

WEEEEKLY HOLDS UPDATE
Week 7-14 June 2002

Prepared by: Office of Iraq Programme
Contracts Processing & Monitoring Division (CPMD)

HIGHLIGHTS:

- **Further changes in processing of applications under SCR 1409(2002) to be introduced 1 July 2002**
- **Releases, null-and-voids top new holds by some \$12 million**
- **A \$23 million application released from hold in agriculture sector**

1. IMPLEMENTATION OF SCR 1409(2002): The Contracts Processing and Monitoring Division (CPMD) of the Office of Iraq Programme (OIP) has made a considerable progress in preparations for full implementation of the new procedures adopted by resolution 1409(2002). While changes to the database and training of staff continue, CPMD was in a position to set some definite deadlines, as follows. On 1 July 2002 OIP/CPMD will start accepting only applications submitted in a new format. Shortly after that, OIP/CPMD will stop circulating applications under the “old” system. New applications, provided they meet pre-registration criteria, will be registered (i.e. comm. numbers will be issued) and the OIP review will start during the first two weeks of July. The applications are expected to be sent for GRL review on or around 15 July 2002, marking the full implementation of the new procedures. It is expected that first applications (not containing any GRL items) will be approved under the new procedures around 22 July 2002. Due to fewer circulations and few, if any, new holds, the level of holds is expected to start decreasing through releases by holding missions and null-and-void procedure. At the same time, the release of first applications currently on hold and re-processed under paragraph 18 of the new procedures is expected on or around 22 July 2002, further contributing to decrease in the level of holds. Finally, due to the compulsory 10-day “reconsideration” period granted to suppliers under the new procedures, the first GRL items that require circulation to the 661 Committee are expected to be forwarded to the 661 Committee in early August. Until then, circulation to the Committee will include only amendment and corrections, where required, and a small number of applications currently in the pipeline for non-compliance with contractual requirements, provided the requested changes are made to the contract. OIP/CPMD will continue notifying applications for food basket items without any delay throughout this period.

2. The level of holds stands at **\$5,167.4 million** this week. The grand total is marginally lower (by some \$12 million) in comparison to the previous week’s total of \$5,179.4 million.

3. The total number of 59% account applications on hold is **2,119 (to include 1,444 humanitarian and 675 oil spare parts applications)** or 3 less than 2,122 last week. The relative value of holds is identical to the last week’s with **17.7 per cent** of the total value circulated to the Committee and **13.2 per cent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists was (17.8 and 13.2 respectively during the previous week).

4. **GENERAL TRENDS:** Another uneventful week with somewhat higher level of releases. The overall level of holds remains the same but it is expected to fall after 1 July 2002.

5. **A HIGH-VALUE APPLICATION IN AGRICULTURE SECTOR RELEASED FROM HOLD:** A \$26.93 million application (**comm. 1000956**) for Caterpillar Shovels (tires) in agriculture sector was released from hold following provision of requested information. This comm. accounts for most of the value released from hold last week (60%).

6. Total of **23 applications worth \$45.27 million** were released last week. Apart from the equipment valued \$27 million released from hold in the agriculture sector (as in para 5 above), the releases, *inter alia*, included:

1030767(O)	\$4.54M	Electrical Equipment
901398(H)	\$2.99M	Slipform Materials
802514(A)	\$2.34M	Tanneries/parts
901917(T)	\$1.9M	Chillers
930613(O)	\$1.57M	Overhaul of turbines
701575(WS)	\$1.46M	Chlorinators

7. Total of **19 applications worth \$33.1 million** was placed on hold during the last week. The new holds, *inter alia*, included:

1002148(A)	\$10.04M	Gen-sets	Detailed EU/EU info
1100984(E)	\$ 8.25M	Computers	Detailed EU/EU info, downgrade
1002103(A)	\$ 5.73M	Irrig. System	Specs on pumps, valves...
902021(M)	\$ 1.76M	Tablet production. eq.	WMD DU, specs.
1100153(T)	\$ 1.33M	Forklifts	Specs on pumps, valves, kits
11001122(M)	\$ 1.06M	Med. Appliances	WMD DU (1 item)
1002122(Q)	\$ 1.03M	Weighbridge	WMD DU
1100983(Q)	\$ 0.6M	Mill parts	Specs on valves, pumps...