409 (2002).

In view of the comprehensive information provided to the Council in the report of the Secretary-General and the Note by the Office of the Iraq Programme, I will refrain from going into further detail, except to raise with you three matters, which are not covered in the report and the Note before the Council.

**Commercial Protection**

Mr. President,

At the risk of sounding like a broken record, I feel duty bound to reiterate yet again that it is essential to provide commercial protection for the Iraqi buyers, the absence of which has long plagued the implementation of the humanitarian programme in the centre/south of Iraq. Supplies purchased under bulk procurement agreements, particularly medicines, also impact on programme activities in the three northern governorates. As detailed in the previous Note by the Office of the Iraq Programme, dated 19 September 2002, pharmaceuticals and medical supplies are delivered with short shelf life; high protein biscuits and therapeutic milk that fail quality control; items with essential components missing or defective; equipment delivered but not assembled; vehicles, machines and spare parts delivered in a damaged condition or with wrong technical specification; foodstuffs that, while being safe for human consumption, are of an inferior quality to that contracted. These are all largely due to the lack of commercial protection. The only protection given under the present procedures is to the suppliers who get paid once it is authenticated by the independent inspection agents that the supplies had been delivered to Iraq. However, under the present procedures, the Government of Iraq is not allowed to include commercial protection provisions in the contracts signed with its suppliers.

The Office of the Iraq Programme has submitted to the Security Council Committee established by resolution 661 (1990), proposals in that regard since July 1999.

I should like to reiterate the repeated calls by the Secretary-General for allowing the inclusion of standard commercial protection provisions in the contracts signed by the Government of Iraq.

### **Revenues Across all Phases**

The current arrangement by which revenues allocated to the humanitarian programme during a given phase are tied up to applications submitted only under that particular phase, is causing enormous difficulties for the efficient utilization of resources, particularly at a time when gross funding shortfalls exist. The task of transferring approved applications from one phase to another in order to be funded from the occasional balances that become available due to cancellation of approved contracts in the latter phases, has become very cumbersome and time consuming. This factor, together with distortions caused by the substantial difference between anticipated revenues and the actual proceeds, as well as the greatly varied rate of submission and/or approval of applications among various sectors, has resulted in major disparities in the availability of funds to different sectors of the programme.

The management of the funding process would be greatly facilitated if all allocated revenues were to be treated as one single source for funding applications approved under any phase, in accordance with the order of priority established by the Government of Iraq.

I should like to appeal to the Council to agree with this proposal, which did not appear to be objectionable to the participants at the recent informal meeting of the 661 Committee, last September.

### **Reimbursements from ESC (13 per cent) Account**

The practice of post-delivery reimbursement to the ESB (59 per cent) Account from the ESC account for the cost of food and medicines delivered to the three northern governorates has also added to the financial burden on the ESB account. Currently, all funds for the bulk-purchase contracts are committed in the ESB account upon issuance of approval letters, while reimbursements from the ESC account are withheld until such time that the food and medicine have been delivered to the three northern governorates.

I should like to propose that the Security Council authorise that ESC funds, corresponding to the cost of goods destined to the northern governorates, be committed upon the approval of the relevant applications, similar to the procedure currently applied to the commitment of funds for the approved contracts in the oil spare parts and equipment sector. This would make available to the ESB account some \$500 million for issuing approval letters for approved applications that remain un-funded.

### **United Nations Guards Contingent in Iraq**

I also feel duty bound to bring to the Council's attention a matter of grave concern with regard to the funding of the United Nations Guards Contingent in Iraq (UNGCI) in the three northern governorates of Iraq, which is funded entirely by voluntary contributions. The annual budget of the UNGCI is about \$3 million.

At present, UNGCI is composed of 89 members, including military and police officers from Bangladesh, the Czech Republic, Fiji, Greece, Kenya, Nepal, Philippines, Poland and Slovakia. The Chief of the UNGCI is the only international staff member paid by the UNGCI budget. The rest of the Guards receive only their daily allowance.

UNGCI plays an essential role in supporting the implementation of the humanitarian programme in the three northern governorates, through security advice and assessments – including in particular in expanding humanitarian activities into new areas – and the provision of protection and security to United Nations personnel, property and assets.

Furthermore, UNGCI is the only provider of medical services (including emergency medical evacuation) to United Nations personnel in the region. It also provides a communications network to the United Nations system in the three northern governorates, including daily security checks on staff members. As at yesterday there were over 500 international staff in the three northern governorates, in addition to close to 2,500 national staff.

The implementation of the programme in northern Iraq, where the safety and security of the United Nations personnel is particularly fragile, would not be possible without the protection and security provided to them by the UNGCI. The continuation of the work of UNGCI is now threatened by lack of financial support. Unless voluntary contributions are received urgently, UNGCI operations will have to be ceased by early February 2003.

I must therefore today make one last appeal to Member States to urgently provide the necessary financial support for the UNGCI operations.

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I should like to take this opportunity to express, also on behalf of all my colleagues, our deep appreciation to the distinguished Chairman of the Security Council Committee, H.E. Ambassador Ole Peter Kolby, and members of his delegation for all their support and cooperation. Likewise, I should like to express our appreciation to the members of the Council and the Committee for their support and cooperation.

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Finally, Mr. President, I should like to end my statement by reiterating the appeal of the Secretary-General that while, understandably, the current discussions are focused on the resumption of the weapons inspection regime, that all concerned also focus attention on the humanitarian dimension and spare no effort in meeting the dire humanitarian needs of the Iraqi people.

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