



## Security Council

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### Letter dated 13 February 2001 from the Secretary-General addressed to the President of the Security Council

I have the honour to inform you and, through you, the members of the Security Council, that, pursuant to paragraph 8 (a) (ii) of Security Council resolution 986 (1995), the Government of Iraq has submitted to me its distribution plan for the purchase of humanitarian supplies during the new period specified in paragraph 1 of resolution 1330 (2000). The Government of Iraq was informed today that I have approved the plan on the understanding that its implementation would be governed by resolutions 986 (1995), 1281 (1999), 1284 (1999), 1302 (2000), 1330 (2000) and the memorandum of understanding concluded on 20 May 1996 between the United Nations Secretariat and the Government of Iraq (S/1996/356), without prejudice to the procedures followed by the Security Council Committee established by resolution 661 (1990).

A copy of the list of supplies and goods accompanying the distribution plan will be made available to the Security Council Committee. The list has been reviewed by experts of the joint unit established by resolution 1051 (1996), who have concluded that, on the basis of the information given in the annexes, no items have been identified which would be prohibited under the plans for ongoing monitoring and verification, or under Security Council resolution 707 (1991). They have also concluded that the necessarily general nature of the description of many items in the annexes to the plan renders it impossible to determine definitively whether or not an item is notifiable under the provisions of resolution 1051 (1996). They will keep the matter under review and provide a further assessment in the light of additional information that may become available in applications submitted to the Security Council Committee.

The distribution plan (see annexes II and III) and the letter dated 13 February 2001 from the Executive Director of the Iraq Programme addressed to the Permanent Representative of Iraq to the United Nations, conveying my acceptance of the plan (see annex I), are attached.

*(Signed)* Kofi A. **Annan**

## Annex I

### **Letter dated 13 February 2001 from the Executive Director of the Iraq Programme addressed to the Permanent Representative of Iraq to the United Nations**

[Original: English]

On behalf of the Secretary-General, I have the honour to acknowledge receipt, under cover of the letter dated 4 February 2001 addressed to the Secretary-General from the Chargé d'affaires of the Permanent Mission of Iraq to the United Nations (see annex II), of the distribution plan (see annex III) submitted by your Government for the new period specified in paragraph 1 of Security Council resolution 1330 (2000) of 5 December 2000, together with the annexes to the distribution plan received from the Ministry of Foreign Affairs of the Republic of Iraq, through the Office of the United Nations Humanitarian Coordinator in Iraq, and would like to inform you that I have been authorized by the Secretary-General to convey in this respect the following.

In resolutions 986 (1995) of 14 April 1995 and 1330 (2000) of 5 December 2000, the Security Council requires that the Government of Iraq guarantee, on the basis of a plan to be submitted to and approved by the Secretary-General, equitable distribution of medicine, health supplies, foodstuffs, and materials and supplies for essential civilian needs (humanitarian supplies) exported to Iraq under the conditions defined by those resolutions. The memorandum of understanding concluded on 20 May 1996 between the United Nations Secretariat and the Government of Iraq (S/1996/356) provides that the Government of Iraq shall prepare a distribution plan describing in detail the procedures to be followed by the competent authorities with a view to ensuring the equitable distribution of humanitarian supplies and submit the plan to the Secretary-General for approval. The memorandum states in this regard that if the Secretary-General is satisfied that the plan adequately ensures equitable distribution of humanitarian supplies to the Iraqi population throughout the country, he will so inform the Government of Iraq.

I have the honour to inform the Government of Iraq through you that, having examined the distribution plan, the Secretary-General has come to the conclusion that the plan, if properly implemented, should meet the requirements of equitable distribution of humanitarian supplies to the Iraqi population throughout the country. The plan is therefore approved with the following understandings.

By paragraph 15 of Security Council resolution 1284 (1999) of 17 December 1999, the Government of Iraq has been authorized to export unlimited amounts of oil and to import, under relevant resolutions of the Council, a wide range of goods to meet the humanitarian needs of its population and to rehabilitate its civilian infrastructure. As stated by the Secretary-General, now that increased revenues are available for the implementation of the programme, the Government of Iraq is in a position to reduce current malnutrition levels and improve the health status of the Iraqi people (S/2000/520, para. 96). This can be achieved by allocating the necessary funding level in the food and health sectors as well as by ensuring the timely contracting of all supplies in quantities sufficient to meet the requirements and targets set forth in the distribution plan, in particular those contained in the supplementary report of the Secretary-General (S/1998/90). It is also necessary to improve distribution systems in the food, nutrition and health sectors.

It is a matter of grave concern, however, that irrespective of the increased level of funding for different sectors contained in previous distribution plans, in particular for phase VIII, there are inordinate delays in contracting and submission of applications for the supplies urgently required to meet the humanitarian needs. Accordingly, I wish to reiterate the repeated recommendations made by the Secretary-General that the Government of Iraq expedite its contracting process and ensure the submission of applications to the Secretariat most expeditiously.

The caloric target of 2,472 kilocalories per person per day and financial allocation for the food basket as indicated in table 1 is welcome and is in line with the Secretary-General's recommendation in his supplementary report to the Security Council (S/1998/90) that a food basket of 2,463 kilocalories per person per day country-wide be provided under the programme. It is essential, however, to keep under constant review the funding level of food contracts in order to ensure that the target for the food basket is funded in full, thereby enabling the distribution of the enhanced, and full, food basket on a regular basis.

In order to improve expeditiously the nutritional status of children, the implementation of the targeted nutrition programme should be expedited most urgently and the funding level should be kept under constant review in order to ensure the availability of adequate supplies, ware-housing, transportation and related infrastructure. While it is acknowledged that in the proposed distribution plan, in addition to the \$6 million allocated, there are a number of allocations made for certain items, under different sectors, which are interrelated and have a direct bearing on the implementation of the targeted nutrition programme, it should be noted that neither the financial allocation nor the range of items related to infrastructure are commensurate with the scale of the existing programme and the need for its expansion to ensure that it reaches the full caseload. During the previous phases of the programme, the targeted nutrition programme has also suffered from very long delays in contracting the supplies required.

Accordingly, in view of the grave concerns expressed by all parties, including the Government of Iraq, regarding the nutritional status of children, it is recommended that the Government of Iraq clarify how the relatively limited resources allocated in the distribution plan would satisfy the Government's objectives in improving the nutritional status of children.

It may be recalled that in paragraph 12 of its resolution 1330 (2000), the Security Council decided, *inter alia*, that the funds deposited in the escrow account established by resolution 986 (1995) to be transferred to the Compensation Fund in phase IX shall be 25 per cent, instead of 30 per cent, and that the additional funds resulting from this decision will be deposited into the account established under paragraph 8 (a) of resolution 986 (1995) to be used for strictly humanitarian projects "to address the needs of the most vulnerable groups in Iraq as referred to in paragraph 126 of the report of the Secretary-General (S/2000/1132)". Accordingly, the inclusion of part ten (Special allocation requirements) in response to paragraph 12 of resolution 1330 (2000) is welcome. In this regard, at the informal discussions held in Baghdad between the technical ministries of the Government of Iraq and United Nations agencies and programmes, a range of relevant activities have already been identified. It is therefore recommended that these discussions be continued in order to further clarify the list of specific humanitarian projects intended to address the needs of the groups referred to in paragraph 126 of the above-mentioned report

of the Secretary-General. Such an approach should assist the Security Council Committee established by resolution 661 (1990) in expediting approval of applications for supplies, related to projects pursuant to paragraph 12 of resolution 1330 (2000).

A copy of the list of supplies and goods accompanying the distribution plan will be made available to the Security Council Committee. The list will also be posted on the web site of the Office of the Iraq Programme, together with the distribution plan, in order to provide information to all concerned, including potential suppliers. I should like to inform you, however, that the Secretary-General's approval of the plan does not constitute an endorsement of the specific items for equipment and supplies contained in the annexes to the plan. Having reviewed the categorized list of proposed supplies and goods to be purchased and imported under the plan, it is necessary to seek, without prejudice to the merits of the stated requirements, additional information and/or clarification regarding a limited number of items in order to establish their relevance to the programme and, where applicable, to avoid unnecessary delays in processing related applications and amendments. Such items include, for example, equipment and supplies related to a "banknote production line", which were not approved previously by the Security Council Committee, as well as requirements for civil aviation, including the purchase of two aircraft. In this regard, I wish to inform you that the materials and supplies at issue could be added to the categorized list only following consultations with the Security Council Committee. This will be communicated to the appropriate Iraqi authorities in due course. However, should applications be submitted for such items, the Office of the Iraq Programme would seek guidance from the Security Council Committee.

Amendments to the plan, where appropriate, should meet the requirements outlined in paragraph 5 of resolution 1153 (1998). It is recognized that in certain sectors not all the information required under paragraph 5 of that resolution could be provided in the plan at this stage because of the complexity of the activities and the range of items to be procured. Accordingly, the Government of Iraq as well as the United Nations agencies and programmes should take all necessary steps to ensure that applications submitted to the United Nations Secretariat will indicate priority and complementarity in compliance with paragraph 5 of resolution 1153 (1998).

The approval of the distribution plan is subject to the condition that its implementation is governed by the relevant provisions of Security Council resolutions 986 (1995), 1281 (1999), 1284 (1999), 1302 (2000), 1330 (2000) and the memorandum of understanding (S/1996/356) and that, in case of inconsistency between the particular provisions of the plan on the one hand and the resolutions and the memorandum of understanding on the other, the provisions of the latter documents shall prevail.

Furthermore, the approval of the plan is without prejudice to actions that might be taken by the Security Council Committee regarding applications for export of particular items contained in the list submitted for the Committee's consideration in accordance with its procedures.

The joint unit established by resolution 1051 (1996) will continue to review the categorized list in the light of additional information that may become available for the purposes of identifying items that are covered under the relevant provisions

of that resolution, because of their possible dual use for civilian and prohibited purposes under resolution 687 (1991) of 3 April 1991 and other relevant resolutions.

Taking into account paragraph 7 of resolution 1330 (2000) and in accordance with paragraph 2 of resolution 1175 (1998) and paragraph 18 of resolution 1284 (1999), the Secretary-General, in consultation with the Government of Iraq, will submit to the Security Council Committee a detailed and project-based list of oil spare parts and equipment.

The Secretary-General welcomes the statement contained in paragraph 18 of the distribution plan, which reads as follows:

“The Government of Iraq confirms its willingness to cooperate fully with the Programme and to allow it to observe throughout the country the equitable distribution of humanitarian supplies imported under this distribution plan. To this end, the United Nations personnel working in the Programme will enjoy unrestricted movement in connection with the performance of their functions and the possibility of receiving what facilitates their functions in accordance with paragraph 44 of the memorandum of understanding.”

Accordingly, pursuant to paragraph 44 of the memorandum of understanding, it is essential that United Nations observers and oil spare parts monitors enjoy unrestricted movement throughout Iraq in order to fulfil their responsibilities in carrying out end-use and end-user observation and monitoring of all supplies delivered to Iraq under the programme, including those supplies which have been approved or released from hold by the Security Council Committee, with the specific requirement of end-use/user observation/monitoring and reporting.

In connection with the above, I should also like to draw your attention to section VIII of the memorandum of understanding (S/1996/356), concerning privileges and immunities, in particular to paragraph 46, whereby United Nations officials, experts and other personnel performing contractual services for the United Nations “shall have the right of unimpeded entry into and exit from Iraq and shall be issued visas by the Iraqi authorities promptly and free of charge”. I very much regret to have to state that lately the United Nations has been experiencing some serious delays in the issuance of visas to United Nations personnel. Such delays have been affecting adversely the effective implementation of the programme, in addition to financial losses to the programme while United Nations personnel wait for their visas to enter Iraq. It is therefore recommended that the Government of Iraq review its procedures in that regard and issue “promptly” the necessary visas, in conformity with the letter and spirit of the relevant provisions of the memorandum of understanding.

With regard to the annex to the distribution plan covering the requirements of the Palestinian people, the proposal made by the Government of Iraq is before the Security Council. A decision in that regard remains within the purview of the Security Council. It may be recalled that at the informal consultations held by the Security Council, on 22 January 2001, the Chairman of the Security Council Committee noted that the Committee had met twice to consider Iraq’s request that “oil-for-food” funds be made available to assist the Palestinian people (S/2000/1119 and S/2000/1174) but had been unable to reach a consensus on that request.

I should like to underline that the approval of the distribution plan submitted by the Government of Iraq does not necessarily constitute an endorsement of all

information or statements contained in the plan, and is without prejudice to any recommendation arising from the supplementary report of the Secretary-General (S/1998/90), as endorsed by the Security Council in its resolution 1153 (1998).

In conclusion, I should like to state that, with increased funding available for the programme, it is essential to review the cumbersome and time-consuming process of the preparation of the distribution plan and its annexes with a view to submitting the plan in a more timely manner. It is also essential to prepare a more targeted and result-oriented plan, with a clear statement of objectives to be achieved during a given phase, including benchmarks, which would improve the evaluation of performance, achievements and effectiveness of the programme. Accordingly, it is recommended that the Joint Consultative Committee meet on a regular basis to review not only the preparation of the distribution plan but (and this is equally essential) the effective implementation of the plan in order to take, as appropriate, the necessary measures and make the necessary adjustments to attain the objectives set forth in the plan. The multitude of amendments submitted to previous distribution plans is indicative of their shortcomings and underscores the need for such regular reviews.

*(Signed)* Benon V. Sevan  
Executive Director

## Annex II

### **Letter dated 4 February 2001 from the Chargé d'affaires a.i. of the Permanent Mission of Iraq to the United Nations addressed to the Secretary-General**

[Original: Arabic]

On instructions from my Government, I have the honour to transmit to you herewith the procurement and distribution plan for phase IX (see annex III) that is being submitted by the Government of the Republic of Iraq in accordance with the memorandum of understanding of 20 May 1996 and Security Council resolution 1330 (2000), together with an annex covering the requirements of the Palestinian people. My Government would appreciate their speedy approval.

*(Signed)* Mohammed **Al-Humaimidi**  
Chargé d'affaires a.i.