

GENERAL UPDATE ON HOLDS

5 September 2001

As of 5 September 2001, there were 1,505 applications on hold worth US\$3.802M. That level of holds represents 15.8% of all applications circulated to the 661 Sanctions Committee or 12.4% of all applications circulated to the Committee AND notified by the Secretariat.

Chart I shows changes in the level of holds for the past year. The general trend is upwards, with occasional decreases resulting either from the release of large number of applications from hold at the same time (as in June 2001) or the release of several high-value applications during the same week (like in July 2001). It should be noted that, although the absolute value of holds keeps going up, the relative size of holds has gone up very slowly. In the last two weeks, the number of holds decreased slightly, but only because a number of contracts on hold were cancelled at the request of the Government of Iraq.

Table 1 shows the status of applications as of 5 September 2001, all sectors and all phases. The highest percentage of holds is in Water and Sanitation, with 31.3% (29.3) of the applications for that sector currently on hold. The next two sectors are Electricity, with 27.3% (27.3), and Education, with 25.5% (21.7). There are no holds in the Food Basket sector as all applications are notified by the Secretariat; in contrast, the Special Allocation sector, with only 7 applications, has all of them on hold at the moment. The lowest level of holds are to be found in the Housing, Food handling and Agriculture sectors, with 7.6% (6.5), 12.6% (12) and 16.6% (15) respectively.

Tables 2 and 3 provide a breakdown of applications on hold, grouped according to the reason given for the hold.

A total of 651 applications are on hold for technical and other kinds of information, including end-use and end-user specifications. It is the largest group, comprising 43% of the holds. The next group is the one including 531 applications on hold because they contain goods on the 1051 list. The next major category, accounting for 12% of the holds, is the WMD dual use, or simply "dual use" reason, which has increased lately. These are the three main categories of holds, and they are further broken down in Table 3. For example, in spite of OIP efforts to provide detailed explanations and clarifications, there are still 211 applications on hold where the 1051 assessment between the Secretariat and the Committee members' experts differs. Table 3 also breaks down the main category, which is the request for additional information, mainly technical specifications. This category, as noted, comprises 651 applications. Of that number, information has been provided to the holder missions for 282 of those applications and they still remain on hold while we wait for some feedback from the holding missions.

Table 4 provides further details on all the holds from another point of view. In the first two categories, additional information has been requested (whatever the main reason for hold was). In the first column, no such

information has been provided despite the fact that it might lift the hold. The second column shows 415 applications for which information has been forwarded, but which remain on hold. The last group of 583 applications remains on hold for various reasons, but reason does not include any request for information.

Prepared by:
Contracts Processing Section/OIP

Table 1 - All applications for all phases, as at 5 September 2001

Sector	Applications Received		Notified/Approved by th UN Secretariat		Under Processing		Non compliant applications		Inactive applications		Applications Circulated to Committee*		Applications Pending at the Committee		Applications Approved by Committee		Block Null/Void	Applications On Hold		On Hold**	On Hold***
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	No.	Value	%	%
Agriculture	1,689	2,893,818,434	155	259,647,078	5	5,641,925	60	105,834,925	14	17,260,676	1,245	2,505,433,830	1	70,971	1,076	2,088,802,454	210	168	416,560,406	16.63%	15.07%
Communication /Transportation	677	1,689,078,849	0	0	9	50,478,653	40	149,454,599	18	35,066,237	583	1,454,079,360	8	21,387,194	469	1,104,586,776	27	106	328,105,390	22.56%	22.56%
Education	605	843,013,999	59	117,689,489	6	6,909,108	6	19,960,475	8	12,615,013	439	685,839,914	1	188,405	344	510,725,662	87	94	174,925,848	25.51%	21.77%
Electricity	1,798	3,919,105,881	1	432,458	5	48,720,775	7	210,483,303	30	25,447,125	1,636	3,634,022,219	4	105,139,976	1,472	2,535,304,181	119	160	993,578,062	27.34%	27.34%
Food	3,077	10,550,311,014	1,404	4,736,238,458	3	1,998,605	3	1,321,008	0	0	1,366	5,810,752,943	0	0	1,366	5,810,752,943	301	0	0	0.00%	0.00%
Food handling	1,335	2,801,362,608	147	113,723,068	4	4,931,430	22	187,149,247	5	10,647,673	1,013	2,484,911,190	2	16,143,792	898	2,155,725,810	144	113	313,041,589	12.60%	12.05%
Health	3,204	2,643,893,237	700	482,072,956	6	12,904,425	29	150,030,131	15	13,813,069	2,162	1,985,072,657	2	153,933	1,980	1,599,230,015	292	180	385,688,710	19.43%	15.63%
Housing	885	2,006,562,690	84	264,685,249	7	31,182,643	21	37,114,930	5	5,135,142	680	1,668,444,726	4	1,974,236	595	1,539,309,030	88	81	127,161,460	7.62%	6.58%
Special Allocations	28	344,029,665	0	0	0	0	21	281,886,463	0	0	7	62,143,202	0	0	0	0	0	7	62,143,202	100.00%	100.00%
Water & Sanitation	803	1,818,983,074	26	107,039,617	8	78,930,589	15	40,078,652	5	10,456,827	671	1,582,477,389	1	90,302	542	1,087,114,627	78	128	495,272,460	31.30%	29.31%
Total Humanitarian	14,101	28,510,159,451	2,576	6,081,528,373	53	241,698,152	224	1,183,313,732	100	130,441,763	9,802	21,873,177,432	23	145,148,809	8,742	18,431,551,496	1,346	1,037	3,296,477,126	15.07%	11.79%
Oil Spares	4,424	3,217,393,090	558	580,934,103	280	339,795,508	144	166,895,287	33	12,629,262	3,234	2,117,138,931	0	0	2,766	1,611,161,278	175	468	505,977,653	23.90%	18.75%
Grand Total	18,525	32,727,552,542	3,134	6,662,462,476	333	581,483,660	368	1,350,209,019	133	143,071,025	13,036	23,990,316,363	23	145,148,809	11,508	20,042,712,774	1,521	1,505	3,802,454,780	15.85%	12.40%

*Circulated to Committee = Approved by Committee + Pending + On Hold

**Holds as percentage of the value circulated

***Holds as percentage of the value circulated+value Notified/OIP Approved

Table 2 Percentages of Holds, all sectors and phases as at 5 September 2001

Main reason for Hold	Number of Applications	Value in US \$	%
Additional information / Technical Specifications	651	1,863,251,698.35	43%
Goods on 1051 list	531	1,485,378,482.97	35%
Dual Use and WMD/Dual use	175	273,029,571.70	12%
Pending further consideration	79	\$64,702,686.48	5%
"Basrah"	52	20,623,011.13	3%
Other	27	24,443,855.09	2%
TOTAL	1515	3,731,429,305.72	100%

Table 3: Holds as at 5 September 2001 - Breakdown per category

CATEGORY (Reason for hold)*	# of applications	Value in US\$
Goods on the 1051 list (as determined by both the Secretariat and the Committee)	221	816,470,959.57
Goods on the 1051 list as determined by the Committee only(after 1 Feb 2000)	211	\$581,151,920.29
Goods on the 1051 list ('legacy' applications received prior to 1 Feb 2000)	99	\$87,755,603.11
Weapons of Mass Destruction (WMD) / Dual use	115	\$105,174,028.43
Dual use	60	\$167,855,543.23
Additional information required OKINFO (Information has been provided)	282	903,170,252.23
NOINFO (No information provided)	369	\$960,081,446.12
Pending further consideration	79	\$64,702,686.48
"Purchase not directly related to the repair of Iraqi oil infrastructure for the purpose of increasing exports under SCR 986" **	52	\$20,623,011.13
Other reasons ***	27	\$24,443,855.09
TOTAL	1515	\$3,731,429,305.68

* See additional sheet for inclusion criteria

** Only for oil spare parts applications

*** Mainly includes applications on hold in phases III and IV (no classification)

Holds -- Action taken
according to CPS records

Table 4

TOTAL	Add. information requested/ not yet provided	Add. information requested/ provided*	Applications with no request for add. information
1,515	517	415	583
\$3,731,429,306	\$1,551,432,668	\$1,451,544,072	\$728,452,566

Total # of applications where additional information has been requested: 932

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