

## WEEEEKLY HOLDS UPDATE

Week 28 September – 5 October 2001

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Contracts Processing & Monitoring Division (CPMD)

### HIGHLIGHTS

- **The level of holds remains almost unchanged from last week**
- **New initiatives to reduce number of applications on hold**
- **661 Committee to meet on 22 October on end use verification database and holds in Agriculture Sector**

1. The holds stand at **US\$3,897.5M** or US\$1.0M more compared to US\$3,896.5.0M last week.

2. The total number of applications on hold is **1,456 (to include 999 humanitarian and 457 oil spare parts applications)** or 9 less than last week. The relative value of holds was identical to the values last week -- **15.9 percent** of the total value circulated to the Committee or **12.4 per cent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists (15.9 and 12.4 per cent respectively last week).

3. The value of oil spare parts applications on hold was marginally higher in comparison to last week's, with the total value of **US\$521.6M** on hold this week and US\$516.0M last week.

**4. GENERAL TRENDS:** It appears that the downward trend observed for the past two weeks has stopped. Although there were no applications due for approval (and, therefore, no holds) for two days last week, the new holds for three days still exceeded the releases. It is yet to be seen if the new initiative (see para 6 below) will succeed in keeping the downward trend or the level of holds will rise again.

**5. VEHICLES RELEASED, PLACED ON HOLD** As reported earlier three comms placed on hold the previous week by the UK and worth total of \$18.3M for buses and vehicles (1000264, 1000265 and 702751) were released Monday, constituting a large portion of releases last week (\$58.1M). At the same time, several high-value applications --to include a single-highest value -- were placed on hold last week. In most cases, it was specified that the objection was not to the vehicles themselves but there was need for additional information on specific spare parts. These comms included:

<b>901770(T)</b>	<b>\$21.38M</b>	<b>BUSES</b>	Specs on valves, tool kits
<b>1000147(T)</b>	<b>\$ 8.93M</b>	<b>TRAILER TRUCKS</b>	Drawings, list of tools
<b>901690(H)</b>	<b>\$ 2.82M</b>	<b>WHEEL LOADERS</b>	Specs on spare parts
<b>730947(O)</b>	<b>\$ 1.47M</b>	<b>TRUCKS</b>	Specs on parts

**6. NEW INITIATIVE TO REDUCE THE NUMBER OF APPLICATIONS ON HOLD:**

On 1 October 2001 the Executive Director forwarded letters to 31 permanent missions informing them on (248) applications that remain on hold in excess of 60 days due to the fact that the requested information has not been provided. The suppliers were given two weeks to provide the requested information or their applications would be transferred to a newly created "dormant" category of holds until such information is provided. On 2 October the Executive Director also sent a letter to the holding missions on 231 applications that remain on hold in excess of 60 days after the requested information had been provided but with no feedback from the holding mission, as well as the list of 56 applications on hold for "pending further consideration" for more than 60 days. The holding missions were asked to either lift hold or further elaborate on the reason for hold as to allow for additional steps to be taken. OIP will inform the Committee on the progress in two-week time. The relevant tables have been shared with the Permanent Representative of Iraq with the request to assist in provision of pending information, in particular end-use/user details where applicable.

**7. 661 COMMITTEE TO MEET ON HOLDS IN AGRICULTURE SECTOR, END USE VERIFICATION DATABASE:**

The Committee is tentatively scheduled to meet on 22 October 2001 to discuss holds in Agriculture sector. OIP/CPMD prepared the usual update on holds in the sector with brief analysis and will share the documents with the colleagues in the agriculture SWG. At the request of the Committee's Chairman, during the same meeting OIP/CPMD will also brief the Committee on the new end-use verification database.

**8. Total of 36 applications worth US\$58.1M** was released last week. Apart from the released vehicles mentioned above, other releases included:

<b>702336(L)</b>	<b>\$13.45M</b>	TRANSFORMER SUBSTATION
<b>801504(H)</b>	<b>\$ 8.25M</b>	PARTS FOR CEMENT FACTORY
<b>800775(A)</b>	<b>\$ 7.05M</b>	CENTER PIVOT IRRIGATION SYSTEM
<b>701464(A)</b>	<b>\$ 1.76M</b>	CATALYST
<b>730880(O)</b>	<b>\$ 1.44M</b>	MAINTENANCE SPARES & EQUIPMENT
<b>802433(H)</b>	<b>\$ 1.41M</b>	CASTING
<b>802275(M)</b>	<b>\$ 1.04M</b>	PUMPS SPARE PARTS
<b>702388(M)</b>	<b>\$ 0.55M</b>	SDI EQUIPMENT

**9. Total of 30 applications worth US\$63.0M** was placed on hold during the last week. Apart from holds on vehicles mentioned above, holds included the following applications:

<b>802812(M)</b>	<b>\$ 7.40M</b>	LINEAR ACCELERATOR	Specs on valves, pumps
<b>901774(M)</b>	<b>\$ 4.66M</b>	DENATAL EQ	PFE
<b>830653(O)</b>	<b>\$ 2.98M</b>	MAINTENANCE EQ	Material comp, specs
<b>930313(O)</b>	<b>\$ 2.13M</b>	TRUCK CRANE	Specs on crane, pumps
<b>930314(O)</b>	<b>\$ 1.48M</b>	TRUCK CRANE	Specs on crane, pumps
<b>801787(H)</b>	<b>\$ 1.70M</b>	WATER TANKER	Specs on tank, spare parts

Also placed on hold are three comms in education sector (802807, 802809 and 802811) for teaching laboratories worth total of \$0.8M.