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## Zakendoen in Irak onder het 'Oil for Food' programma

### Sanctieregime

Op dit moment is handel met Irak alleen mogelijk met inachtneming van de vigerende resoluties van de Veiligheidsraad, waaronder de regels van het 'Olie-voor-Voedsel'-programma zoals die zijn neergelegd in Resolutie 986. Onder het Olie-voor-Voedsel-programma mag Irak olie verkopen en met de opbrengst daarvan goederen aanschaffen.

Goederen die door de VN zijn toegestaan voor export naar Irak staan vermeld in de distributieplannen voor de verschillende (tijd)fasen. Op dit moment is 'Phase XI' van toepassing. In de 'Executive Summary' bij Phase XI staat een beschrijving van de sectoren, in de annexen bij Phase XI staan de goederen die per sector naar Irak mogen.

### Procedure

Als een Nederlands bedrijf een contract heeft afgesloten met een Iraakse partij (meestal een overheidsinstantie), dan moet het dit als het om agrarische goederen gaat, voorleggen aan het desbetreffende productschap in Nederland. Als het om industriële goederen gaat moet het contract worden voorgelegd aan de Centrale Dienst In- en Uitvoer (CDIU) van de Nederlandse douane. Deze instanties verstrekken de formulieren voor de ontheffingsaanvraag en voeren tevens de nodige controlerende taken uit. Hierna wordt de ontheffingsaanvraag doorgestuurd, via het ministerie van Economische Zaken of, afhankelijk van de goederen, het ministerie van Buitenlandse Zaken naar de Nederlandse Permanente Vertegenwoordiging (PVVN) bij de Verenigde Naties (VN) in New York. De PVVN zendt de documenten door naar het UN Office of the Iraq Programme (OIP) in New York. Het OIP moet bevestigen dat de goederen voorkomen in het distributieplan, voordat zij het contract ter beoordeling voorlegt aan het VN-sanctiecomité. Bij twijfel over de dubbele toepassingsmogelijkheden van een product ('dual use concern') kan elk lid van de Veiligheidsraad de aanvraag voor onbepaalde tijd 'on hold' zetten en aanvullende informatie van de partijen vragen. Het VN-sanctiecomité beslist of er voor het contract nog geld beschikbaar is op de 'escrow account'. De Iraakse partij en de Nederlandse leverancier worden via de PVVN, Buitenlandse Zaken of Economische Zaken en het betrokken productschap op de hoogte gebracht van de status. Als een contract is goedgekeurd, is de weg vrij voor uitvoer van de goederen uit Nederland. Bij de Iraakse grens wordt de levering nogmaals door onafhankelijke VN-controleurs nauwkeurig gecontroleerd. Met een verklaring van deze controleurs kan de BNP overgaan tot betaling aan de leverancier. Het is nu zo geregeld dat de opbrengsten uit de verkoop van Iraakse olie worden gestort op een 'escrow account' (borgrekening) bij de Banque National de Paris (BNP). Deze rekening wordt beheerd door de VN. De BNP mag alleen met toestemming van de VN een 'letter of credit' afgeven voor aankopen door Iraakse wederpartijen.

De hele procedure van goedkeuring duurt gemiddeld drie à vier weken. Het productschap geeft in veel gevallen binnen vier werkdagen een exportvergunning af. Bij complexe zaken kan de evaluatietijd bij het OIP uitlopen. Bij twijfel moeten beide partijen nadere details verstrekken die dan door de Veiligheidsraad worden onderzocht.

In maart 2000 is de 1284-procedure, bekend als de versnede goedkeuringsprocedure, in werking getreden. In het kort komt deze er op neer, dat voor de producten die voorkomen op de lijsten geen goedkeuring meer is vereist door het VN-sanctiecomité. Het OIP beoordeelt het contract en kijkt of de exportgoederen op de lijsten staan. Als dat het geval is, geeft het OIP binnen twee dagen, zonder het voor te leggen aan het VN-sanctiecomité, een notificatie af. Staan de goederen niet op de lijsten, dan moet het VN-sanctiecomité het contract binnen de reguliere termijn van vijf dagen beoordelen. Door deze procedure kunnen humanitaire contracten sneller worden verwerkt.

### Contactpersonen:

De Centrale Dienst In & Uitvoer (CDIU), contactpersoon: dhr. P. Haak, tel. 050 - 5232168 / fax. 050 - 5232183.

Productschap Vee, Vlees en Eieren, afdeling EU regelingen, team Info, tel. 070-3687102.

Hoofdproductschap Akkerbouw, contactpersoon: mw. S. Vermont, tel. 070-3708445 / fax. 070-

3461400.

Productieschap Zuivel, dhr M. Moesman, tel. 079-3681539 / dhr D. Mathoera, tel. 079-3681567 / fax 079-3681954.

#### Indirecte verkoop aan Irak

Wanneer goederen indirect, via een ander land of via een ander bedrijf, aan Irak worden geleverd is altijd een goedkeuring van de Verenigde Naties vereist. In het geval een andere partij de goedkeuring aanvraagt (bijvoorbeeld wanneer de goederen van het Nederlandse bedrijf hiervan een onderdeel zijn), kan met een kopie van de 'totaal' goedkeuring van de andere partij een vergunning van de betreffende Nederlandse instantie worden verkregen. Indien geleverd wordt aan één van de buurlanden van Irak, is het belangrijk dat u een kopie van de goedkeuring van de Verenigde Naties aan het bedrijf vraagt om er zeker van te zijn dat niet bij controle blijkt dat u betrokken bent bij strafbare praktijken.

#### Website van de Verenigde Naties:

- sanctieregime: [www.un.org/Depts/oip](http://www.un.org/Depts/oip)
- procedures: [www.un.org/Depts/oip/cps/company.html](http://www.un.org/Depts/oip/cps/company.html)
- status van contracten: [www.un.org/Depts/oip/cps/status.html](http://www.un.org/Depts/oip/cps/status.html)

# Office of the Iraq Programme

## *oil for food*

Provided for information purposes: please note that the OIF is unable to respond to inquiries from companies or their representatives who should direct all inquiries or requests for further information to their Permanent Mission.

### PROCEDURES ESTABLISHED BY THE 661 COMMITTEE FOR THE OIL-FOR-FOOD PROGRAMME

*(this following is an edited version  
of decisions taken by the  
Committee since 1996 in relation  
to the procedures it follows.)*

Contracting process and submission of applications (please see the chart)

- o The Memorandum of Understanding between the Secretariat of the United Nations and the Government of Iraq on the implementation of Security Council resolution 986 (1995) stipulates: Each export of goods to Iraq shall be at the request of the Government of Iraq pursuant to paragraph 8 (a) of resolution 986 (1995). Accordingly, exporting States will submit all relevant documentation, including contracts, for all goods to be exported under the Resolution to the 661 Committee for appropriate action according to its procedures. It is understood that payment of the supplier from the "Iraq Account" can take place only for items purchased by Iraq that are included in the categorized list referred to in Section II of the present Memorandum. Should exceptional circumstances arise, applications for the export of additional items may be submitted to the 661 Committee for its consideration.
- o The Government of Iraq will prepare a categorized list of humanitarian supplies which it intends to purchase and import pursuant to resolution 986 (1995). This list will be submitted to the Secretary-General together with the distribution plan referred to in paragraph 8(a)(ii) of the resolution.
- o After approving the distribution plan, the Secretary-General will forward the list, which constitutes a part of the plan, to the Committee, and will make it known to all States.
- o The Government of Iraq or the United Nations Inter-Agency Humanitarian Programme (for the three northern governorates of Dohuk, Erbil and Sulaymaniyah) will contract directly with suppliers to arrange the purchase of humanitarian supplies, and will conclude the appropriate contractual arrangements.
- o Export to Iraq of medicine, health supplies, foodstuffs, and materials and supplies for essential civilian needs (hereinafter humanitarian supplies) financed from the Iraq account shall be undertaken in accordance with the following provisions.

Applications for each export of humanitarian supplies, to be financed from the Iraq account consistent with paragraph 22 of the Memorandum of Understanding, shall be submitted to the Committee at the request of the Government of Iraq by the exporting States with all relevant documentation, including the concluded contractual arrangements. Payment from the Iraq account can take place only for items included

in the categorized list on a case-by-case basis as follows:

• Such applications pursuant to paragraph 8(f) of resolution 986 (1995) shall be processed on a case-by-case basis as follows:

(a) Medicines and Health Supplies

The exporting State must submit a copy of the invoice to the Iraq account. A copy of the contractual arrangements must be submitted with this communication.

(b) Foodstuffs

The exporting State must submit a copy of the invoice to the Iraq account. The exporter requests payment from the Iraq account. The documentation, including the invoice, must be submitted to the point(s) of entry into Iraq.

(c) Other Materials and Supplies

The exporting State must submit a copy of the invoice to the Iraq account. The exporter requests payment from the Iraq account. The documentation, including the invoice, must be submitted to the point(s) of entry into Iraq.

- Member states are encouraged to submit their requests for payment from the Iraq account as early as possible. The requests should be submitted to the Office of the Secretary-General.

Initial processing by the Committee

- Experts in the Secretariat will review the requests and whether the items are eligible for payment from the Iraq account. They will inform the Committee of their findings.

- Without prejudice to the above, the Committee will not be circulated until the Secretary-General has received the report of the Mission of Iraq to the Committee on the irregularities found in the requests.

- Amendments made to the requests by the Permanent Mission of Iraq must be submitted to the Committee, with due regard to the provisions of the resolutions;

- When a formal request for payment from the Iraq account is received, the Secretariat will notify the Permanent Mission of Iraq. The request will be considered null and void if the Permanent Mission of Iraq does not respond to the application should be concerned, may decide to refer the matter to the Committee, for payment from the Iraq account. The Committee will inform the Permanent Mission of Iraq of its findings.

- Experts in the Secretariat will review the requests for payment from the Iraq account for goods that are time-

from the Iraq account, and a standardized confirmation by the Government of Iraq of the humanitarian supplies in Iraq.

- The arrival of the humanitarian supplies in Iraq will be monitored by inspection agents appointed by the Secretary-General and stationed at relevant entry points and other locations. The agents will submit a report to the Secretary-General in accordance with paragraph 26 of the Memorandum of Understanding. The report should be completed within reasonable time limits. The Secretary-General will add their authenticated confirmation of arrival to the report. The report will be submitted to the Committee, stating that the exporter is eligible for payment from the Iraq account. The report will be submitted to the Iraq account, and will inform the Secretary-General in accordance with paragraph 8(f) of Security Council resolution 986 (1995). This information will be submitted to the Iraq account within 24 hours.

- The inspection agents will report all irregularities to the Committee. If the problem is related to normal commercial transactions, the Government of Iraq will be informed but normal commercial transactions will go forth. Performance bonds may not be opened. The Government of Iraq will be informed of the irregularities. The purchaser resulting from normal commercial transactions will be paid from the Iraq account. If the matter is of serious concern, the Committee will hold the shipment in question, pending guidance from the Government of Iraq. The Committee will make every effort to provide such guidance in a timely manner.

- The bank holding the Iraq account shall effect payment from the Iraq account if all documents stipulated in the letter of credit are presented and the conditions of any such letter of credit are complied with. If the conditions of any such letter of credit are complied with and the supporting documents, payment can be made from the Iraq account corresponding to actual deliveries to Iraq. Documentation requirements will be waived by the Secretary-General.

- Letter of credit mentioned in these procedures should conform with the International Chamber of Commerce (ICC) Uniform Customs and Practice for Documentary Credit. (SEE "UNIQUE FEATURES OF LETTERS OF CREDIT")

Expenses directly related to the export by Iraq of petroleum and petroleum products

- The export to Iraq of the parts and equipment which are used in the Kirkuk-Yumurtalik pipeline system in Iraq will be undertaken in accordance with the procedures set out in section III [Export to Iraq of humanitarian supplies and other goods] of the Memorandum of Understanding. Requests for such exports to Iraq will be approved on a case-by-case basis under its no-objection procedure. The Committee will request the Government of Iraq to verify that the equipment exported from Iraq in accordance with resolution 986 (1995) is used only for the purposes permitted by the resolution.

- Pursuant to paragraph 8(f) of resolution 986 (1995), the Committee will, upon request, apply its no-objection procedure, the financing from the Iraq account covering the expenses payable in Iraq, which are determined by it to be necessary for the export of petroleum and petroleum products permitted under resolution 986 (1995) or to the export to Iraq of the parts and equipment permitted under resolution 986 (1995) [related to the Kirkuk-Yumurtalik pipeline system] necessary therefor.

Requests for meeting the expenses referred to in the previous paragraph submitted by the Government of Iraq together with all necessary supporting documents will be approved on a case-by-case basis by the Committee.

procedure. The Committee will seek, if necessary, the advice of the overseers or the independent inspection agents in reaching a decision.

Interrelationship between procedures governing applications submitted for payment from the Iraq Account in accordance with resolution 986 (1995) and those governing payment by other arrangement

- Paragraph 38 of the procedures contained in S/1998/636, 12 August 1998, stipulates: The provisions of this section [Export to Iraq of humanitarian supplies] are without prejudice to the application of the existing procedures of the Committee for goods which are not supplied pursuant to resolution 986 (1995).

#### Accelerated ("fast-track") procedures for the approval of contracts for specified humanitarian supplies for Iraq

The accelerated approval procedures are provided for in paragraph 17 of Security Council resolution 1284 (1999). The resolution, *inter alia*, directs the 661 sanctions committee to approve lists of foodstuffs, as well as of basic or standard health, agricultural and educational supplies, which would no longer require submission to the Committee for approval, but would be notified to the Secretary-General through the Office of the Iraq Programme (OIP).

The lists for food and basic educational supplies were approved by the Committee in late February 2000 and implementation of the accelerated procedures for supplies on these lists began on 1 March 2000. These were further expanded on 16 February 2001, as required under resolution 1330 (2000).

On 29 March 2000, the Committee approved two additional lists of goods eligible for accelerated approval procedures: pharmaceuticals, medical supplies and basic medical equipment and; basic agricultural equipment and supplies. The health sector list was expanded massively on 1 September 2000, with further enlargement of the list having come into effect on 19 February 2001, as required under resolution 1330 (2000). The list for the agriculture sector was also expanded on 13 February 2001.

On 17 July 2000, in line with paragraph 18 of resolution 1284 (1999), the Committee approved a further list comprising oil spare parts (phase VII) eligible for accelerated approval procedures, while the project-based list of oil spare parts and equipment for phase VIII was approved on 1 December 2000.

Having recognised the effectiveness of the accelerated procedures for getting essential humanitarian supplies to Iraq, the Security Council in resolution 1302 (2000), paragraph 8, requested the Committee to approve a pre-selected list of water and sanitation supplies for "fast track" processing. On 11 August 2000, the Committee approved the list of water and sanitation supplies for "fast-tracking", which was further expanded on 16 February 2001, as required under resolution 1330 (2000).

A list of 26 items in the housing sector was introduced on 26 February 2001 for "fast track" approval procedures, in compliance with resolution 1330 (2000).

In compliance with paragraph 10 of Security Council resolution 1330 (2000), the 661 sanctions committee on 24 May 2001 approved a list of 97 items for "fast-track" processing in the electricity sector.

The complete lists of all eight categories of goods eligible for "fast-track" processing may be consulted below.

Suppliers should be aware that the signing of contracts and the preparation and submission of applications for goods which may qualify for expedited processing should be carried out in the normal manner. Based on criteria set out in resolution 1284 (1999), OIP will determine which applications are eligible for clearance under the new procedures. Applications will continue to be circulated to the Committee for approval if they contain any items not on the lists approved by the Committee, including any spare parts, accessories or consumables not specifically mentioned in the lists. Applications will



also continue to be circulated if they are deemed to contain any items to which resolution 1051 (1996) may apply.

Contents:

- Annex I Food Sector expanded list as of 16 February 2001
- Annex II Education Sector expanded list as of 16 February 2001
- Annex III Agriculture Sector expanded list as of 13 February 2001
- Annex IV Health Sector expanded list as of 19 February 2001
- Annex V Oil Sector (Spare Parts) - Phase VII
- Annex VI Water and Sanitation Sector expanded list as of 16 February 2001
- Annex VII Oil Sector (Spare Parts) - Phase VIII
- Annex VIII Housing Sector pre-approved items as of 26 February 2001
- Annex IX Electricity Sector pre-approved items as of 24 May 2001
- Annex X Oil Sector (Spare Parts) - Phase IX pre-approved items as of 25 May 2001
- Annex XI Oil Sector (Spare Parts) - Phase X pre-approved items as of 15 November 2001

*For further information please contact Hasmik Egian on 1.212.963 4341*

*(note: a full listing of humanitarian and oil sector contracts and their current status is available on the OIP website).*

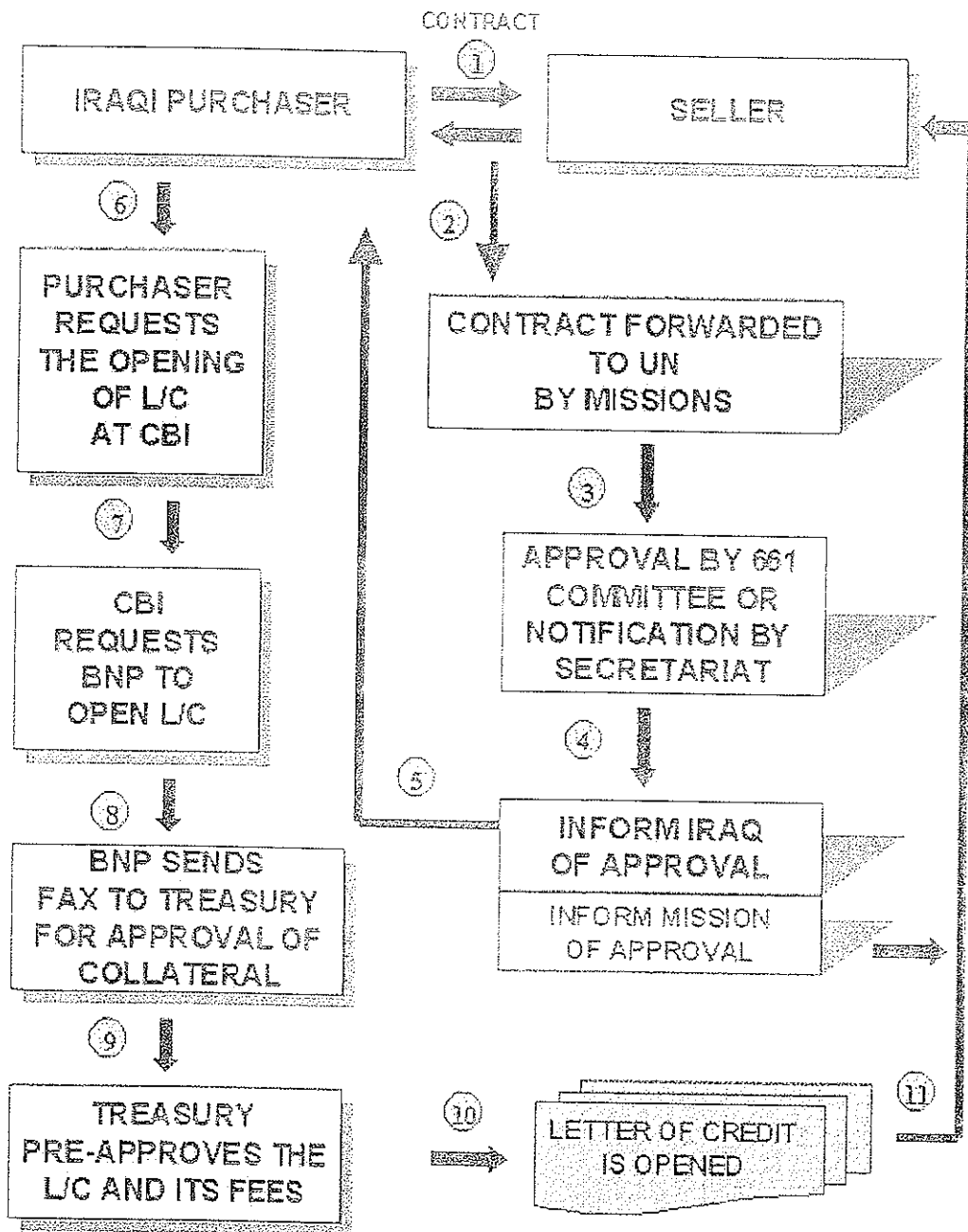
## PROCEDURES FOR HUMANITARIAN LETTERS OF CREDIT

Humanitarian Letter of Credit applications are received by Banque Nationale de Paris, New York from the Central Bank of Iraq on behalf of the relevant Iraqi Government buyer. Upon receipt of such L/C's, Trade Finance Services/Commodities & Trade finance Desk check the following:

1. Verify that the L/C is irrevocable, non-transferable and non-assignable (except to the supplier's bank for the repayment of financing for the purchase of the humanitarian supplies) and for the account of the Iraqi purchase in favor of the supplier.
2. Verify that the request provides for payment with funds from the United Nations Iraq Account.
3. Verify documents to be presented and payments (is/are) to be made at the counters of BNP NY
4. Verify that the L/C's require the following documentation as condition for payment:
  - Customary commercial documentation
  - A copy of the 661 Committee's letter stating that the exporter is eligible for payment from the United Nations Iraq Account
  - A confirmation by the Secretary-General's designee of the arrival of the exported goods in Iraq
  - A copy of any required governmental license or equivalent authorizing the export, and
  - In the case of food and soap products, a health/phytosanitary certificate stating that goods are fit for human consumption and are consumed locally in country of origin.
5. Verify that the L/C is governed by the UCP 500, and review the L/C to make sure the UCP 500 is respected and that all terms and conditions can be verified by the bank through the presentation of documents. If any of these items are not complied with, BNP must go back to the applicant through the Central Bank of Iraq for amendment or clarification. If the L/C allows for partial shipments, the UN will have to confirm to the bank that the contract also allows for partial shipments.
6. After verifying the above, the bank will prepare and forward a copy of the L/C request to the United Nations Treasury for approval to issue the L/C. The approval will also allow the bank to segregate Cash Collateral for L/C reimbursement and related fees from Available Funds in the United Nations Iraq Account. The bank shall not issue and L/C unless there are sufficient Available Funds in the United Nations Iraq Account to cover the L/C amount and the related L/C fees.
7. When the Standardized Confirmations of Arrival are prepared by the United Nations, they are delivered directly to Trade Finance Services of BNP who then notifies the exporters of their receipt, and invites them to present their other documents under the L/C.

Upon receipt of all of the required documents under the L/C, Trade Finance Services of BNP examines them to make sure they are in conformity with the terms of the letter of credit. If they are, payment is made promptly with notification to the United Nations Treasury. If they are not, discrepancies are advised to the beneficiary for possible correction. Also see "UNIQUE FEATURES OF THE LETTER OF CREDIT")

# CONTRACT APPROVAL AND LETTER OF CREDIT ISSUANCE



#### Unique Features of the Letter of Credit issued in the context of the oil for food programme

- The credit will always start with the following: "In accordance with the United Nations Security Council Resolution 986 dated 14 April 1995, the Memorandum of Understanding under reference S/1996/356 dated 20 May 1996 and the Procedures of the 661 Committee under reference S/1996/636 dated 12 August 1996, please find the text for the issuance of a letter of credit.
- A copy of the 661 Committee's letter stating that the exporter may be eligible for payment from the Iraq Account
- Standardised confirmation by the Secretary-General on the arrival of the humanitarian supplies in Iraq. The arrival of the humanitarian supplies in Iraq will be confirmed by independent inspection agents appointed by the Secretary-General.
- The credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500.
- The credit is NOT TRANSFERABLE and NOT ASSIGNABLE (except to the beneficiary's bank for the repayment of financing for the purchase of humanitarian supplies). The credit is NOT NEGOTIABLE.
- The credit will always indicate that this credit has been issued by BNP New York under license No. 10-758 issued by the US department of the Treasury, Office of Foreign Asset Control.

### Authentication: an essential procedure

1. The following recommendations apply to goods shipped to Iraq under the oil-for-food programme, also known as resolution 986 (1995) applications, which are eligible for payment from the United Nations Iraq account. Suppliers of goods to Iraq should be aware that only goods that have been listed on the appropriate application form and approved by United Nations Security Council's Sanctions Committee or the United Nations Secretariat may be shipped. Such approved goods will be documented either on or as an attachment to the Committee's approval letter. Shipments of unapproved items to Iraq in connection with contract applications will not be considered as eligible for authentication. Any instances involving the shipment of unapproved goods will be reported to the Sanctions Committee for their consideration. All pertinent documentation and correspondence should always refer to the "Comm number" assigned to the application.
2. Suppliers should be aware that they are responsible for ensuring that their transportation companies are fully aware that all shipments of goods pursuant to Security Council resolution 986 (1995) are physically reported to the United Nations inspection agents at the only approved entry points at the borders of Iraq. These are: Trebil (Jordan), Al Waleed (Syria), Zakho (Turkey) and Umm Qasr (Persian Gulf). Suppliers of goods to Iraq are eligible to receive payment from the Iraq account based on a number of conditions, one of them being the authentication of the arrival of such goods in Iraq confirmed by the United Nations independent inspection agents at the borders. In cases where resolution 986 (1995) goods enter Iraq via crossings other than the approved entry points, the rules set out by the relevant Security Council resolutions stipulate that goods not reported in the proscribed manner are not eligible to be authenticated and, consequently, the supplier is lacking one of the conditions that contribute towards payment.
3. Suppliers of goods should be aware that the approved goods may only be shipped through the approved entry points into Iraq, as requested in their application and as documented on the approval letter. Goods arriving at a point of entry other than the one approved will not be authenticated, resulting in potential delays of payment to the supplier.
4. Suppliers are advised that no shipments of goods to Iraq under the oil-for-food programme should be made without first ensuring that the supplier is the beneficiary of a valid Letter of Credit (L/C). Suppliers should first check with their own assigned bank to ensure that an L/C has been issued in their favour prior to shipping any goods. Approved goods that are shipped without the supplier first obtaining a valid L/C will be authenticated as having arrived in Iraq. However, the supplier will not be eligible to receive any payments from the Iraq account until an L/C is issued.
5. In order for the supplied goods to be authenticated as having arrived, the supplier is responsible for ensuring that all shipments of the goods are completed within the validity period of the letter of approval. Goods should arrive at the appropriate border points while the letter of approval is still valid. Should the supplier become aware that the shipment of the goods cannot be completed within the validity period, the supplier is responsible for requesting an extension to the validity of the Letter of Approval through their Permanent Mission to the UN in New York prior to shipping any goods. Moreover, suppliers should be aware that goods which are shipped after the expiry of the period of validity as stated in the Letter of Approval, will not be authenticated for the purposes of contributing towards payment to the supplier, thus resulting in delays at the borders to the shippers.
6. Suppliers are encouraged to consider using the suggested packing list format as posted on the OIP web site. The use of this form is voluntary on the part of the supplier. However, its

proper completion may facilitate the authentication of the goods, resulting in timely payment to the supplier.

7. Suppliers of goods to Iraq should ensure that shipments are accompanied by the appropriate required documentation, which must be presented to the UN independent inspection agents at the border. In addition to the normally required documentation for the Iraqi Customs Service, the required UN documentation includes a copy of the valid Approval Letter, and at least three copies of the packing list, invoice, bill of lading, CMRs and manifests. All pertinent documentation and correspondence should always refer to the "Comm number" as listed on the Letter of Approval.

## Glossary

**Application:** A request from a mission for permission to ship goods to Iraq; it consists of an application form to the Committee, a contract and any further information requested by CPS or the Committee; upon receipt, the application is registered by CPS and given a unique "Comm" number.

**Approval Letter:** Also called "OC letter", for Outgoing Communication, it grants permission to ship goods to Iraq under an approved application, and guarantees the suppliers that they will be paid for the shipped goods from the Iraq account. The letter therefore can only be issued when it has been established that there are sufficient funds in the account. These funds remain committed to the application, and will be paid to the suppliers after the goods are authenticated as having arrived in Iraq. An OC letter is signed either by the Chairman of the Sanctions Committee or the Executive Director of OIP.

**Approved:** This means that the Committee has approved an application to ship goods to Iraq.

**Authentication:** Confirmation by the United Nations independent inspection agents at Al-Waleed, Trebil, Umm Qasr, or Zakho that the goods approved for shipment to Iraq, pursuant to resolution 986 (1995), have entered Iraq through one of these four authorized entry points, and that the delivered goods conform to the terms of the approval letter (OC letter).

**Block:** Rejection by the Committee of an application to ship goods to Iraq. CPS informs the applicant mission that the relevant application is considered null and void.

**Cancellation:** After an application has been approved or notified, either party to the contract may request that it be cancelled. A cancelled application may be reinstated at a later stage, provided that both parties agree that they wish to proceed with the contract.

**Committee, the:** The United Nations Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait; also called the Sanctions Committee or the 661 Committee. This Committee is a subsidiary organ of the United Nations Security Council, and is composed of representatives of the same 15 States that are members of the Security Council at the time. The Committee has been tasked by the Security Council to monitor the implementation of sanctions imposed against Iraq, and any humanitarian exceptions to these sanctions, and to report on its work to the Council with its observations and recommendations.

**Comm. number:** This is a unique reference number assigned to each application upon its registration at CPS; the Secretariat, the Government of Iraq, suppliers and missions always use this number when referring to the relevant applications. CPS can respond quickly to queries from missions regarding their applications, if they cite the corresponding Comm. number.

**Contract:** A legally binding, written bilateral agreement between an entity of the Government of Iraq and a foreign supplier to purchase goods and/or services. The United Nations is not involved in this process, nor does the "Sanctions Committee" have any "ownership" of such a document. The contract stipulates, *inter alia*, the type, quality, quantity, price and shipping routes of the goods, and is submitted to OIP as an attachment to the application form.

**CPS:** The Contracts Processing Section, which is the OIP department responsible for reviewing and processing of applications for permission to ship goods to Iraq.

**Distribution Plan (DP):** This document, drawn up by the Government of Iraq and approved by the United Nations Secretary-General, lists all the goods for which contracts are to be signed under the "oil-for-food" programme. A new DP is submitted and approved for each phase. The DP gives a description for each commodity and assigns a unique sector item code, which must be included in each application form.

**Extension:** A written request to prolong the validity of an application beyond the initial one-year validity period granted from the date of issuance of the approval letter.

**Hold:** When a member of the Committee delays approval of an application for a stated reason. Only the Committee member that places the hold on an application can release the hold.

**Inactive:** After an application has been under "non-compliant" status (see below) for 60 days, if the information required by the reviewing customs expert from OIP has not been submitted, the customs expert will send a letter to the Permanent Mission stating that if the information is not received within 2 weeks the application will be transferred to "inactive" status and no further action will be taken by OIP, unless the outstanding information is submitted at a later stage.

**Inactive hold:** An application on hold becomes an "inactive hold" when the request for additional information has not been provided for more than 75 days after it was initially placed on hold. The full procedure is as follows: once an application is placed on hold and the holding mission requests additional information from the supplier, and that information is not provided after 60 days, OIP issues a reminder to the supplier, with the request that the information be provided within 15 days. If the information is not provided after 15 days (a total of 75 days), the application is transferred to the "inactive hold" status. If the requested information is provided afterwards, the application is immediately reactivated, which means it is considered to be "on hold" and awaiting the response from the Mission that has placed the hold.

**Iraq Account:** The United Nations escrow account established with BNP-Paribas, a bank chosen by Iraq where all proceeds from the sale of Iraqi oil are deposited in seven different sub-accounts. Payment for the goods shipped to Iraq under the approved applications involving the Government of Iraq entities, are made from the ESB (53 per cent) account.



**Letter of credit (LC):** The banking mechanism by which suppliers get paid. LCs are agreed between the entities of the Government of Iraq and their suppliers, but must meet certain standards monitored by the United Nations Treasury. The LCs are irrevocable; once it is issued, a supplier is guaranteed payment if the contractual obligations are met, as authenticated by the United Nations independent inspection agents.

**Line item:** The relevant data for each single commodity intended for shipment to Iraq and listed as a separate entry on the application form. The line item data include the sector item code assigned in the DP of each phase, the full technical description of the commodity, its quantity in numbers, its value, the unit of measurement, the total value and the currency code (see boxes 4 to 10 of the application form).

**Mission:** A permanent or observer mission of a State to the United Nations, New York.

**Noncompliant:** Applications that are submitted incomplete, contain errors, or are noncompliant with either the Distribution Plan or the procedures established by the Committee are deemed to be unacceptable for circulation to the Committee or for notification by the Secretariat and, therefore, will be returned to the applicant missions without registration under a Comm. number. (See "Reasons for which an application may be returned to the applicant missions/organizations" and also "Minimizing delays in the processing of contracts". See also "inactive" status above.

**Notification:** Approval of an application by the Secretariat without circulation to the Committee. This occurs when the application has met the conditions set out in paragraph 17 of Security Council resolution 1284 (1999) and, for the water and sanitation sector, paragraph 8 of Security Council resolution 1302 (2000). The Executive Director of OIP signs the corresponding approval letter, which is also known as the "notification".

**Null and Void:** An application that is blocked by a member of the Committee, or declared invalid at the written request of either of the parties to the related contract. In the latter case, the Committee procedures require that CPS advise the other party regarding the request, and proceed with the nullification, if both parties do not reconfirm the application in writing within seven days.

**"Oil-for-food":** This is an informal reference to the humanitarian programme established pursuant to United Nations Security Council resolution 986 (1995), by which revenues from the sale of Iraqi oil pay for the humanitarian supplies and oil spare parts shipped to Iraq under approved Comm. numbers. It is also the name given to the OIP database, which contains information on all humanitarian applications. The database enables OIP to track the processing of applications, prepare a wide variety of management reports, record the arrival of goods at the borders and monitor allocation of funds to sectors.

OIP: The United Nations Office of the Iraq Programme, which is responsible for all aspects of the "oil-for-food" programme.

Pending: The stage at which an application is under consideration by the Committee; according to Security Council resolution 1284 (1999), the "pending" period is restricted to two working days.

Phase: Each 180-day period of the "oil-for-food" programme authorized by the relevant Security Council resolutions. The Government of Iraq draws up a DP for each phase, annexing the detailed lists of the goods it wishes to purchase during that period (see Distribution Plan).

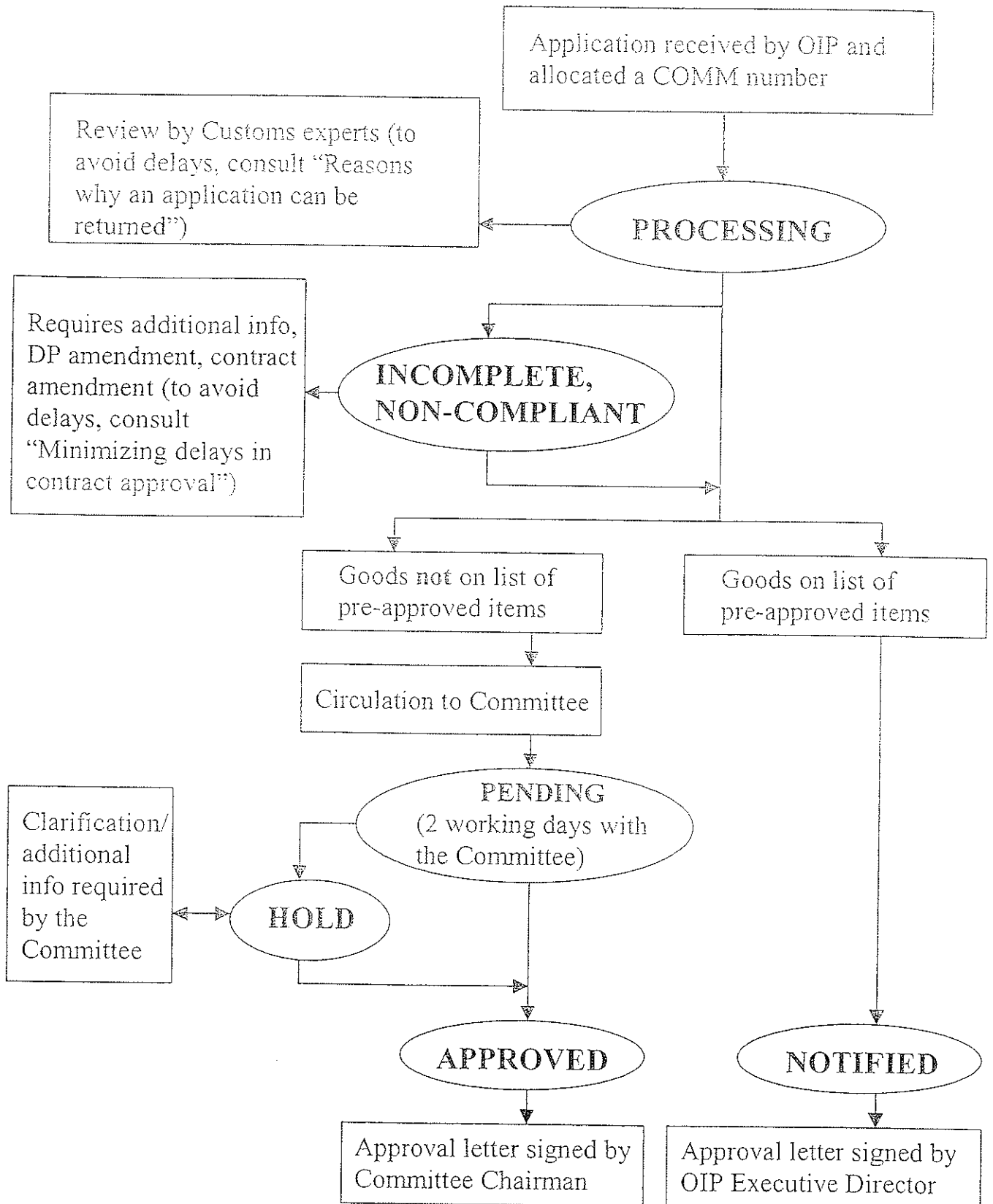
Processing: The stage at which CPS reviews an application, assigns a Comm. number, registers the relevant information in the database and assesses its contents. The application is either circulated to the Committee for its consideration, or notified as approved by the Secretariat, if established to be complete and compliant with the DP and the Committee procedures.

Sector Item Code: A unique reference number assigned to each single line item listed in the relevant sectoral annexes of a DP (see Distribution Plan).

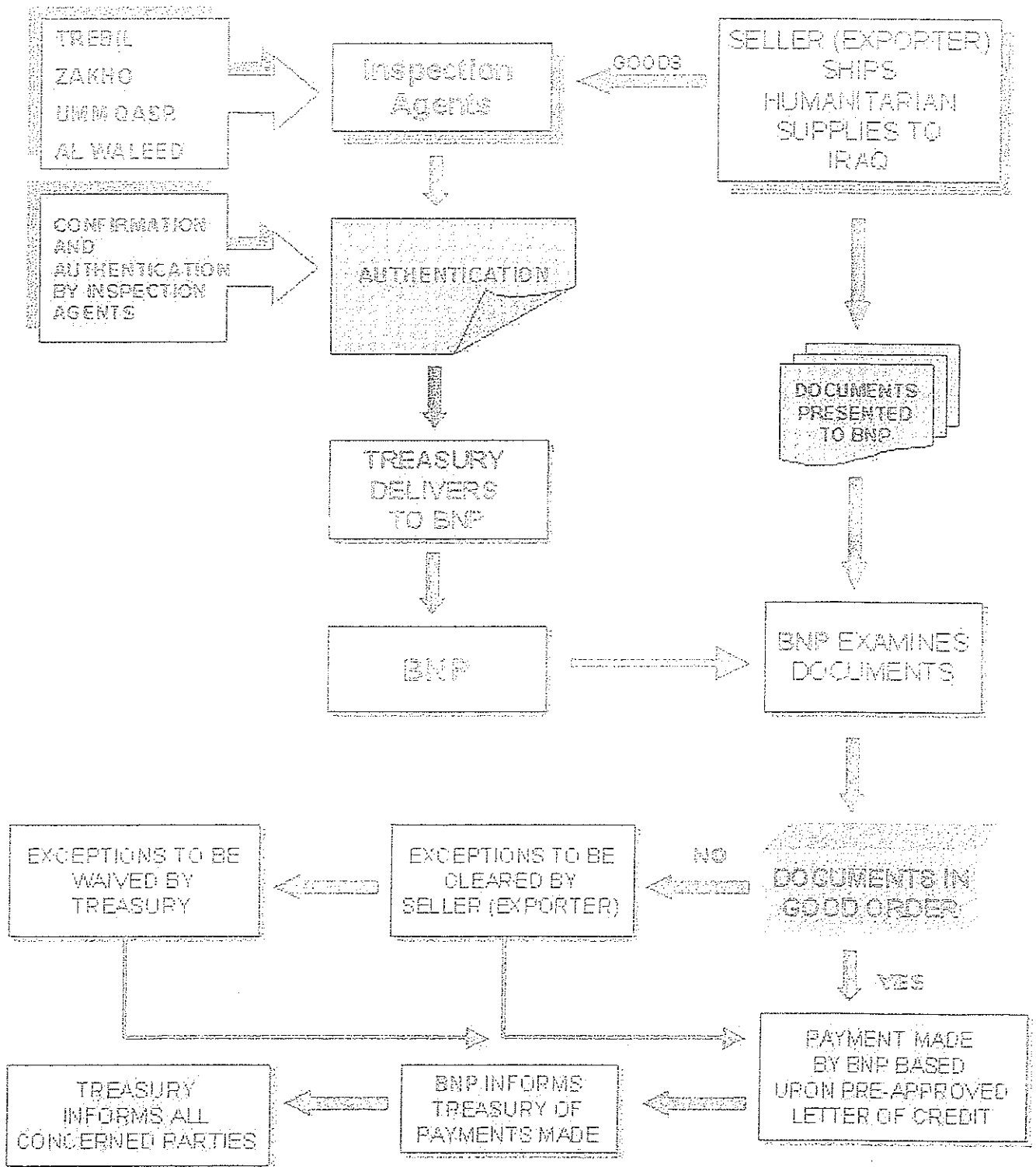
Sectoral Allocation: Amount of funds appropriated for the purchase of commodities for each of the ten sectors of the DP, i.e., food and food-handling, health, agriculture, electricity, water and sanitation, transport and telecommunications, education, housing, de-mining, and oil spare parts. These sectoral allocations establish the ceiling of funds available to finance LCs issued for approved applications under each of the ten sectors.

"1051 list", the: The list of items which are to be notified to the Committee under the export/import control mechanism established pursuant to the provisions of resolution 1051 (1996). Resolution 1284 (1999), paragraph 25, mandates the Secretariat to notify the Committee of any item that is subject to the above provisions. Therefore, any application containing any item on the "1051 list" cannot be "notified" (approved) by the Secretariat, and must be circulated to the Committee.

# PROCESSING SCR 986 APPLICATIONS



# TREASURY LETTER OF CREDIT PAYMENTS



Distribution plan for phase XI  
submitted by the Government of Iraq to the Secretary-General in accordance  
with the memorandum of understanding of 20 May 1996 and Security  
Council resolution 1382 (2001)

EXECUTIVE SUMMARY

1. The present Distribution Plan has been prepared in accordance with Section 2 of the Memorandum of Understanding between the Government of Iraq and the UN Secretariat, (referred to herein after as the "MOU"), signed on 20 May 1996 for the purchase and distribution of food, medicine, medical supplies and equipment and other supplies necessary for the essential civilian needs to help alleviate the hardships suffered by the people of Iraq. The plan constitutes an important element in the implementation of SCR 1382 (2001) and the Secretary-General's report of 19 November 2001 (S/2001/1089). It includes a classified list of supplies and goods to be purchased and imported by Iraq for this purpose.
2. For the three northern Iraqi governorates, namely Dohuk, Erbil and Suleimaniyah, the procurement and distribution of essential civilian humanitarian supplies as well as rehabilitation activities will be the responsibility of the United Nations Inter-Agency Humanitarian Programme, (hereinafter "the Programme"), in accordance with paragraph 20 of the MOU and paragraphs 3 and 6 of its Annex I. In accordance with paragraph 2 of Annex I of the MOU, the humanitarian requirements of the three northern governorates in the Distribution Plan, (hereinafter "the Plan") were identified by the programme, taking into consideration all relevant circumstances in the three northern governorates and in the rest of the country, in order to ensure equitable distribution. These requirements were discussed with the Government of Iraq and incorporated in the Plan.
3. A total amount of US \$ 4432.43 million shall be available to meet the humanitarian needs of the people of Iraq, plus spare parts and equipment for the Iraqi oil industry. The Plan allocates US \$ 1275 million for food sector and US \$ 195 million for food supporting and handling supplies sub-sector. The general food basket provides 2472 kilo-calories and protein, especially animal protein (as dried whole milk and/or cheese) which will contribute 8.5% of total protein, and as reflected in table below. The inclusion of weaning cereal for infants fills an important nutritional need. An amount of approximately US \$ 40 million from the allocation to the food sector will be used to import raw materials for processing of vegetable oil, soap, and detergent, implementation of which would be under the food handling sector.

General rations	Plan XI
Calories (Kcal)	2472
Protein-non-animal	51.70
Protein-animal	8.50

Total protein	60.20
Infants	Plan XI
Calories (Kcal)	696
Protein	19.7

4. Fortification of vegetable oil with Vitamin A will help reduce the proven public health problem of this deficiency. Fortification of salt with iodine will continue as before, to reduce the problem of Iodine deficiency disorders, known to be prevalent throughout Iraq. The distribution of food will be carried out within the existing framework according to the ration system currently applied, which is described in the previous distribution plans.

5. The Plan allocates US \$ 195 million for the food-handling sector for spare parts and equipment, pursuant to the activities of storage and transportation of foodstuffs and grain milling as well as delivering them to consumers in conformity with the quantities of goods imported, in accordance with the MOU.

6. US \$ 178 million is allocated to the Medical Services sector, 50% of which is for the import of equipment and required items for the rehabilitation of different equipment in Hospitals and Health Centres, while the other 50% is for the import of medicine and medical supplies. It should be noted that all Iraqi citizens, Arab and foreign residents have access to public health services. Medicine for chronic diseases will be the first priority among others. Spare parts will be purchased to repair service equipment, such as air-conditioning equipment and hospital elevators throughout the country. Subject to the provisions of the MOU relating to the three northern governorates, health commodities will reach the beneficiaries through hospitals and primary health care centres using the existing distribution system. The Plan allocates US \$ 40 million for the three northern governorates, for medicines and medical supplies (Bulk Purchase). In addition, US \$ 43.86 million is allocated for the rehabilitation of hospitals and health infrastructure in the three northern governorates.

7. US \$ 10 million is allocated for supplemental nutrition support for pregnant and lactating mothers, by providing high protein biscuits and Therapeutic Milk, which will be distributed on a monthly basis to pregnant mothers in their last trimester, to lactating mothers for three months after birth, and malnourished children through Community Child Care Units/MOH in Iraq. Micro-nutrients, (Iron and multi-vitamins), will be distributed to pregnant and lactating mothers through MCH centres. With roughly 50,000 births per month, the funds allocated for this distribution plan are sufficient to provide the additional caloric requirements for pregnant and lactating mothers.

8. The conditions of potable water and sanitation systems remain critical throughout Iraq. Rehabilitation requirements are estimated over US \$ 700 million, in addition US \$ 150 million to complete the unfinished project to serve 1.8 million inhabitants residing in Baghdad and other governorates. The garbage collection had been neglected due to the shortage of funds and the sector needs US \$ 30 million to purchase spare parts and new equipment. However, due to limited funds, the Plan allocates US \$ 322.60 million, of which US \$ 125 million for Baghdad serving about

6 million people in the city and its surrounding districts. US \$ 197.60 million to be provided for the rehabilitation of water and sanitation facilities in the remaining governorates, including US \$ 112 million for the rehabilitation of water and sanitation facilities in the three northern governorates. The UN Secretary-General's report of 19 November 2001 (S/2001/1089) stressed that the programme has focused on sustaining the existing urban coverage, and pointed out that the inequity of water availability in semi-urban and rural areas needs to be addressed urgently. Equipment will be imported to rehabilitate potable water and sanitation facilities in Baghdad and other governorates.

9. As a result of the destruction inflicted on the electricity sector and the lack of spare parts and equipment for maintenance, the condition of the network has severely deteriorated resulting in frequent and prolonged power cuts to the consumers, including essential services such as hospitals, water treatment and sewage plants, wheat mills, irrigation and drainage pump stations, schools, universities and fuel stations. Although, the total allocation under previous phases increased substantially, the network continues to deteriorate for two main reasons: the scale of inputs received is significantly low in comparison with actual needs, and the large number of contracts on hold. The report of the UN Secretary General in March 2000 (S/2000/208) refers to this situation. This was compounded by a severe regional drought in the last three consecutive years, which has reduced the power generation from hydro units by more than 350 MW. The deficit in power was 1600 MW, 1700 MW and 1800 MW in the years 1997, 1998 and 1999 respectively, and the corresponding load demand was 5300 MW, 5500 MW and 5700 MW respectively. During a country wide load survey in August 1999, the load demand was 6200MW and the deficit in power based on the load demand was 2300 MW. In years 2000 and 2001, during August, the load demand recorded was 6120 MW, the deficit in power was 2402 MW. From the figures it is evident that the power generation deficit has been steadily increasing, as the power generation is not commensurate with the load demand. The details of installed capacity, available capacity, load demand and deficit in power are shown Annex-I/ Electricity. One measure that would remedy the present situation is the immediate approval of the large number of contracts presently on hold. However, the impact of current measures can be realized only after not less than two years owing to long lead-times required for manufacturing the electrical system equipment, spare parts, and time required for installation.

10. The investment required to rehabilitate the electricity sector is beyond the allocation indicated in this Distribution Plan; however, to address minimum requirements, this Plan allocates US \$ 293.50 million for this sector.

11. Within this allocation, US \$ 65.50 million has been earmarked for the three northern governorates. The allocation for the northern governorates is essential to continue the rehabilitation of the distribution network, funds for reconnection of Erbil and Suleimaniyah governorates to the national grid, to support energy conservation and continued emergency electricity needs, and to address power system control and communication facilities.

12. The Agricultural sector continues to suffer from the continuous deterioration of basic infrastructure and supporting public services, as well as serious shortages of agricultural machinery and basic inputs. The situation is further aggravated by the

severe drought during the winter cropping seasons of 1998-1999, 1999-2000, and 2000-2001 and which is still affecting Iraq.

13. A 50-96 percent drop in rainfall during winter 1998/99, 1999/2000 and 2000/2001 has caused complete failure in germination of 70% of the rain-fed areas and low yields are anticipated in the remaining 30%. The irrigation sector was drastically affected, as the flows in the two main rivers are the lowest since 1930. This is compounded by the lowering of water tables leading to drying up of irrigation wells, thereby further reducing available water for summer crop irrigation.

14. The adopted approach for the sector considered the interrelation of the various production factors as well as the emerged needs as a result of the drought.

15. The vital role of the Agricultural sector is enhancing the availability of locally produced food items, mainly animal protein, vegetables, fruits and other oil seed crops. The Plan intends to address the basic needs for veterinary infrastructure rehabilitation, and upgrading of the veterinary service capacity to respond to epidemic diseases. The plan also considered needed resources to sustain the GOI poultry programme. Expansion in fish production as well as the enhancement of dairy production have been addressed within the available meagre resources.

16. The sector will receive US \$ 474.00 million to respond to urgent needs. Of that amount, US \$ 179.00 million is allocated to the irrigation sector (Centre and South) to address part of the water resources rehabilitation and project construction needs, and to partially secure needed equipment and spare parts.

17. Of the balance, US \$ 258.00 million is designated to agricultural production, including poultry production, in the center and south and US \$ 37.00 million has been allocated to the agricultural and irrigation sub sectors in the three northern governorates of Iraq. The Plan has focused on the enhancement of domestic food production in order to contribute towards improving the diet of the population as this concerns both quantity and quality, in particular micro-nutrients, vitamins and animal protein. The proposed activities cover the provision, of the basic inputs for vegetable, fruit and animal production. These include inputs needed for soil preparation, irrigation, fertilizer, plant protection chemicals, and drugs for the control of animal diseases.

18. Identified drought related input will be submitted with the Plan, in order to facilitate expeditious approval and funding as it is of high priority in this emergency situation.

19. Primary, Secondary and Higher Education sectors are in need of major rehabilitation work. The effects are clear on schools and other educational facilities; there are 5000 damaged school buildings. In addition to the increase the density of pupils in each classroom, there is a severe shortage of desks, where more than one pupil shares one desk. There is also severe shortage of books, whereby there is an actual need for preparing more than 50 million books annually. Due to a lack of, printing materials, spare parts and paper, the printing facilities of the Ministry of Education have stopped. All schools suffer from severe shortages of laboratories, aid and training materials. Besides of all the above mentioned difficulties, the sector is



suffering severely from shortage of transportation. This undermines teachers and student rehabilitation and training. Higher education and public education have been also affected by the shortage of books and materials required by scientific departments of Iraqi universities. The needs of higher education for laboratory equipment required for students in medicine, pharmacy, and agriculture will be provided. Other general needs, such as reference books, spare parts for laboratory equipment, photocopiers and educational supplies will be made available. In addition as stressed by the UN Secretary-General's report of 19 November 2001 (S/2001/1089) items such as school rehabilitation materials warrant more attention. This sector will receive US \$ 188.14 million. out of this amount US \$ 129.54 million will be provided for primary education of which US \$ 48.54 million is allocated for the three northern governorates. For Higher Education this plan allocates US \$ 58.60 million of which US \$ 7.60 million for Higher Education in the three northern governorates.

20. The Housing Sector is aimed at those who require immediate new housing and to support their permanent settlement in appropriate places, and assisting population in cities and towns to ensure better housing conditions. A total funding of US \$ 178 million is allocated to this sector. For the three northern governorates the programme aims through the provision of consolidated packages of services to support the areas of: a) rural village resettlement; b) rehabilitation of resettled towns and villages; c) infrastructure and services; and d) provision of basic relief items, such as tents and blankets. A total funding of US \$ 114.80 million is allocated for the Settlement Rehabilitation for the three northern governorates.

21. Landmines in the three northern Governorates continue to claim the lives of many people. An estimated 20% of the arable land of the region cannot be cultivated because of land mines. The implementation of humanitarian programme, including resettlement, is also being severely hampered by lack of access to significant areas. The programme aims at clearing mines in areas close to rural communities, economic activities, electricity transmission and distribution lines and resettlement towns. Training, mine awareness and establishment and expansion of prosthesis centres are also among the priority activities. The current Plan allocates US \$ 14.10 million for the required activities in this sector.

22. The present condition of telecommunications and transportation throughout Iraq, including the three northern governorates, is extremely poor and requires immediate attention. A viable system of communications is integral to the life of the community and the successful implementation of the "Oil-for-Food" Programme, including distribution of food and medicines in a more effective manner. Communication inputs, including telephone systems have been introduced, which are essential for information flow among service providers, for health education to communication and households, for co-ordination of sectors like food, agriculture, education, cultural, emergency health services, and environment. Due to the limited amount of funds, US \$ 230.5 million have been allocated, of which US \$ 12 million is allocated for cater for the basic telecommunication needs in the three northern governorates.

23. The increasing need for humanitarian assistance in the central and southern governorates, particularly to the most needy groups in the society and the lack of sufficient resources to support essential activities such as repair of basic

infrastructures, amelioration of public health services, improvement of water and sanitation programmes manifests the need for special allocations that address exigencies in these areas.

24. Since the start of humanitarian programme, it has become increasingly apparent that available funds have been inadequate to provide for all the humanitarian requirements. Therefore, the provision of additional resources in a targeted manner would be most effective in addressing the specific requirements of most needy segments of the population.

25. An allocation of US \$ 309.85 million has been made available under the distribution plan to cover some essential needs including improvement of dwellings, access to potable water, access of water in remote areas, provision of sanitation facilities and amelioration of the sewerage systems.

26. The required activities in those areas are elaborated in Part Ten of this Plan.

27. In the oil sector, the needs and requirements should cover the requirements of maintenance, rehabilitation and upgrading of equipment and systems used in all sectors of the oil industry as well as the implementation of projects related to the development of existing and new oil fields in order to compensate for the depletion in oil available for export and prevent further deterioration in oil production in addition to achieving possible increase of production and increased reliability of production and export systems and equipment. In addition to that, it is essential to sustain the safe operations of the existing refineries with acceptable standards of efficiency, safety and environmental protection, to provide various oil products for local consumption and distribution including the transport of the fuel needed to operate the electricity generating plants in the country.

28. Hence, a US \$ 350 million dollars has been allocated for upstream sector, US \$ 250 million dollars for the downstream sector. This makes the total requirements of the oil sector US \$ 600 million, as stipulated in resolution UNSCR 1382/2001.

29. The humanitarian needs of the population of Iraq are enormous due to the cumulative deterioration of living and environmental conditions during the years of embargo. The humanitarian situation and the goods to be imported for all sectors have been reviewed in accordance with paragraphs 4 and 11 of resolution 986 and by the successive reports of the UN Secretary-General. The report clearly pointed out that the various sectors mentioned in the above paragraphs still suffer from shortage of basic needs despite the implementation of the distribution plan. There still remain needs for humanitarian supplies.

30. 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 UN 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 MOU.

Table 1.  
 Allocations for sectoral activities covered by the Distribution Plan  
 DP XL

Sector/Activity	Allocations in US \$ million (Country wide)*	Allocations for Dohouk, Erbil, Suleimaniyeh (US \$ million)
Food**	1275.00	184.00
Food Handling	195.00	1.50
Food supporting supplies of equipment/spare parts for food supply, goods transportation/trucks/standardization and quality control laboratories.		
Housing	178.00	
Medicines and Medical Supplies	178.00	40.00
Electricity	293.50	65.50
Agriculture	0.00	
Agriculture	295.00	37.00
Irrigation	179.00	
Education		
Primary, Secondary Education	129.54	48.54
Higher Education	58.60	7.60
Transport and Communication/Rehabilitation of Railway Network	230.50	12.00
WATSAN	112.00	112.00
GEWS	85.60	
BWSA	125.00	
Settlement Rehabilitation	114.80	114.80
Mine Related Activities	14.10	14.10
Nutrition	15.53	15.53
Health Rehabilitation	43.86	43.86
Special Allocation***	309.40	
Sub Total	3832.43	696.43
Oil	600.00	
Grand Total****	4432.43	

\* The estimated allocations by sector constitute indicative figures to give an order of magnitude of intended use of resources. The actual amounts will depend on market prices at the time of procurement.

\*\* The daily food ration will provide 2472 kcal, 60.20 g of protein, 64.90 g of fat, 439.40 mg of calcium, and 9.80 g of iron.

The inclusion of milk and weaning food for infants fill an important nutritional need by adding 2 boxes of baby milk and 2 boxes of baby food and 1 kilo of milk for adult per capita.

Includes an allocation of US \$ 40 million for importing raw materials for processing into edible oils, soap, and detergent.

\*\*\* The special allocation in accordance with SCR 1360 paragraph 9 will be allotted to Housing, US \$ 87 million; Construction of health facilities, hospitals, specialized centres, and other health facilities, US \$ 112 million; Water and Sanitation, US \$ 100.40 million; Board of Youth and Sports, US \$ 5 million; and Labour and Social Affairs, US \$ 5 million.

\*\*\*\* The total allocation for the humanitarian component, including oil spare parts, (Country wide), has been calculated as 72.034% of oil sales, after deducting the pipeline fees, less US \$ 25 million.

## PART ONE

### FOOD SECTOR

#### Introduction

31. The Government of Iraq established special rationing system to ensure the distribution of foodstuffs to all Iraqi citizens, Arabs and foreigners residing in Iraq. The system was launched on 1 September 1990 after the imposition of the embargo on Iraq. It is presently applied throughout Iraq. Foodstuffs imported under the MOU are distributed by the Government of Iraq throughout the country except in the three northern governorates, where the United Nations Inter-Agency Programme distributes the food ration to the population on behalf of the Government of Iraq.

The main features of the system.

32. The main partners of the system are:

- Ministry of Trade / Government of Iraq
- The consumers (citizens of Iraq, Arabs and foreign residents).
- Retail ration agents (private sector).

33. The Ministry of Trade undertakes, on a monthly basis, the distribution of foodstuffs to the retail ration agents in their designated areas, and to ensure their delivery to the household registered with the concerned agents. There are more than 45,864 ration agents distributing the food monthly in the 15 governorates and over 10,000 ration agents in the three northern governorates. Each ration card has a number of coupons that correspond to the basic food items involved in the system. The coupons are collected from the households monthly by the retail ration agents. The ration card covers one calendar year.

34. Every Iraqi citizen, Arab and foreign residing in Iraq is entitled by law to obtain "Rationing card " from the Registration Centres. These centres establish lists of families by name, age and number of consumers in each household and send the list to the computer centre. The computer centre sends one copy of each list to the retail ration agent and another copy of the list to food distribution centres.

35. The monthly individual ration under the current system is the same for each individual with regard to commodities, quantity and the related nominal fees. Households are well informed through public and private mass media, on a monthly basis, of their entitlements and on the time of distribution in various distribution centres.

36. The follow-up mechanism to ensure effective and proper implementation of the Rationing System is done through:

- The concerned monitoring offices of the Ministry of Trade.
- Elected People's councils .
- Citizens.

37. The beneficiaries of the system have the right to submit to the Ministry of Trade complaints against the retail ration agent in their designated areas, if they discover that the agent is violating the relevant regulations. Accordingly, the Ministry of Trade circulates a questionnaire among all households registered with the said agent. If the findings show that 51% of the participating households in the process condemn the agent, his agency license will be cancelled and a new retail agent will be immediately appointed.

#### **Monitoring of Distribution**

38. The observation of distribution and determining the adequacy of the materials in accordance with the distribution plan will be carried out according to paragraphs 37-38 of the MOU.

#### **Plan for Food Distribution**

39. The same mechanism of food distribution stipulated in paragraph 22 of the distribution Plan of Phase VIII shall be followed under this plan.

#### **Arrangements for procurement and Storage**

40. Arrangements for procurement, storage and the transport of food supplies under this plan shall remain as stated in paragraph 24 of the distribution plan of phase VIII.

#### **Location of the independent Inspection Agents**

41. The locations of the independent inspectors will continue according to the current manner under paragraph 25 of the Distribution Plan of Phase VIII.

#### **Warehouses**

42. Specific warehouses shall be designated to store the foodstuffs imported by the Government of Iraq under the plan. The locations of these warehouses will be within the main storage complexes of the Ministry of Trade throughout the governorates of Iraq.

43. In accordance with paragraph 5 of Annex I of the MOU humanitarian supplies destined for distribution in the three northern Governorates shall be delivered by the programme to warehouses within these Governorates. Warehouses in Mosul and Kirkuk , to which supplies may also be delivered , either by the Governments of Iraq or the Programme, will be under the management of the Programme.

Maintenance, repairs, rehabilitation and replacement of equipment required on the basis of priorities for the handling, storage, supply and distribution of food.

44. The Plan is based on the actual need of the food sector according to activities related to the storage and transportation of foodstuffs as well as grain milling and delivering to the consumers in accordance with the ration system and in conformity with the volume of the imported foodstuffs. The following has been taken into consideration in preparing this requirement:

- Repairing and rehabilitating the apparatuses and equipment of grain silos in a manner that ensures the speedy transportation and receiving of the imported grains and supplying them to mills as quickly as required.
- Ensuring the minimum needs of the mills to keep them operating and to ensure the production of the best quality of flour, packing and delivering it to the citizens on time.
- Ensuring new means of transportation to enhance the capacity available in the country for the transportation of grains, flour and foodstuffs as well as their delivery to the citizens according to the determined timings. For example, the provision of trucks and repair of railways.

45. Ensuring the minimum needs for cold storage and other warehouses for the foodstuffs as per their usage, the transportation of the stored goods, keeping them according to the requirements of their storage and facilitating their delivery to the citizens on time.

46. This Plan allocates US \$195 million, including US \$ 1.50 million for the three northern governorates, to ensure the procurement of the current needs for this sector as described in the annexes.

47. Under distribution plan XI, the programme will continue its responsibility for the transport, handling, and distribution of food commodities to end users in the three northern governorates. In this respect, WFP undertakes transport of food items from the transit warehouses in Mosul and Kirkuk to WFP managed warehouses in Erbil, Suleimaniyah and Dohuk. Distribution of the rations to the population is arranged through a network of food agents in collaboration with local authorities. In addition, the population data is updated on regular basis.

Table 2  
Iraqi population by governorate covered by the Plan.

Governorate	Population	Adults	Children under one
Ninevah	2,451,310	2,385,462	65,848
Tameem	858,289	836,586	21,703
Baghdad	6,317,019	6,146,786	170,233
Salah Al-Din	946,764	920,097	26,667
Diala	1,238,156	1,206,419	31,737
Anbar	1,233,026	1,196,373	36,653
Babylon	1,373,240	1,338,591	34,649
Kerbala	723,076	703,978	19,098
Najaf	925,418	898,283	27,135
Qadisiya	891,491	867,365	24,126
Muthana	539,938	523,857	16,081
Basrah	1,919,489	1,860,247	59,242
Maysan	816,126	785,395	30,731
Thi-Qar	1,492,064	1,445,957	46,107
Wasit	915,063	891,503	23,560
Dohuk	798,760	780,514	18,246
Erbil	1,309,161	1,285,769	23,392
Suleimaniyah	1,581,412	1,558,341	23,071
Total	26,329,802	25,631,523	698,279

\* The estimated population number calculated on the basis of the actual distribution figures of DP 6 taking into consideration the natural monthly growth of 0.23 %.



Table 3  
Consolidated Plan and Categorized List of Foodstuffs, Soaps and Detergents  
(Phase XI)

Items	Monthly Ration per capita (kg)	Monthly Requirements (tonnes)	Total needs for six months (tonnes)	Required value for six months (US \$)
1. Food, Wheat Flour*	9.000	286,000	1,716,000	370,000,000
Rice	3.000	80,000	480,000	135,000,000
Sugar	2.000	53,000	318,000	124,000,000
Tea	0.200	5,400	32,400	70,000,000
Cooking Oil	1.500	40,000	240,000	160,000,000
Milk Powder	3.600	2,520	15,120	66,000,000
Dried Whole Milk And / Or Cheese	1.000	25,800	154,800	225,000,000
Fortified Weaning Cereal	0.800	560	3,360	7,000,000
Pulses	1.500	39,750	238,500	30,000,000
Iodized Salt	0.150	4,000	24,000	3,000,000
SUBTOTAL		171030	1026180	1,190,000,000
2. Soaps And Detergents Soap	0.250	6,650	39,900	37,500,000
Detergents	0.500	14,000	84,000	47,500,000
TOTAL		20,650	123,900	85,000,000
GRAND TOTAL				1,275,000,000

Note: These figures represent indicative quantities and values subject to actual distribution and market conditions. The specified sum of each commodity is an indicative one and the total amount shall be used for all items in a balanced way in case of the decrease or increase of the international prices of commodities.

- wheat is to be processed and distributed to beneficiaries, as wheat flour the conversion rate used is 10 kg of wheat to 8.4 kg of wheat flour.
- quantities are calculated on the basis of population figures listed in Table 2. The following allowances to retail agents are added to ensure the accurate ration weight is given to customers: 4% for wheat flour, rice and pulses, 2% sugar, cooking oil, salt, and detergents 0.5% for tea.
- no additional quantities are given to the agents for milk powder and soap as these items are distributed by tins and pieces respectively.
- children under one year of age receive only milk powder, fortified weaning cereal, soap and detergents.
- Amount allocated for food is sufficient to cover the RPB due to expected lower food prices.

An amount of approximately US \$ 40 million from the allocation to the food sector will be used to import raw materials for processing into vegetable oil, soap, and detergent within Iraq.

## PART TWO

### PLAN FOR PURCHASE AND DISTRIBUTION OF MEDICINE AND MEDICAL EQUIPMENT AND SUPPLIES

48. In drafting its health policy, the Government of Iraq has followed the guidelines published by the WHO Programme on Essential Drugs.

- The provision of essential and cost-effective medicines to meet the needs of the whole population of Iraq.
- To ensure equitable distribution.
- To ensure the high quality and proper use of medicine.

49. Before August 1990, the rate of expenditure of the Ministry of Health was more than US\$ 500 million for the purchase of medicine and medical supplies. There were also recycled stocks which were sufficient for more than one year in addition to the known annual funds of investment for infrastructure. Therefore, the amount allocated by the previous distribution plans does not meet health service needs. The shortage of the medical supplies makes health services scientifically incomplete. The provision of medicine without necessary medical equipment and diagnostic facilities does not permit the provision of essential health services. Thus, there is no full benefit from medicine and medical supplies without medical apparatuses, equipment and other support systems necessary for the rehabilitation of hospitals.

50. As regards medicine and medical supplies, the situation is exceptionally serious. Most of the patients still receive partial treatment. The local production of drugs is still substantially reduced. In 1989, the need for medicine was met with the Ministry of Health spending more than US\$ 500 million to purchase imported medicine and medical appliances. Additionally, there were reserve stocks which permitted the continuous flow of medicine.

51. WHO assistance might be required to address emerging health needs that may result from the recent draught situation. The distribution plan will respond to these needs as and when needed. Emphasis can therefore be made on the provision of drugs for emerging health problems.

52. The plan is formulated to meet the needs for medicine with top priority for medicines for chronic diseases. The urgent priorities include other medicines, medical supplies, medical equipment, the local production of drugs and syringes and spare parts as well as other equipment, spare parts and materials for the rehabilitation of service equipment in hospitals and health centres such as air conditioning, elevators etc. US \$ 178 million is the total allocation to the health sector, out of which US \$ 131 million allocated as follows:

- US \$ 45 million is allocated to the Raw materials, equipments, spare parts for Samara drugs industry (SDI).
- US\$ 5 million for the raw materials, equipment, spare parts for antibiotic industries (A.C.A.I.)
- US \$ 81 million for building hospitals and other health facilities.

However, as reported by UN Agencies and other observers, the situation of hospitals and health centres is still of much concern as they are in need for big investments which could not be made available. The report of UN Secretary-General of 19 November 2001 (S/2001/1089) clearly pointed out the need of rehabilitation of equipment in hospitals and health centres which are in need of large funds. In addition the harsh economic and social circumstances and the deterioration of the living conditions resulted in an increased mortality and morbidity including malnutrition. US \$ 10 million is allocated for supplemental nutrition support, (high protein biscuits, therapeutic milk, etc), for pregnant and lactating mothers.

53. In the three northern governorates of Iraq, a separate allocation of US \$ 15.53 has been earmarked to cover the medical and nutritional needs of the population for phase XI. In previous phases the focus was on growth monitoring with the aim of early detecting growth faltering of children under five years of age in order to curb protein-energy malnutrition. While continuing these activities, the Programme will also target school children and will further strengthen its effort to identify and control micro-nutrient deficiencies. Emphasis will be given to enhance women's skills in improving feeding practices and in providing appropriate health and nutritional care to their children. The focus on gender issues is also reflected in the Programme's effort to diminish maternal mortality rates.

54. Under distribution plan XI, the ongoing Supplementary Feeding Programme in the three northern governorates will assist an approximate caseload of 250,000 beneficiaries including malnourished children, pregnant and lactating mothers, and persons in need at social institutions and hospitals. Food security activities are currently under revision by the independent review mission, with projects to be reformulated in accordance their findings, and recommendations

55. The Plan aims at the provision of high quality and low-cost medicine which meet the needs of the whole population of Iraq. Up to date medical equipment, such as C.T Scans and MRI, medical and surgical appliances, diagnostic equipment and vaccines are required. Among other priorities that require an urgent attention within the framework of the Plan, are the provision of pesticides, insecticides, for domestic use the provision of field vehicles to ensure communication within the health network and vehicles to transport medicine and medical equipment. It should be stressed that the public health sector cannot be improved by the provision of medicine and medical appliances only. The infrastructure of hospitals, medical centres and warehouses is in need of rehabilitation through the provision of spare parts and replacement equipment in addition to physical repairs. Furthermore, the provisions of 400 ambulances for the health services are basic and urgently needed to improve public health services.

56. The health situation in the three northern governorates has begun to improve with respect to health services. As a result of planned activities and programme implementation to date no outbreak of viral cholera took place in the three governorate despite the drought. In the depth discussions and consultations are underway to plan for the re-orientation of the function of the health centres so as to provide comprehensive services to the public; including curative, preventive, promotional, and re-rehabilitative health care. Most old and obsolete medical equipment in hospitals has been replaced. This has contributed to better diagnostic

and curative medical services for the sick. There are still some shortages of certain drugs due to the limited quantities received from Kimadia.

57. Several hospitals and related health facilities have been renovated and re-furnished to meet the present needs of the health services. A large number of items for water quality control laboratories have been received and installed. Three central water quality control laboratories and five satellite laboratories are functioning well in the three northern governorates. All the technical staff in these laboratories have received training on the bacteriological and chemical analyses needed for the control of drinking water.

58. There is a need to improve the planning of the health services by local health authorities, and to enhance capabilities at primary, secondary, and tertiary health service levels.

59. For phase XI, US \$ 40 million has been allocated for the provision of medicines and medical supplies and US \$ 43.86 million for projects under the component of "health rehabilitation".

60. The completion of developing profiles for all the health facilities in the northern governorates in June 2001 has provided a tool for identifying planning priorities within the health sector. The resulting "Health Information Profile" will equip senior health officials with the information necessary to reach timely and appropriate decisions.

61. Under previous phases, the programme in the three northern governorates gave due attention to preventive health care services to achieve accelerated progress in reducing maternal and child mortality in the region. The strategy of the programme was to prevent illnesses through proper nutrition including breastfeeding, immunization, encouraging families to apply proper health and hygiene practices, and gender disparity reduction. In phase XI, funds will be used to incorporate into the primary health system a programme of early detection of childhood disabilities, and to further strengthen the ongoing activities initiated in previous phases to support immunization and primary health care activities. Increased focus will be on addressing vulnerable groups such as unaccompanied children and children in need of protection. Emphasis will be given to improving the quality of maternal health services and of training, expanding school health and sanitation activities, and continuing work in an integrated fashion on all relevant health programmes.

62. Child protection projects under phase XI will continue to improve the conceptual understanding of child rights and child protection through provision of technical assistance at various levels of administration and programme implementation. Until the local capacity has been adequately strengthened, the programme will continue working with local institutions while redirecting activities towards a child rights perspective. It is anticipated that these activities will result in expanded availability of services outside urban areas, and in a plan of action for child protection. The continued provision of supplies and rehabilitation of infrastructure will complement the above strategies.

### Sub-Sectors

63. Given the nature of the health care sector, priorities for individual items cannot be set without discriminating between patients. Purchase orders for essential drugs, medical supplies, equipment and support items will however be issued in accordance with the general priorities emerging in the health sector and in consideration of projected stock shortages. Special priority items or changes in priority or complementarity will be communicated through the Permanent Representative.

- **Medicine and Medical supplies.** The objective pursued under the Plan is to make available needed medicine and medical supplies to health care providers throughout Iraq. The Ministry of Health will give focus to those items in the annexes, which are of general use in order to ensure a continuous flow of essential items to health facilities.
- **Rehabilitation of Health Facilities.** It is estimated that approximately 50% of the medical equipment is obsolete and/or un-repairable there by requiring replacement. However, given the limitations of funds only critical equipment for medical care and diagnostic purposes will be procured. The import of spare parts is to effect repair of equipment that can still be used. The overall objective of these measures is to improve the quality of care and hence add to the benefit expected from increased availability of medicine and medical supplies. Additionally health infrastructure rehabilitation is to improve general working conditions and provide better and acceptable hospital conditions for patients. This would be achieved through the import of spare parts and some equipment for hospital engineering such as air-conditioning, heating and elevators. In addition fork lifts, trucks and spare parts will be imported to facilitate distributions of supplies. Items listed for logistical, information processing and communications support is considered critical for an efficient distribution and inventory management system.
- **Quality Control Laboratories.** Given the importance of this sub-sector allocations will be made to provide medical equipment to facilitate timely quality control testing as well as to allow for effecting all tests required by Iraqi regulations.

64. In accordance with the MOU and the distribution plan, in the three northern governorates, the Programme will be responsible for the distribution of medical supplies and medical equipment as well as for infrastructure rehabilitation. The Programme shall ensure that the needs determined by health sector are compatible with the basic needs of these governorates.

### Plan Components

65. The components of the plan composed of the estimation of needs, the distribution, procedures for regulation and criteria for importation and storage will remain as contained in the first distribution plan.

66. The Government of Iraq shall provide the Programme with detailed information about the delivery of appliances and equipment to their locations in order to facilitate and ensure monitoring of their use.

67. In accordance with the MOU and the distribution plan, in the three northern governorates, the Programme will be responsible for the distribution of medical supplies and medical equipment as well as for infrastructure rehabilitation. The Programme shall ensure that the needs determined by health sector are compatible with the basic needs of these governorates.

Table 4  
Criteria for distribution of Ambulances \*

Serial no.	Governorates	Number of ambulances
1.	Nineveh	28
2.	Tameem	12
3.	Baghdad	120
4.	Salah Al-Din	16
5.	Diala	16
6.	Anbar	20
7.	Babylon	16
8.	Kerbala	12
9.	Najaf	12
10.	Qadissiyah	12
11.	Muthana	12
12.	Basrah	32
13.	Misan	16
14.	Thi-Qar	16
15.	Wassit	12
16.	Dohuk	12
17.	Erbil	16
18.	Suleimaniyah	20
Total		400

Distribution: two ambulance / 100.000 population.

### PART THREE

#### PLAN OF EQUIPMENT PURCHASE FOR WATER AND SANITATION SECTOR

68. Deterioration in this sector has manifested itself seriously in the decrease in quantities of potable water and in inadequate sanitation for the population, both of which have contributed to sharp increase in the incidence of water-borne diseases in the whole country. With the drastic deterioration in this sector during the past nine years, a survey recently undertaken by UNICEF revealed that the water coverage is on average of 46 % in all rural areas. On the other hand, the per capita share of water has gone down to 218 litres / day in Baghdad, 138 litres/day in other urban areas and 91 litres / day in served rural areas . This deterioration is related to the acute need for new plants the poor functioning of most of the existing water treatment plants, lack of spare parts and equipment, the poor status of the water distribution network, and electrical power cuts of up to 10 hours per day. Water quality results, reported by MOH and WHO, have shown a high contamination percentage of water samples. On the other hand and while the turbidity of water reaching the population should not exceed 1 Nephelometric Turbidity Unit ( NTU) as set by Iraqi standards, more than 70 % of the water currently served is of a turbidity exceeding 10 NTU.

69. Despite the identification of the deteriorated situation of the sector of potable water and sanitation by the reports of UN agencies and the report of the UN Secretary-General of 18 May 1999 (S/1999/573), which clarified the actual situation of the projects and the minimum requires needs for maintaining their operation, deterioration continues, due to the limited sums allocated for this sector in the previous distribution plants, the delay in the arrival of supplies, mainly due to complicated process for S.C. approval as well as the nature of these supplies which require no less than six months for their manufacture and shipment.

70. Sector Objective and Strategies. The overall objectives of the Water and Sanitation Sector in Iraq are:

- To provide sufficient quantity of potable water to the population.
- To dispose, hygienically, of all kinds of waste (solid and liquid ).

71. To meet the above objectives three subsequent planning stages are to be followed:

- Stage I. Rehabilitate the existing system to enhance efficiency and improved performance as well as quality. The estimated cost of this stage is US \$ 700 million.
- Stage II. Fill in the gap to reach universal accessibility of service where by the under-served and the unserved will be covered.
- Stage III. Increase the level of service to meet the normal growth of the population.

72. The purchase strategy followed in preparing the three subsequent distribution plans of SCR.

73. The production of potable water in 14 governorates is 1200 million cubic metre / year. The design capacity of Baghdad is 850 million cubic metre/year. As the requirements determined in the previous distribution plans, have not arrived in Iraq yet, the current estimated capacity of these facilities is 30 % less than their design capacity. The water system in centre / south Iraq is composed of 218 water treatment plant, 1191 compact water unit, 51 boosting station and thousands of kilometres of water supply pipes.

74. In sanitation, the situation is even worse. None of the 13 sewage treatment plants in the country is functioning properly, and raw sewage is disposed directly into rivers and causing contamination. The sewage collection, and rainfall collection systems which are composed of 250 vertical sewage pumping stations and more than 1,000 sewage submersible pumping station are all malfunctioning and in desperate shape, because of the deteriorating status of the network, and the lack of pumps, spares and other supplies and mainly due to disability to construct new treatment plants and net work to face the population growth. Other areas where septic tanks and cesspools are utilized for sewage disposal are also facing enormous problems due to the high water table and the breakdown of the fleet of cesspool emptiers. Flooded septic tanks are flooding residential areas and causing contamination.

The current situation necessitates much attention to this sector, due to its negative effects on public health, environment and citizens, particularly children and women. This requires the allocation of US \$ 322.60 million in the plan to meet the urgent humanitarian needs in this sector according to the details contained in the annexes, US \$ 125 million to Baghdad to improve the delivery of drinking water to the beneficiaries of Rosafa water treatment plant. The funds would provide items such as water pumps, tanks, ductile pipes, pressure filters, electrical generators and other materials. US \$ 185.60 million have been allocated to the districts surrounding Baghdad and other 14 governorates and US \$ 112 million will be allocated to the three northern governorates.

75. The spare parts and equipment required for this sector are described in the annexes. The proposed DP has some changes in the purchase policy. Priority continues to be given to the purchase of water purification chemicals and some of the specific urgent required supplies in specific water treatment plants not only for Baghdad Municipality but also to the General Establishment for Water and Sewerage. In order to address the rehabilitation needs of large water and sewerage treatment plants in a comprehensive manner, turnkey projects of the type presently implemented in the electricity sector will be introduced.

76. There will be a focus on improving water services to under-served or unserved rural population by the purchase of 400 compact water treatment plants. More attention is being given to sanitation by the purchase of sewage pumps, cesspool emptiers, sewer jetting units, sewers cleaning equipment and garbage collectors. As a second priority, focus will be given to the purchase of supplies to water treatment plants (pumps, circuit breakers, starters, and motors) and also supplies for incomplete water treatment plant meant to serve unserved population and whose civil works are 60-90% completed. Also, focus will be given to the purchase of some ductile and UPVC pipes for the water supply network. There will also be focus on water quality control through the purchase of required supplies. The water tankers, which are



included in DP-VI, should be used to face needs incurred by the current drought situation. On a third priority basis, water tankers to provide services to unserved areas and some support vehicles ( trailers and loaders) will be purchased.

77. In urban areas the apparent ready access to water and sanitation systems tends to conceal the fact that the quality of potable water is highly variable and very dependent on a reliable and continuous electricity supply. The latter ensures that pressures remain sufficient to avoid drawing polluted water back into the main supply pipes. In addition many of the pumps are well beyond their useful working life, with the result that the supply of water to households is by no means guaranteed even where systems are nominally in place. For rural areas, recent surveys indicate that water supply coverage is under 50%, rather less than had originally been thought, and the population in these areas who had access to sanitary latrines is much less at only 16%.

78. A particular problem in this sector is the widespread deterioration of the vehicle sanitation fleet, which is used for regular removal of both liquid and solid wastes. The much-reduced capacity of this fleet is compromising both the health and environmental situations, which will become even worse over the coming summer unless corrective action is taken before then. Computers that are ordered as part of DP-VI should be used to computerize the management of supplies in the major warehouses in order to alleviate some of the present bottlenecks in the process of distribution of supplies in the Water and Sanitation sector.

79. In the three northern governorates, the urban water and sanitation projects will focus on four major areas of intervention: provision of adequate quantities of water treatment chemicals and related equipment to keep contamination below the desired level; replacement/repair and extension of distribution networks to tackle water leakage and ensure adequate pressure for a more efficient water distribution; construction of storm water drains to prevent water logging; and proper collection and disposal of solid waste. Rural water and sanitation projects will continue toward the objective of increasing access to safe water and sanitary facilities through development of new projects and rehabilitation/repair of the old ones so as to ultimately achieve the goal of universal access to safe water and sanitary means of excreta disposal. This includes provision of safe water to people during emergencies such as the drought.

80. Hygiene education projects aim to support social mobilization and hygiene education for proper usage of water and sanitation facilities and to bring about a behavioral change in hygiene practices with the ultimate goal of bringing down water and sanitation related diseases. Under Phase X, the development of IEC materials continued so that they are suited to the local socio-cultural ethos. Training, using various communication channels, with a focus on schools and related to social mobilization and promotion of improved sanitary practices will generate greater awareness of hygiene practices. Total budget allocation for water and environmental sanitation is US \$ 112 million.

81. In accordance with paragraph 40 of the MOU, the Government of Iraq shall provide the Programme with detailed information about the delivery of supplies and equipment to their locations in order to facilitate the monitoring of their use and to

make sure of this. The Programme will conduct the tasks provided for in paragraph 8 of annex-1 of the MOU.

## PART FOUR

### PLAN OF SUPPLIES AND EQUIPMENT FOR ELECTRICITY SECTOR

82. The deficit in electric power as result of damage inflicted upon this vital sector and non-availability of spare parts and equipment for maintenance, is a serious problem throughout the country. Although, the total allocation under previous phases increased substantially, the network continues to deteriorate for two main reasons: the scale of inputs received is significantly low in comparison with actual needs, and the large number of contracts on hold. This fact has been confirmed by various UN reports and in particular, the latest report of the UN Secretary-General of March 2000. The situation was compounded by a severe regional drought in the last three consecutive years which has reduced the power generation from hydro units by more than 300 MW. The deficit in power was 1600 MW, 1700 MW and 1800 MW in the years 1997, 1998 and 1999 respectively, and the corresponding load demand was 5300 MW, 5500 MW and 5700 MW respectively. During a country wide load survey in Aug'1999, the load demand was 6200 MW and the deficit in power based on the load demand was 2300 MW. In year 2000 and 2001, during August, the load demand recorded was 6120 MW and the deficit in power was 2402 MW. From the figures it is evident that the power generation deficit has been steadily increasing, as the power generation is not commensurate with the load demand. As also mentioned in the report of the UN Secretary-General of 10 March 2000 (S/2000/208), reliable power generation underpins health-and nutrition- related initiatives in all sectors.

83. To address urgent needs, a sum of US \$ 293.50 million is allocated in this plan. As there is a severe shortage of power, the Plan concentrates on increasing generation by installing new gas turbine generation units and carrying out rehabilitation and repairs to some of the larger thermal, gas turbine and hydro-electric power generation stations throughout country, also starting with installation of new thermal power stations in some locations . The Plan also emphasizes the need to rehabilitate on transmission and distribution networks in different parts of the country and reconnection of the northern governorates with the National grid.

84. The installation of new gas turbine units alongside the existing, Baiji, Shamal, Mussayeb, Nassiriya, Najaf , and new places in New Rumaila , Baghdad East and other gas turbine power stations is under construction in some of them . It is decided to get advantage of utilizing the gas turbine generating units as combined cycle units. The estimated cost of new gas turbine units is US \$ 200 million and these units are expected to add around 250 MW. A sum of US \$ 50 million has been allocated for additional rehabilitation of the gas turbine generating units at Khor Al-Zubair, Najef, and maintenance of other gas turbine power stations. These gas turbine units after rehabilitation are expected to add about 50 MW. The thermal generating units in Baiji, Mussaib, Daura, Baghdad south and other power stations are planned for rehabilitation the estimated cost is around US \$ 100 million. After completion of rehabilitation, the units are expected to add 160 MW. An amount of US \$ 35 million is allocated for maintenance and repair of hydro-generation units in Qadissia and Saddam power plants and the new hydro power plants in Al-Adhaim and Sinhareeb. This amount is meant for emergency repairs to ensure that the system remains operational and sustains the present level of generation, but no increase in generation is anticipated in the plan. Although the transmission and distribution networks are in

urgent need of rehabilitation . Installation of new substations, new transmission lines, extension of existing substation for curing bottleneck in the existing network and consumers is needed. A sum of US \$ 150 million is allocated to this purpose. Within the limited available fund , a sum of US \$ 50 million is allocated for the distribution network and US \$ 30 million for the transmission network. To start the construction of power plants in Yousifiya, Al-Shemal, Salah El-Deen, Al-Anbar, and a new power station in Wasit, a sum of US \$ 300 million is allocated.

85. The above mentioned figures could vary according to the urgency of the system requirements prevailing at the time of ordering. The Commission of Electricity is fully aware that the total sum of these priority projects exceeds the allocation expected for this sector. However, it should be stressed that the above figures are indicative for planning purposes and are a reflection of the scale of resources required to implement the above mentioned projects.

86. The Plan also emphasizes the need to rehabilitate on transmission and distribution networks in different parts of the country and reconnection of the northern governorates with the National grid.

87. The total phase XI allocation to the electricity sector in the three northern governorates is US \$ 65.50 million.

88. The Iraqi governorates of Erbil, Dohuk, and Suleimaniyah will be reconnected to the national electricity grid in accordance with the proposal outlined on 20 November 2001 to the Security Council committee established by resolution 661 (1990) and approved in its letter dated 7 December, 2001. This arrangement will provide an additional 300 Megawatts of electricity from the national grid to the three governorates. As authorized by the Committee, reimbursement will take place from the ESC (13 per cent) account to the ESB (59 per cent) account for works associated with reconnection to be carried out by the Government of Iraq. These are: rehabilitation of electricity transmission lines (estimated cost \$25 million), and installation of two gas turbine generators at Dbis (estimated cost \$80 million). Funds have also been set aside under the ESC (13 per cent) account to cover the costs of interim arrangements, including fuel and operating expenses, for providing additional electricity pending reconnection to the national grid.

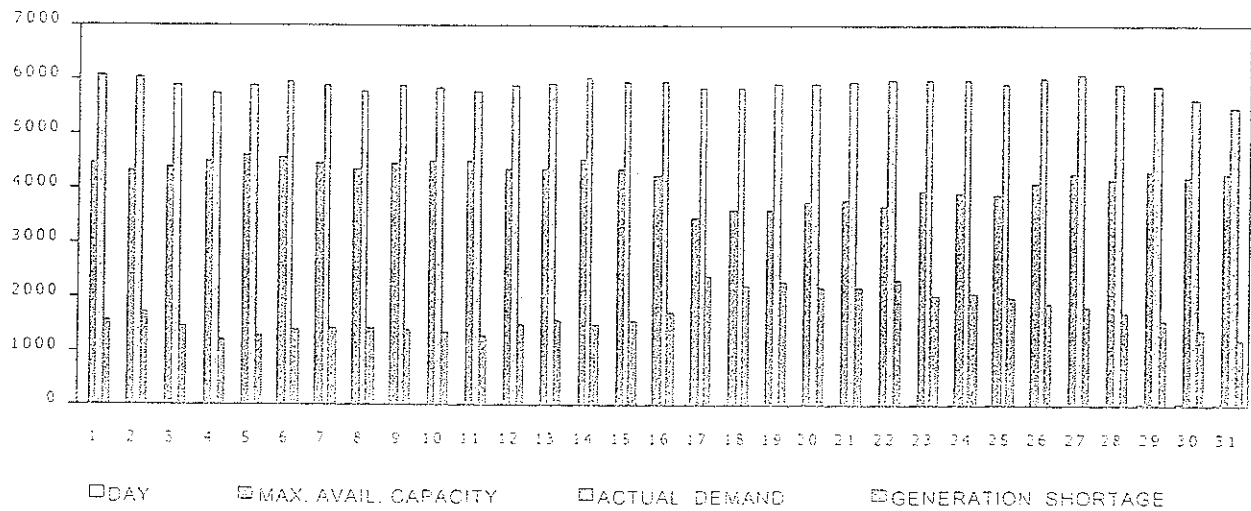
89. The "information, communication and education project" in the area of demand-side management will continue to ensure that efforts to maximize power supply are not countered by unsustainable consumer practices.

90. Another area of focus under phase XI is that of system communications. Plans to refurbish the existing power line carrier communication systems between the hydro power stations and major substations in Erbil and Suleimaniyah are in place together with the hiring of an international SCADA design consultant. Efforts under phase X in the area of power system communications are an initial step that would address the immediate basic requirements and provide for the design of a more comprehensive system.

9). The ENRP will continue its efforts to provide for the full emergency electricity needs of the three northern governorates.

ANNEX 1  
Phase XI (Electricity Sector)

AVAILABLE CAPACITY, DEMAND, GENERATION SHORTAGE AND  
TOTAL INSTALLED CAPACITY OF THE SYSTEM DURING AUGUST 2000



INSTALLED CAPACITY = 8090 MW

ANNEX 2  
 AVAILABLE CAPACITY, DEMAND, GENERATION SHORTAGE AND  
 TOTAL INSTALLED CAPACITY OF THE SYSTEM DURING AUGUST 2000

DAY	MAX. AVAIL. CAPACITY	ACTUAL DEMAND	GENERATION SHORTAGE
1	4470	6067	1597
2	4319	6044	1725
3	4412	5893	1481
4	4523	5765	1244
5	4616	5903	1287
6	4580	5973	1393
7	4470	5917	1447
8	4355	5791	1436
9	4493	5897	1404
10	4513	5879	1366
11	4504	5799	1295
12	4372	5894	1522
13	4371	5943	1572
14	4539	6053	1514
15	4381	5973	1592
16	4275	5986	1711
17	3470	5872	2402
18	3619	5853	2234
19	3628	5942	2314
20	3769	5948	2179
21	3785	5991	2206
22	3700	6017	2317
23	3981	6029	2048
24	3925	6003	2078
25	3904	5933	2029
26	4120	6037	1917
27	4293	6120	1827
28	4202	5924	1722
29	4321	5896	1575
30	4240	5664	1424
31	4285	5514	1229

## PART FIVE

### PLAN OF PROCUREMENT AND DISTRIBUTION FOR THE AGRICULTURAL SECTOR.

#### Introduction

92. The agricultural sector continues to play a leading role in providing a substantial portion of the population's nutrition needs. In spite of the various constraints resulting from the sanctions, which in turn brought a total halt to systematic development of the sector, the agriculture sector is deemed to continue to provide the population with the supplementary food requirements.

93. The sector's cumulative and growing requirements are beyond the meagre resources available through the Oil for Food Programme. Consequently, the plan strategies are still oriented towards halting, as much as the possible, the sector's deterioration and increasing the sector's contribution to food availability, giving due consideration to the additional constraints caused by the severe drought.

94. Agricultural production involves many complex and interrelated biological processes. This dictates that all interventions have to be addressed in a well integrated manner and approved as a package in order to achieve the targeted goals. Provision of the needed basic inputs will strengthen the sector and improve the availability of agricultural products at current or even lower prices. The overall objective must be to address the problem of the supply of these urgent needs in order to stimulate domestic production of food items and thus offer a local available supplement for the food basket.

#### Activities Envisaged By Sub-sector

##### Enhanced Domestic Food Production.

##### Production of field crops, vegetables and fruits

95. Agricultural production in Iraq is highly mechanized even at the small farmer level and almost one half of the area under crop production lies within the irrigated sector. The overall crop production requirements include proper soil preparation, good quality seeds, and harvesting with minimum losses. Any attempt aiming at maintaining or increasing the level of the crop productivity, therefore should address all those factors.

96. Failure to adequately respond to each of these inter-related activities will seriously affect the achievement of the eventual crop production level. It is therefore essential, that appropriate inputs should be available for each activity in a timely manner. Indeed, timeliness is vital to the success of each activity. The time frame often being restricted to a mere day or two, if the resulting yields are not to be lowered.

97. Prior to the imposition of sanctions, it was estimated that the total number of agricultural tractors accounted to more than 40,000, working on the 4 million ha of arable land. This represents very approximately one tractor for 100 ha under

cultivation. However, currently a large number of agricultural machinery have surpassed their useful life expectancy of 15 years. Agricultural production is therefore seriously affected by this situation. It is of paramount importance to continue addressing the issue of gradual replacement of the entire tractors, combine harvesters, and other agricultural equipment and implements.

98. In partial response to the urgent need for remedial measures in this regard, the plan includes the proposed acquisition of 3,000 tractors of different types. It is estimated that this quantity will enable adequate and timely soil preparation, seeding, weed control and fertilizer application for an area comprising approximately 450,000 ha which represents 11% of the total arable area, (see Annex AGRI-1A). In order to overhaul some of the tractors already available in the country, the plan also includes the provision of spare parts for the different types of existing tractors. (see Annex) The particular problem of soil preparation will be addressed through the proposed importation of 1,000 mounted moldboard ploughs together with spare parts amounting to 5% of the ploughs' value, as well as 1000 rotary tillers, (see Annex AGRI 7-Appendix1).

99. Timely weed and pest control measures could only be undertaken if adequate numbers of agricultural sprayers are available. The plan therefore intends to provide 6,000 mounted and wheel-barrow sprayers together with 5,000 knapsack sprayers, (see Annex AGRI-1A).

100. Due to the acute shortage of operational harvesting equipment, post harvest losses are continually increasing. In many cases, the farmer has been forced to revert to manual harvesting methods which invoke high losses. In other cases, the poor conditions of the mechanical harvesters also increases harvest losses. It has been estimated that overall post harvest losses may at present, have risen to 20 or 25 % of the potential crop yield. The plan proposes to import 200 combine harvesters together with 250 pieces, of walking reapers, 100 corn huskers and 250 threshing machines, plus assorted spare parts, in attempt to improve mechanical harvesting, (see Annexes AGRI-1A and Appendix 2).

101. Table 5 shows the allocation of the planned tractors to the 15 Governorates. This allocation is based on the area under cultivation and the number of available and operational tractors in each governorate. A similar procedure will be followed at District level. At farm level, all the farmers are eligible to apply to be an end user of a tractor.

102. Rehabilitation of seed factories is also addressed in the DP. The plan includes spare parts and essential equipment needed for seed processing, (see Annex AGRI-1D)

103. The plan also considered an expansion in the storage capacity of 11 maize threshing and drying plants in the central and southern parts of the country. In this regard the plan will import 20 silos for the storage of the maize produced during the rainy seasons, which coincide with the maize harvesting seasons, (see Annex AGRI-1).



104. The plan included provision of 5 maize processing plants for threshing and drying maize. This is in line with the Government policy towards the encouragement of animal production in the country through supply of required animal feed. The Government took several measures, to help the expansion of maize production. Currently, the cultivated area under maize reached 150,000 ha. The existing maize processing capacity cannot handle the locally produced maize. The requested plants will add more than 1000 Mt of processing capacity. This will enable the absorption of the local maize products. The plants will be installed in Babylon, Baghdad, Waist, El-Tameem and Salah El-Din. The governorates are selected on the basis of size of land under maize production, (Annex).

Table 5  
Distribution Plan For Tractors - Harvesters - Irrigation Pumps - Sprayers

Governorate	Tractors	Combine Harvesters	Irrigation Pumps (with engine)	Irrigation Pumps (without engine)	Irrigation pumps (for deep well)	(100) lt Sprayers	(400-600) lt Sprayers	(14-20) lt Knap-Sack Sprayers
Ninevah	450	37	1440	400	500	680	34	180
Tameem	362	23	1440	400	500	550	56	280
Salahdeen	274	16	1800	500	1000	500	118	550
Dyala	240	16	1800	500	300	500	116	550
Baghdad	140	11	990	275	200	500	74	360
Anbar	62	3	720	200	600	150	54	270
Babil	162	12	900	250	200	250	84	420
Kerbala	26	2	540	150	200	100	40	200
Najaf	218	10	900	250	300	250	74	360
Qadisyah	252	16	1620	450	300	200	68	330
Muthanna	80	3	720	200	200	100	14	100
Thi-Qar	146	10	1080	300	300	120	36	200
Waist	388	26	1800	500	200	500	136	600
Maysan	176	13	1350	375	200	250	24	150
Basrah	24	2	900	250	1000	350	72	450
Total	3000	200	15000	5000	6000	5000	1000	5000

\* The distribution allocations are based on cropping pattern and cultivated area. Final distribution will be decided in proportion to the above table but determined by physical arrival of the consignments.

105. Agricultural authorities will select beneficiaries on the basis of the following criteria: the farm size (area), the farmer's production index and the current state of old tractors on the farm. As the amount of mechanization equipment will fall short of

present overall needs, priority will be given to those end users who have not benefited from similar distributions, either prior to or after the imposition of sanctions.

106. With regard to the distribution of tractor operated agricultural machinery, all Governorates will be entitled to submit their requirements according to farmer demand. Any justifiable request will then be duly considered within the limitations of total availability. Table 5 shows the proposed distribution of combine harvesters, which will follow similar criteria and be based upon cropped areas, the farmer production index and the current state of the farmer's harvesting equipment.

107. Lack of good quality seed continues to be one of the major constraints to increase crop production. The imposition of the sanctions resulted in reducing the country's capacity to produce quality certified seeds as well as the capacity to maintain good quality seed processing activities. The lack of good quality seed remains to be among the serious constraints to crop production. The seed processing capacity in the country is limited. The plan, therefore, includes five seed production units which will be installed at the state seed production company within the MoA. The planned seed cleaning and processing is anticipated to provide additional 80,000 Mt of seed. This will considerably contribute to the availability of good quality seed. The seed which will be distributed in the production areas in all the 15 governorates, (see Annex AGRI-1D).

108. Iraq faces a serious shortage of hybrid and certified seeds, especially sunflower and vegetable seeds, together with seeds and seedlings needed for the orchards. Prior to the imposition of sanctions, the country regularly imported both seeds and seedlings to satisfy the requirements. The embargo has interrupted supplies of these essential inputs and seriously lowered production as a consequence. In order to redress the situation and to enhance the domestic production of fruit, vegetables and sunflower (for vegetable oil), the plan includes the proposed importation of hybrids, certified seeds and seedlings, (see Annex AGRI-2 sections A & B).

109. These inputs will be made available to all the farmers already involved in the production of such crops. The distribution plan to each governorate will be determined on the basis of the total area under each of these crops, with due consideration to both ecological and climatic factors. The proposed quantities represent the following percentages of the annual requirements: 25% of vegetable seeds; 90% of sunflower seeds; 100% of rape seeds; sunflower and Soya beans; and 80% of orchard seeds and seedlings.

110. The Government put great emphasis on the vegetable and fruit production in an attempt to ameliorate the nutritional value of the diet for the population. However, the availability of cold storage facilities is limited. This causes in a great loss and damage during the peak of production. In addition to wasting valuable nutrients supplementing the food basket, it also affects the profitability of vegetable production at the level of the farmers. Thus, the plan considers provision of 300 cold storage units with capacity of 100 to 1500 mt to be distributed to the public and private sectors in the 15 governorates.

111. The plan is proposing the establishment of 5 ha nursery for banana production. The nursery beside the production and distribution of the banana seedlings will act as

an extension centre to promote the small-scale banana production in the centre and south. For this, needed equipment and necessary input are included, (see Annex AGRI-1D).

112. Iraq previously was able to satisfy the greater part of all national fertilizer requirements through national production and manufacture. However, the factories suffered severe damages after 1991 and this has drastically reduced the possibility of self-sufficiency in the production of this input. Shortage of fertilizer has led to large areas of crops being grown without application of any fertilizer. In other cases, application rates have been considerably reduced which significantly lowered the crop yields. The situation has been further aggravated by the practice of mono-culture of cereals, as described above. This seriously reduces soil fertility which can only be redressed by increasing the application rates of fertilizers. The situation was worsened by the lack of sufficient locally produced fertilizer and imported fertilizer which was limited due to financial constraints.

113. The country's total annual fertilizer requirement is 1.5 million Mt of compound phosphate fertilizer and 1 million Mt of nitrogenous fertilizer. Prior to the Gulf War, the country's total production capacity was 1.2 million Mt of phosphate fertilizer and more than 1 million mt of urea. The production in relation to limited area under cultivation at that time allowed surplus which was exported. However, during the sanctions the three state fertilizer plants suffered marked deterioration in their productivity and reached a stage of near total collapse. Last year, local production dropped to 130,000 Mt of phosphate fertilizer and 400,000 Mt of urea. The current production covers only 10% and 40% of the country's need of compound and nitrogenous fertilizers, respectively. The plan aims to address the current big shortage of fertilizer through provision of needed replacement equipment and spare parts for rehabilitation of the three existing fertilizer plants in the country as indicated in Annex AGRI-2E.

114. The requested input is anticipated to prevent further deterioration of the current capacity as well as to increase the total fertilizer production capacity to 500,000 Mt of urea and 220,000 Mt of compound fertilizer. The final products will be distributed to the farming community in the 15 governorates at cost price. To bridge the shortage and in an attempt to maintain the current level of production, it is proposed to import 40,000 Mt of di-ammonium phosphate (DAP) which in fact corresponds to 98,000 Mt of N.P.K (18.18.0). Such a procedure will reduce transportation costs and also help to overcome some of the logistical constraints, which could be encountered during the distribution process. In addition to the DAP, 5228 Mt of potassium, magnesium, zinc, ferrous sulfate, and fowler fertilizer are to be imported plus 10,000 Mt of TSB fertilizer, (see Annex AGRI-2 section C).

115. This total quantity of fertilizer has been proposed on the basis of satisfying the minimum plant nutrient requirements for approximately 320,000 ha under both cereal and vegetable crop production.

116. The allocations accorded to each Governorate will be made with due consideration of the present availability of locally produced fertilizers, together with an assessment of the current state of the soil fertility. All farmers will have equal accessibility to the planned inputs. They may submit their requests, which will then be

evaluated according to the farm holding size, the type of the crop grown and the recommended fertilizer application rates for the particular crop.

117. The plan also includes the implements required for agricultural industry requirements for plastic covers, sugar industry, phosphate and urea production with patching material in addition to the urgent need for tractors and sprinkler irrigation rehabilitation sector. All requirements are shown in Annexes.

118. Rehabilitation of extension sector is also addressed in the Distribution Plan. the plan includes the essential equipment needed especially for the main 5 centres in the centre and south and also for field extension.

119. Agricultural production in many parts of the country relies entirely upon irrigation, whereas in other areas, supplementary irrigation is used to complement rainfall supplies. There is an urgent need both to repair and replace many of the irrigation pumps. Many of the pump units which have been installed previously are powered by electric motors; the frequent electrical power failures which Iraq is currently facing indicate that even installed and operational units cannot always be used. The plan proposes to redress this situation by acquiring 15,000 irrigation pumping sets of different capacities, in addition to 5,000 pumps ( without engine ) with 5,000 suitable generators most of which are to be powered by diesel or electricity, and spare parts for irrigation pumps of different types.

120. In response to the prevailing drought situation, 6000 pumps for deep well as well as spare parts for such a pumps are included. 13,000 sprinkler and drip irrigation units are also included. The overall objectives are to ensure the ability to irrigate an area between 250,000 and 350,000 ha. Naturally, the area which will eventually be irrigated will depend upon total water requirements which in turn, depend upon both the crop under production and the local climatic characteristics during the crop growth cycle, (see Annexes AGRI 1 and 1A Appendix 3). The proposed distribution plan for field irrigation pumps to the Governorates is based upon the total area under irrigated crop production and previous provision of irrigation inputs, (see Table 5). Distribution to the end user will depend on current needs of the farmer which will be evaluated once the applications are submitted.

121. Plant pests, diseases and weeds impose a serious threat to crop production. The capacity of the plant protection service to efficiently respond to the increasing threat of plant pest and diseases continue to be limited. Currently only 5 aerial spraying helicopters out of the fleet of 27 are operational. However, their total remaining flying hours never exceeded 300. In response to this serious shortage which is drastically effecting the plant protection operations, the plan included provision of six fixed wing agricultural spraying air-crafts with necessary spare parts, overhauling of 12 spraying helicopters, fast consuming spare parts for the aircraft, 20 fuel tankers with needed spare parts as well as 100 field vehicles for ground control operations, (see Annex AGRI 1B).

122. With the objective of at least maintaining present levels of production, a range of herbicides, insecticides, fungicides and other pesticides has been proposed. (see Annex AGRI 3). These are needed for more effective control of the most serious and widespread weeds, diseases and pests. The quantities of the herbicides requested,

represents approximately 25% of the total estimated national crop protection requirements. Weed control will be undertaken either through ground or aerial spraying methods. The herbicides will be distributed to farmers according to levels of infestation and the area under crop production.

123. The pesticides will also be allocated to the Governorates according to infestation levels. The ultra-low volume (ULV) pesticides will be applied through either aerial or ground control application procedures which will be undertaken by the State Board of Plant Protection. Specific targets include sun-pest, local grass hoppers and date palm diseases. Emulsion concentrate (EC) pesticides will be available to the farmers according to their needs. Upon receipt of specific farmer requests, the plant protection staff will determine the type, quantity and application dose required for each individual case.

124. Additional agro-chemicals have been requested for the bee industry which is similarly affected by acute shortages of essential control inputs. Distribution and control procedures will be similar to those indicated above for the pesticides, (see Annex AGRI 3).

125. In order to minimize the cost of some plant protection measures against some plant diseases and weed, which until now rely on expensive pesticide and herbicide, the plan is to import high concentrates of two insecticides: Sulfathiazole 92% and Diazinon 95 as well as two herbicides Proponil 96% and Glyphosate for weed control in rice fields and orchards, respectively. The concentrates will be used in formulation of big quantities of insecticide and herbicide to be distributed to the farmers in the 15 governorates, (see Annex AGRI-3E).

#### Animal Production.

126. Live stock raising is practised in most parts of Iraq. Prior to the imposition of the embargo, livestock production contributed between 30 and 40% in value to the total production of the agricultural sector. It also played an important role in providing a significant part of the nutritional requirements at household level. Livestock production continues to constitute a major source of animal protein throughout the country but as a whole, the sub-sector has suffered greatly as a result of the sanctions and its contribution to the country's food security has been drastically reduced.

127. Previously, the per capita share of domestically produced animal protein was estimated to be 18 g/day. This may be compared with the minimum per capita requirement recommended by the World Health Organization (WHO) which is 28 g/day and the current domestic production which is estimated to be only 2 g/day. Prior to the imposition of sanctions, the government bridges the gap through regular importation of red meat and poultry products. However, this is now severely restricted. As a consequence, a marked deterioration in the general health status of the population has been noted, particularly in children up to 15 years of age, who currently represent 45 % of the total population.

128. Animal production levels depend upon a number of inter-related factors of which some of the important ones are genetic stock, feed characteristics and animal health. Furthermore, even genetically improved livestock when managed through

appropriate feed regimes, could still fail to reach optimum production levels, if attention is not paid to maintaining the animal's health.

129. The General Veterinary Directorate within the Ministry of Agriculture is responsible for all aspects of animal health. The total value of annual imports of animal health requirements amounted to some US \$ 30 million. This included acquisition of necessary vaccines, drugs and equipment, as well as necessary field transport means and cold-chain facilities. Previous activities included regular vaccination programme against serious endemic diseases, together with campaigns for drenching, dipping and spraying animals against endo- and ecto-parasites as well as zoonotic diseases.

130. This budget has now been drastically reduced and under the Oil-for-Food Programme, the value of inputs imported for animal health purposes has on no occasion exceeded US \$ 5 million every 6 months. The field programme has also been considerably reduced, which is now resulting in serious and widespread outbreaks of a whole range of viral, bacterial, parasitic and tick borne diseases. Both brucellosis and tuberculosis, which were previously under control, are now spreading widely. Currently, brucellosis is positive in 10% of the sampled sheep. In addition, circumstance of screw worm outbreak and the recent FMD outbreak, impose further threat to live stock in the country. In addition, cases of endo parasites, congo fever and echinococcus, have been registered.

131. The drought situation caused drastic effect in livestock animal production. The shortage of voluminous forage and concentrate led to weaken the animals and expose them more vulnerable to the disease. Under the current prevailing situation, the veterinary authority is not in a position to consider major epidemic disease eradication measures. However, to carry out efficient disease control measures during the outbreak, additional financial resources beyond the MOU funds are needed. In the prevailing sanctions situation, any long-term strategy and development activities are not possible.

132. The plan aims to make maximum use of the limited available resources, supplementing them in key areas selected on a priority basis, with the overall objective of commencing a programme to redress the present serious situation.

133. The proposed rehabilitation of the cold chain facilities comprises provision of spare parts and refrigerators, (see Annex AGRI-4).

134. The plan also includes the provision of 10 of 15 ton tankers and mobile dip with trailer for increasing the activity of external parasite equipment in the 15 governorates.

135. The plan also considered the provision of priority supplies for animal health. This includes vaccines, veterinary drugs and supplies, together with application equipment, (see Annexes AGRI 4A, 4B, 4C, 4D, 4E, 4F and 4G).

136. Particular attention has been focused on the need for surveillance and control of epidemic diseases. Livestock production in Iraq is normally undertaken according to traditional methods carried out by nomadic groups and characterized by

considerable trans-human movements. Such practices result in scattering the livestock population throughout the country, which in turn, obliged the mobilization of veterinary service teams. It is only through such methodology, any control or eradication can be achieved. The plan thus includes the acquisition of mobile veterinary, clinical and field vehicles for transport of the teams involved in the control operations as well as needed chemicals (see Annexes AGRI 1 and 4). The plan includes basic equipment needed to improve the diagnostic capabilities at the various veterinary centres, (see Annexes AGRI 1 and 4).

137. During the 1970s and 1980s, the government focused intense efforts on building up a poultry industry designed to respond to the nutritional needs of the country. This programme included the establishment of a number of different sizes of modern poultry farms for the production of both table eggs and broiler meat. In addition, stock farms, hatcheries and poultry slaughter-houses were established.

138. The programme included economic incentives and fostered the establishment of efficient means for the provision of poultry health services. Regular supplies of the necessary production inputs were organized and by 1989, a total of some 8,000 poultry farms were operational. Production at that time was estimated at 1,700 million table eggs and 250,000 tons of poultry meat.

139. The Government of Iraq is very much concerned of the nutritional status of the Iraqi population, in particular, the lack of animal protein in the SCR 986 food basket. For this reason, it is in favour of a plan which would allow enhancement of domestic production of animal protein, especially the reactivation of the poultry industry. The broiler and table egg reactivation programme under the enhanced phase-V is continuing. The initial impact of the project is already visible with a marked reduction of market prices of poultry products in the country and also stabilization of red meat market prices. The MOA poultry revival programme managed to rehabilitate 2300 broiler poultry farms out of the farms identified as suitable for rehabilitation in a short time with reasonable resources. The inputs allocated under this Distribution Plan will further sustain the programme achievements and are essential to maintain the planned level of production.

140. This plan will address the major components of poultry production through two parallel activities. The first of these will focus on addressing the rehabilitation needs of those farms which most easily and quickly could be brought back into production. The second will provide the basic production inputs for both table egg and broiler production, (see Annex AGRI 5A, 5B, and 5C). The overall objectives include an monthly production of 45 million table eggs and 5,000 to 6,000 mt of broiler meat.

141. Poultry production requires housing with a controlled environment in order to allow optimum production levels, whilst reducing the risk of high mortality rates due to air borne diseases. The rehabilitation of a further 1,200 farms is envisaged, including the provision of emergency electrical power supplies. Using range of 25-500 KVA generators mounted to 2600 pieces.

142. The broiler production cycle is short and requires the regular supply of day old broiler chicks. In addition to the locally produced one-day-old chicks, importation of

15 million broiler-hatching eggs is needed to meet the programme requirements. The plan addressed the shortage of layer hatching eggs and proposes to import 25,000 and 140,000 one day old grand parent and parent laying chicks in series of consignments. The intervention is aiming at supplying the poultry parent stock farms with needed one day parent chicks required for production of layer hatching eggs, (see Annex AGRI 5A).

143. Poultry production requires a supply of balanced rations containing both high quality proteins and micro-nutrients. The bulk of the energy requirements will be met through the use of domestically produced maize, barley, sorghum and other grains. The protein and micro-nutrient requirements and energy for both layers and broilers will be met through imports of maize and Soya bean-meal and poultry concentrate and pre-mixes. The Plan also indicates the need to import equipment for farm transport and for the packing of final products in addition to the spare parts required for the operating 110 hatcheries and 30 slaughter houses and poultry houses and also the rehabilitation of the main feed analysis laboratory in Baghdad, (see Annexes AGRI 5A, 5B, 5C, 5D, and 5E).

144. The MOA poultry programme has proven the efficiency in regard to broiler production. Poultry meat produced by the programme has a positive impact by increasing the availability of meat and raising affordability by a large number of the people.

145. However, egg production is still lagging behind. The main reason is that the risk involved in rearing pullets from one day to 18-22 weeks is high. In order to encourage expansion in egg production, the MOA is planning to establish facilities for producing layers at laying points to be distributed to layer growers. This will be supported by distribution of layer houses to those who are interested in egg production. To achieve this, the plan includes provision 18 poultry houses to be installed in Baghdad within the premises of the state company of Animal resources for the production of one million layers.

146. The plan also includes the purchase of 54 layer houses to be distributed to table egg producers. The plan target is production of 250 million table eggs yearly throughout the 15 governorates, (see Annex AGRI-5F).

147. The plan also considers maintaining and wherever possible enhancing livestock productivity and production, approximately 85% of the cattle population within the country are indigenous breeds with milk production levels ranging from 200 to 1,500 kg per lactation. Since the imposition of sanctions, attempts to improve breeding of the stock through artificial insemination have been virtually paralyzed. There is an urgent need to reactivate the breeding programme, particularly in view of the prevailing economic and food security situation. To these ends, the plan includes importation of 10,000 pregnant heifer and 20 progeny tested bulls and the acquisition of basic artificial insemination equipment, (see Annex AGRI 4I).

148. In an attempt to enhance animal protein availability, revival of fish production is considered in this plan. The country has great potential for fish production and considerable investment in this sub-sector, had been made for its development. Similar to the situation in other sub-sectors, fishery sub-sector has also suffered



immensely, and the full exploitation of the available potential is constrained by the lack of resources.

149. The plan addressed the fishery sub-sector requirement through the provision of equipment needed for fish finger productivity, parent fish stock, needed spare parts to rehabilitate the existing equipment, rehabilitation requirement of fish hatcheries and needed fishing equipment, (see Annex AGRI-4H).

150. In line with the above and in an attempt to maximize milk production, the plan included the provision of spare parts for milking machine, portable milking units and milk containers to be distributed to dairy stations and to small and medium dairy farms, (see Annex AGRI 4J).

151. The sectoral allocation against the distribution plan for phase XI for the three northern governorates is US \$ 37 million. This allocation will permit the following high priority areas to be addressed:

- Continuation of core ongoing activities such as controlling agricultural pests and weeds, and promoting and improving bee keeping in remote mountain areas. Provision of industrial and other seeds to meet the needs of crop enhancement and diversification projects and for improving the productivity of local vegetable farming.
- Provision and improvement of agricultural services through appropriate packages and programmes of extension, research and training, mechanization, and agro-meteorological services. The mechanization programme, in particular, aims at introducing new tillage technology, stone picking, and training on respective machinery. Emphasis will be given to small farmers' needs and to rural communities, whenever possible through a participatory and community management approach.
- Emphasis under this phase is on improving and maintaining the natural range cover, over and above the regular reforestation programme, thereby decreasing soil erosion and increasing forage crops. Needs include provision of forestry and range seeds, forestry tools, supplies, and equipment and machinery to increase seedling production for the range and reforestation programme.
- Vaccination and management to control livestock and poultry diseases through the importation of needed vaccines and drugs in addition to projects for controlling trans-boundary and endemic disease. Continued rehabilitation of poultry, dairy, and fish production and improvement of livestock feeding. The programme will target highland villages through a pilot project on veterinarian-supervised-rural community –based animal health services.
- Construction of two dams for irrigation purposes taking into consideration the medium and long-term critical problem of water resources in the region especially after the drought of the last three years. The dam sites as well as construction will be thoroughly discussed with the Government of Iraq and observations taken into account at the time of implementation in accordance with the Memorandum of Understanding.

152. The programme strategy continuing to be based on the fact that agriculture is a social and economic mainstay in the three Iraqi governorates of Dohuk, Erbil and Suleimaniyah. It is, in particular, an important contributor to the health, nutrition and food security at household level. Although the agricultural programme under Security Council resolution 986 (1995) and successive extensions have arrested accumulated deterioration in the sector, in part by improving disease and pest control, further action is required beyond the provision of basic agricultural supplies. Therefore more emphasis is being given to rehabilitate some of the basic agricultural infrastructure, irrigation and water resources. Productivity gains from the programme have also been offset, in affected areas, by two consecutive droughts. To mitigate the negative impact of the drought an underground water survey has been completed and necessary remedial action has been identified and planned to be implemented under this period in terms of wells digging and/or construction of water reservoirs and dams. Further enhancements in the production and quality of locally produced animal protein, as well as of vegetables and fruit, are also required and planned to be continued in this phase to supplement the food basket.

#### **Irrigation sub-Sector.**

153. Rainfall in Iraq was extremely low and erratic during the 1998/1999, 1999/2000, and 2000-2001 agricultural seasons and still affecting Iraq. As a result, both rain-fed and irrigated crops were severely affected. Lack of essential irrigation water schedules due to low water levels in rivers and reservoirs seriously affected the irrigated crops. The Distribution Plan details immediate intervention measures required for the maintenance and rehabilitation of the existing water resources infrastructures, to arrest the deteriorating situation and the adverse effects of drought on human, crops and livestock. A speedy approval from the UN Sanctions Committee for the distribution plan inputs will enable early intervention to alleviate the disastrous trails left by the drought on human, crop and livestock.

154. **Pumping Stations.** The water pumping stations plays a key role in the irrigation systems which have been established in many parts of Iraq. These not only provide the irrigation water to the fields but also, drain part of it out again. Unfortunately, the vast majority of these stations are suffering from frequent breakdowns as the equipment exceeds the end of its useful life. There is also an acute shortage of necessary spare parts for maintenance and repair. In many of these cases, rehabilitation will prove uneconomic and indeed, will often also not prove to be technically feasible.

155. The plan therefore proposes that a number of the pumps should be replaced whilst others will be rehabilitated through provision of spare parts. The proposed inputs are presented in Annex AGRI 6. The overall objective of this intervention to provide services for approximately 750,000 ha of land which at present, are suffering from a severe lack of pumping capacity and efficiency.

156. **Maintenance of Irrigation Projects.** Whilst the establishment of irrigation projects requires a very high level of investment, it will be a waste if those projects are not adequately maintained. Many of the soils in Iraq are alluvial and are exposed to erosion. This causes high rates of sedimentation in the rivers, which could adversely affect water supply for irrigation purposes. In order to maintain these

resources, the rivers and water channels require continuous dredging. Equipment and sprinkler irrigation systems for maintaining the high efficiency of the irrigation projects need either to be replaced or to be repaired, also to execute some projects in order to increase the irrigated area and to save in water requirements. Annex AGRI 7 indicates the immediate requirements, which have been identified for inclusion in the present plan.

157. *Surveys and monitoring of water storage structures.* The main infrastructure for water storage and control consists of dams and barrages. These not only store the water prior to its distribution but also constitute a vital component of the flood control measures. As part of the maintenance procedure for such structures, periodic monitoring surveys must be undertaken. In addition, the Saddam Dam on the upper Tigris above Mosul requires grouting for its foundations. The inputs required in this regard are presented in Annex AGRI 8.

158. In vast areas, ground water resources represent the only source of irrigation and drinking water. Governorates which currently suffer from water shortages include Kerballa, Najaf, Anbar, Tameem, Diyala, Salah Al-Deen and Basrah.

159. The inputs consisting of equipment and spare parts which are required for restoring the ground water supply are listed in Annex AGRI 9.

160. *Water and Soil Analysis.* Deterioration of water quality and agricultural soils throughout the country necessitates continuous monitoring by the Ministry of Irrigation. These activities need well equipped laboratory facilities. To enable the Ministry to carry out these activities, necessary laboratory instruments and supplies have been included in the plan, (see Annex AGRI 10).

161. The implementation of the proposed plan allocated US \$ 474 million for agriculture of which US \$ 37 million is for the three northern governorates, (Dohuk, Erbil and Suleimaniyah). US \$ 179 million is allocated for irrigation for the 15 governorates and \$US 258 million is allocated for agriculture for the 15 governorates.

162. In accordance with paragraph 40 of the MOU, the Government of Iraq shall provide the Programme with detailed information about the delivery of supplies and equipment to their locations. In order to facilitate the observations of their use, the Programme will conduct the tasks provided for in paragraph 8 of annex-1 of the MOU.

## PART SIX.

### PLAN OF PURCHASE OF MATERIALS AND REQUIREMENTS FOR EDUCATION SECTOR

163. Primary, secondary and higher education in Iraq have been effected by the severe shortage of basic teaching materials, school furniture books, and stationery, printing requirements, training laboratories and other basic requirements. The damages of the classrooms of about 5000 schools remained non-repaired. Most of these classrooms are without doors or windows. In some schools, the classroom, which usually holds 30 students, enrolls 70 students. A large number of schools still lacks potable water and sanitation. This sector needs an urgent rehabilitation as indicated by the reports of UN agencies and the report of the UN Secretary-General of 19 November 2001 (S/2001/1089).

164. The current situation has led to the decrease in school enrolment and to a considerable increase in the rate of school dropouts, particularly in the primary and secondary stages. The quality of teaching has been effected by the lack of basic educational means and materials. Thus, the general, basic and urgent requirements of the educational sector throughout Iraq are estimated at large amounts, US \$ 188.14 million allocated for this sector, of which US \$ 129.54 million have been allocated in the plan for the basic educational requirements up to the secondary stage, of which US \$ 48.54 million allocated for the three northern governorates.

165. Under distribution plans I, II and III, the programme in the three northern governorates implemented several construction and rehabilitation projects for primary and secondary education across the three northern governorates. These activities were expanded to cover higher education in other sectors, such as health, under distribution plans VI and VII. The Education Management Information System "EMIS" Project, which aims at strengthening the local planning and management capacity for education, was initiated under distribution plan VII. Improved planning and management, provided under this project, will enhance budgeting and implementation. For phase XI, more attention will be focused on the quality of secondary and higher education.

166. As a continuation of the previous phases, the programme under phase XI will support access to basic education by improving the learning environment through renovation of infrastructure, provision of school furniture and teaching materials, and provision of technical assistance for developing the quality of teaching. The number of kindergartens and primary schools will be increased, and local capacity to produce textbooks further strengthened. To sustain programme implementation, the planning and management skills within the educational institutions will be enhanced and supported.

167. The creation of an Olympic City as an adjunct to the physical welfare of the youth of Iraq is envisaged. As a first stage, this involves the construction of a modern Olympic Stadium. The City will also include administration buildings, Tv, radio and internet stations, medical centers, a cafeteria, and car parkings. The plan allocates an amount of \$25 million for this purpose.

168. In secondary education, the programme in the three northern governorates will focus on improving the quality of educational services, and on providing education equipment, tools, and supplies. Newly constructed schools will continue to be provided with all the necessary furniture and textbooks to students in all three governorates.

169. Improving educational services necessitates the provision of transportation facilities to students and teachers. The programme will also diversify educational services through libraries and the training of librarians, and well as through providing students' supplies for sports, music, and art. Significant resources will continue to be allocated to science education, while more emphasis will be given to distance education.

170. Training seminars and courses will be conducted to enhance the skills of teachers and administrators.

171. For Higher education, there is a need for construction and rehabilitation of universities as well as the provision of necessary equipment and supplies. The plan allocates US \$ 58.60 million of which US \$ 7.60 million for higher education in the three northern governorates.

172. In the three northern governorates, the provisions for higher education under distribution plans VIII, IX and X complement similar activities in previous phases with respect to construction and rehabilitation of facilities and provision of equipment and supplies.

173. Distribution plan XI will include training in all academic fields, exchanges of professors, provision of scientific literature, and enhancing the teaching and research capacity of laboratories. Construction is also continuing for the University of Dohuk, Salahaddin University, the University of Suleimaniyah, and technical institutes in the three governorates.

## PART SEVEN

### INFRASTRUCTURE SUPPORT FOR FOOD, NUTRITION, AGRICULTURE AND HEALTH SECTOR TRANSPORT AND TELE-COMMUNICATIONS AND THE PLAN OF PURCHASE OF MATERIALS AND REQUIREMENTS FOR TELECOMMUNICATIONS AND TRANSPORTATION/BANKING REQUIREMENTS

#### Telecommunications

174. The telecommunication sector is very vital to the Iraq's infrastructure. It has a significant role to play in the improvement of food distribution, medicine, water and sanitation, electricity, and the rest of the humanitarian programme sectors. Before 1991 the telephone density in the country was 5.6 telephones per 100 inhabitants. In 1999 this density has decreased to 3.3 due to damaged exchanges, shortage of spares and increase in the population. World telephone density average is 10%.

175. The present state of telecommunication systems throughout Iraq is extremely poor. Apart from the wider social considerations, there are negative consequences for the efficient procurement and distribution of humanitarian supplies. The difficulties experienced by the Ministries involved in implementing the MOU when communicating with their suppliers have contributed to delays in ensuring timely submission of applications and subsequently in the delivery of supplies to Iraq. In the health sector, poor communications between warehouses and hospitals have contributed to delays in the collection of supplies by health facilities. The absence of adequate data links has also hindered the timely passing on of accurate information on requirements. With regard to the electricity sector, this has affected the co-ordination of operation between the source, the transmission stations and substations.

176. A UN mission (August 1998) to Iraq by experts delegated from the International Telecommunication Union (ITU) has concluded that the entire telecommunication infrastructure is deteriorating to such an extent that the quality of service is beyond comprehension. The rate of unsuccessful calls has risen dramatically in recent years and the quality of transmission channels is so bad that it constitutes a major problem for even the transmission of faxes. At present, the transfer of computer files, (data transfer), is almost impossible via the public telephone network and this affects directly UN observation activities and reporting. The mission, further, concluded that the rehabilitation and modernization of the telecommunication network is a huge development project. It would require an investment of US \$ 1 billion or more and its implementation could take between 7 and 10 years. This of course falls outside the SCR 986 Programme.

177. In order to ensure a more effective implementation of a distribution plan and enhanced utilization of commodities imported, communication equipment is required. The requirements presented in the current distribution plan are those identified by ITU mission referred to in item 4 below and has the objective of replacing damaged or obsolete equipment and introducing some new equipment that will improve communications in areas of activities of the humanitarian programme in Baghdad and other few selected areas. This will directly have positive impact on the improvement of the procurement and distribution system of humanitarian supplies.

178. The installation of telecommunication projects requires high level of expertise. Before 1991, the staff of ITPC used to carry out all the installation of telecommunication equipment with minor supervision from the suppliers. The same staff was able to put the majority of the remaining systems, immediately after the war, into operation. The plan envisages the utmost use of local resources for the installation and commissioning of the projects, to minimize expenditures.

179. Whilst the establishment of telecommunication projects requires a very high level of investment, this all risks to be lost unless those projects are adequately maintained. In order to maintain these projects properly, planned on-job training is required. It goes without saying that the new equipment to be purchased is of new technical generation. This will require training in the manufacturer premises.

180. A reliable system of telecommunications is an integral part of the life of the community and is essential for information flow among service providers and for co-ordination of environmental protection and of sectors like food, agriculture, education, electricity, and emergency health services. The telecommunication projects envisaged in the three northern governorates under phase XI cover the installation of 12,000 switching capacity in the districts of the three northern governorates and installation of 18,000 lines external plant network in these districts.

#### Railways

181. The Iraqi Railways plays a great part in the transportation of food and agriculture products, beginning with the first stage of farming by providing fertilizers, seeds, etc. This kind of transportation from most of the cities in Iraq to different parts of the country requires special wagons and rolling stock. Most of the transportation of food which arrived at Um-Qasr port under the MOU, especially grains and rice, are carried by railways to most cities of Iraq. The Iraqi Railways can not fulfil its obligations to distribute the required quantities of food due to the lack of spare parts for locomotives and wagons, which are needed for this huge transportation task. The number of operating locomotives has been reduced to 65, and the operating number of wagons reduced from 11000 to 1000, representing different kinds of wagons, because of this shortage of spare parts needed for major maintenance. The Iraqi Railways need 365 locomotives per day to be in a position to assure a minimum standard of transportation service. Moreover, the condition of the present railway track system, totalling about 2500 KM, is not in a state of repair which permits the acceptance of this number of locomotives and wagons, because of the non availability of spare parts and materials for maintenance of the tracks, including spare parts for track-maintenance machines. This situation affects the capacity and the safety of the rail transport system, and will only deteriorate further unless urgent measures are taken to halt the decline.

182. In accordance with paragraph 41 of the MOU, the Government of Iraq shall provide the programme with detailed information about the delivery of supplies and equipment to their locations in order to facilitate the monitoring of their use and to make sure of this. The programme will conduct the tasks provided for in paragraph 8 of annex-1 of the MOU.

## Ports

183. The port of Um-Qasr is the only port in Iraq authorized to receive commodities imported to Iraq against the MOU. Since 1991 the port facilities have not been maintained and consequently they have now degraded to an extent which is severely limiting the ability to handle humanitarian supplies. To prevent further degradation in the situation it is necessary to dredge the entry channels and repair the port facilities.

184. Dredging. Prior to 1991, the channel and wharf could accept vessels with a draught of 10.5 metres. Today that draught has been reduced to 8.5 – 9 metres, and as a result larger vessels discharge in Jordan, (Aqaba), and goods are transported by road to Iraq a distance of 1350 KM. This adds 4 to 5 days to the transit time and increases transport cost by \$38-40 per metric tons. Dredging the channels and port will increase the capacity of Um-Qasr will lead to an increase in the capacity and result in more vessels using the port. This will increase the rate of delivery of Humanitarian Supplies into Iraq and reduce the landed cost of goods by \$38 - \$ 40 per metric tonne.

185. **Port Facilities.** The state of port facilities has similarly degenerated. Mechanical handling equipment is old and inefficient; safety equipment, including fire fighting equipment, is obsolete and unreliable; auxiliary power, essential to provide 24 hours operation and for safety and security, is non-existent. The availability of tugs and pilot vessels imposes delays on berthing and accordingly on the speed of discharging humanitarian supplies. The speed of discharging has a direct effect on the receipt and ultimate distribution of humanitarian supplies, as well as the total cost of commodities. Any improvement in this area will have a positive effect on the humanitarian programme.

## Land Transport

186. To carry MOU commodities from Umm Qasr and Trebil, different trucks (flat semi trailer, refrigerants, and open trailers lorries of different kinds and capacities are required for this purpose. More than 10000 ( ten thousand) trucks are required per year.

## Public Transport

187. To overcome congestion in carrying public throughout the country (towns and rural areas), different kinds of busses are required (city and inter city mini buses, coasters, etc.). Since, trains could not meet the demand.

## Other Sub-Sectors

188. Demand for supplying earth-moving equipment (shovels, graders, etc) together with fuel tankers, water tankers, generating sets, etc. are needed to replace old ones. Also needed tyres, spare parts, repair kits and tools for this purpose. Attached as an Annex is a list of projects contemplated.



189. In addition, requirements for civil Aviation and Metrological office are essential to support MOU.

- Planes under Iraqi Airways carry sick people & disabled for treatment outside Iraq. That means facilities such as buses, different vehicles, Ambulances , etc need to be in good countries & in operative manner.
- Metallurgical Reports & information are needed for farming in all sector throughout the bounty.

190. Total fund for Telecommunication & Transport sector will amount to US \$ 230.50 million.

191. In accordance with paragraph 41 of the MOU, the Government of Iraq shall provide the programme with detailed information about the delivery of supplies and equipment to their locations in order to facilitate the monitoring of their use and to make sure of this. The programme will conduct the tasks provided for in paragraph 8 of annex-1 of the MOU.

## PART EIGHT

### PLAN FOR THE REQUIREMENTS OF THE OIL SECTOR

192. The implementation of the provisions of distribution plan necessitates achieving steady and sustained rate of oil exports which requires the continuation of the purchase of spare parts, materials and equipment needed for maintenance, rehabilitation and upgrading of obsolete or semi-obsolete equipment and systems as well as development of producing and new oil fields in the upstream sector in order to compensate for the depletion in oil available for export and prevent further decline in oil production, processing, storage, transportation capabilities and ensure better reservoir management and improve environmental protections and pollution control.

193. In regard to downstream requirements, the provision of various oil products for local consumption meets a range of essential humanitarian requirements including heating, cooking, transportation and electricity generation. Hence it is essential to sustain the safe operations of the existing refineries with acceptable standards of efficiency, safety and environmental protection, as well as to continue the rehabilitation, revamping & upgrading of the oil product production & distribution facilities to achieve these aims. Similarly, fuel stations and other related facilities should be operated within appropriate safety margins. Hence provision has to be made for the continued supply of urgently required equipment to achieve the above aims.

194. In regards to Oil Training Institutes requirements, some basic needs have to be provided for these institutes to enable them to carry out the task of developing middle level technical staff, for the oil industry US \$ 600 million dollars is allocated under UNSCR 1382 for the Oil Sector in phase XI for the supply of spare parts, materials, equipment and cost of service contracts to cover the essential and urgent needs of the Oil Sector, to enable it to implement the necessary works and projects mentioned above. US \$ 350 million dollars will be allocated for the upstream and US\$ 250 million dollars for the downstream requirements.

195. It is expected that the secretary general will nominate a team of experts to visit Iraq and discuss with the Ministry of Oil representatives the oil sector's requirements. The agreed list of requirements will be submitted at the conclusions of those discussions.

196. In accordance with paragraph (41) of the M.O.U., the Government of Iraq shall provide detailed and timely information about the delivery of supplies of equipment to their locations in order to facilitate and ensure observation of their use.

## PART NINE

### PLAN FOR THE REQUIREMENTS OF THE HOUSING SECTOR

197. A sum of US \$ 178 million has been allocated under phase XI to import materials, raw materials and machinery and other related requirements for the Housing and construction needs in all fifteen central and southern governorates under this plan. The requirements for the social welfare projects such as schools, hospitals, streets, mosques, churches and water and sewerage projects as well as other projects which render services to the population. This shall include:

- The building materials imported by the Ministry of Trade, will be distributed to the public by the State Company for Construction Materials and the State Company for Shopping Centres directly from the warehouses of these companies, spread over the mentioned governorates, upon presenting the official and formal building license together with documents showing that the plot on which the housing unit will be constructed is owned by the applicant and that the housing unit will not exceed 400 sq. mt of floor area. Specifying the quantities required shall be done through the engineering Department in the mentioned two companies taking into consideration the size of dwelling. The prices of the materials supplied shall be decided by the Ministry of Trade. The plan allocates US \$ 87.5 million to this element.
- The building materials imported by the Ministry of Housing and Construction will be for the task of constructing housing complexes and other public utilities in all central and southern governorates. An allocation will be made to the Ministry of Housing and Construction under phase XI to cover the cost of importation of equipment (i.e., bulldozers, cranes, shovels) required by this Ministry to build social housing complexes and other public utilities closely related to housing in all fifteen central and southern governorates, in addition to that these imported equipments will be utilized for the rehabilitation of existing roads and the construction of new roads and bridges. Roads and bridges are part of the countries basic infrastructure and an important factor for the efficient implementation of 50lack of alternative transport means, the country depends heavily on the road infrastructure for the transport of humanitarian goods as well as for the private sector. The plan allocates US \$ 27.5 million to this element.
- The Materials and the equipment imported by the Ministry of Industry and Minerals will be for rehabilitation of plants that produce construction materials, such as cement bricks, tiles, iron and steel factories also electrical facilities plant in addition to the raw materials needed to produce such construction materials. The plan allocates US \$ 63 million to this element.

## RESETTLEMENT REHABILITATION

198. In the three northern governorates, the programme provides Internally Displaced Persons and other needy persons in northern Iraq with viable, long-term settlement programming such as community-based housing initiatives. The activities are focused on the settlement and rehabilitation sector, which involves the design, programming, and implementation of construction or reconstruction of settlements with sufficient infrastructure and access to basic services to ensure sustainability.

199. Settlement and rehabilitation projects involve design, tendering, and construction of new and rehabilitated housing, water supply, sanitation and storm water drainage systems, roads, schools, clinics, and other related services in rural and urban areas. Housing projects may vary from developments of ten to six hundred houses. Infrastructure projects may be small local works or more complex medium scale projects requiring greater capital investment such as treatment plants, municipal services and public markets.

200. An allocation of US \$ 114.80 million has been made for these purposes in phase XI.

## MINE RELATED ACTIVITIES

201. There are currently more than 3600 known minefields in the three northern governorates, which continue to plague the lives of the local population. Civilian landmine casualties are estimated at between ten and twenty per month. An estimated twenty per cent of the arable land within the region cannot be cultivated due to landmines. Resettlement activities are furthered hampered by the presence of landmines.

202. The Mine Clearance Programme in the three northern governorates focuses on the locating and removal of landmines to allow the civilian population to lead unimpeded lives. The emphasis is on communities with the greatest needs for village resettlement, agriculture, and other humanitarian assistance and rehabilitation projects supporting community activities. Manual clearance teams, dogs and the continued operation of mechanical clearance devices are utilized to address the mine problem. Continuation of victim/prosthesis centres, and of mine awareness training, are core components to the Mine Action Programme. The current plan requires US \$ 14.10 million for the ongoing support of these activities.

## PART TEN

### SPECIAL ALLOCATION REQUIREMENTS

#### Introduction

203. In addition to the uniform food ration distributed to the entire population, they also receive basic services such as health care, potable water, sanitation facilities, subsidized power supply and rehabilitated shelters under the humanitarian programme. The Ministry of Labour and Social Affairs is the nodal Ministry tasked with the provision of assistance programmes to the most needy segments of the population outside the SCR 986 arrangements. The special allocation envisaged in paragraph 9 of SCR 1360 (2001) for the impoverished segments of the population has been earmarked under the distribution plan to support essential humanitarian services for this group.

204. These funds are also intended to establish lasting infra-structural assets and service delivery for the continuing benefit of the needy groups through projects implemented in the health, housing and water and sanitation sectors. In this regard, the government has identified targeted geographic areas in the central and southern governorates. The classified list of requirements under this allocation will be specified in the annexes with special sector codes.

#### Water and Sanitation

205. The condition of water and sanitation systems in many parts of the country remains critical. Large sections of suburban and rural areas have either no access to potable water or receive inadequate quantities, invariably of poor quality. To ameliorate this situation, US \$ 100.40 million has been made available under the special allocation to the General Establishment for Water and Sewage (GEWS) for the supply of electrical and mechanical equipment for plants in affected areas. The government will submit projects for 18 water treatment plants in the central and southern governorates. In addition, envisaged are mechanical equipment for compact and osmosis units to improve the quantity and quality of water in rural areas.

#### Housing Requirements

206. The housing situation for the majority of people remains precarious. Construction activity ceased some years ago while demographic figures indicate that the population has increased significantly. Consequently, the most needy seek refuge in existing buildings thus exacerbating overcrowding and accelerating the deterioration of the physical structures. The special allocation envisages the construction of new dwelling units in cities with enormous unmet housing needs.

207. The Ministry of Housing and Construction intends to utilize the amounts earmarked under the special allocation to design, supply materials and requirements and building of housing complexes in Baghdad (2), Najaf, Karbala, Al-Anbar, Diyala, Wasit and Babil where overcrowding prevails with a high concentration of low-income families.

208. In addition to houses, the project development plan includes an elementary school, two intermediate schools, a medical centre, mosque and shopping centre and administrative offices. These sites will be provided with all necessary infrastructure facilities such as water, sewage, roads, car parks, power connections and other network services. The Plan allocates US \$ 87 million for these projects.

#### **Health**

209. The Ministry of Health has prepared a plan for the utilisation of additional funds for the construction of medical facilities as detailed in the annexes. These facilities, providing services to the disabled and other special cases, in addition to the general population, have deteriorated markedly. The plan includes the construction of an atomic hospital, Diabetes specialised centre, specialised hospitals and specialized centres in the southern and central governorates for a total expenditure of US \$ 112 million.

210. The construction of medical facilities will improve the provision of specialized services to a reasonable standard for special needs.

#### **Board of Youth and Sports**

211. The Board of Youth and Sports envisages the procurement and importation of equipment and commodities such as lighting, communication equipment and materials required to construct, equip, and furnish sporting facilities. The plan allocates an amount of US \$ 5 million for this purpose.

#### **Allocations for Labor and Social Affairs**

212. The Ministry of Labour and Social Affairs comprises units to lodge orphans, street children, and the elderly and disabled persons at different stages of disability (Mental/Physical). Under the plan, the Ministry would require vehicles to transport above categories to different destinations. Training would be provided to the above groups to enable them acquire individual skills that would help them earn income and make them a self-reliant workforce in the community.

213. The Ministry intends to provide some machinery such as sewing machines, carpentry and smithery, and to train orphans and disabled in those activities. An allocation of US \$ 5 million is earmarked under the plan for the above activities.

Irak kan breed scala aan goederen importeren

*Buitenlandse Markten 6, 2001*

*door Karen van Reine, EVD*

*Het VN-sanctieregime op Irak staat de laatste tijd steeds meer ter discussie. Het Olie-voor-Voedsel-programma, dat Irak binnen de VN-sancties toestaat om met oliegeelden humanitaire goederen te importeren, is in de afgelopen jaren al meermaals aangepast en uitgebreid.*

In de jaren voor de Golfoorlogen was Irak maatschappelijk gezien een van de succesvolste landen in de regio. De overheid besteedde een fors deel van de olieopbrengsten aan omvangrijke en langdurige projecten voor de ontwikkeling van het land. Er werd geïnvesteerd in het onderwijs en de bestrijding van analfabetisme. De nadruk werd gelegd op hoger onderwijs en beroepsopleiding. Ook de medische sector profiteerde van de olieopbrengsten. Tot de jaren negentig werd de Iraakse gezondheidszorg als een van de meest ontwikkelde en genereuze systemen in de regio beschouwd. Door de olieopbrengsten kon Irak zich de luxe permitteren om allerhande westerse goederen in te voeren, van potloden tot vliegtuigen en allerlei consumentengoederen. Deze goederen vormden een groot deel van de handel met westerse landen. Er werden investeringen gedaan in het trainen van het arbeidspotentieel en het verwerven van kennis die nodig is om een industriële basis te creëren.

#### Olierijkdom

In augustus 1990 viel Irak Koeweit binnen. In reactie daarop stelde de VN-Veiligheidsraad sancties in. Begin 1991 vond de tweede Golfoorlog plaats. Nu, na tien jaar sancties, zijn de economie van Irak, de infrastructuur en de maatschappij er slecht aan toe. De inflatie in 2000 wordt geschat op 120 procent; in 2001 zal de inflatie waarschijnlijk op 80 procent uitkomen. Het bruto nationaal product (BNP) is sterk gedaald ten opzichte van de periode voor de Iraakse invasie in Koeweit. Toch wordt de groei van het BNP in 2000 nog geschat op 12 procent en wordt voor dit jaar een BNP-toename van 15 procent voorzien. Dit is het gevolg van de stijging van de olieprijs en de olieproductie. Het land is onverminderd rijk aan olie en gas.

Handel met Irak is op dit moment alleen mogelijk met inachtneming van de vigerende resoluties van de Veiligheidsraad, waaronder de regels van het 'Olie-voor-Voedsel'-programma zoals die zijn neergelegd in Resolutie 986. Onder dit programma mag Irak olie verkopen en met de opbrengst daarvan humanitaire goederen aanschaffen. Zowel in de media als in de politiek laait de laatste tijd de discussie op over de effecten van het sanctieregime op de Iraakse burgerbevolking. Op dit moment vindt een evaluatie plaats van het Irak-beleid, waaronder de zogenoemde 'slimme sancties'.

#### Uitbreiding

Sinds 1997 is het Olie-voor-Voedsel-programma meerdere malen aangepast en uitgebreid en mag Irak steeds meer verschillende soorten goederen importeren. Daarnaast zijn de procedures en welke goederen wel of niet mogen worden ingevoerd voortdurend onderwerp van discussie. De verwachting is dat Irak steeds meer goederen mag invoeren. Bovendien is het plafond op de import van goederen onder resolutie 986 opgeheven.

Op dit moment kan Irak met de olieopbrengsten naast voedsel en humanitaire producten een breed scala aan goederen importeren zoals infrastructurale goederen, materiaal voor waterbehandeling, ontzilting, constructie, transport, agricultuur en irrigatie, restauratiegoederen, goederen voor de olie- en gasindustrie en de elektriciteitssector, vezeloptische materialen, reserveonderdelen en consumentengoederen. Het is dan ook niet verbazingwekkend dat bedrijven geïnteresseerd zijn in de Iraakse markt. Daarnaast heeft een aantal landen al weer diplomatieke betrekkingen aangeknoopt met Bagdad. Nederland heeft op dit moment geen vertegenwoordiging in Irak.

#### Staatsorganen

Goederen verkopen in Irak betekent zakendoen met de staat. Handel met Irak komt direct en voornamelijk tot stand door verkoop aan de staatsorganen die ondergeschikt zijn aan ministeries. Het is in het algemeen niet verboden maar wel zeer ongebruikelijk om direct te onderhandelen en zaken te doen met individuen binnen de staatsorganen. Het is gebruikelijk om dit door een zaakwaarnemer van Iraakse nationaliteit te laten doen. Deze persoon behartigt de belangen van bedrijven en vertegenwoordigt ze bij de staatsorganisaties. Om succesvol te zijn is het noodzakelijk een agent of tussenpersoon in te zetten voor de volgende activiteiten:

- contacten opbouwen, onderhouden en verstevigen met staatsorganisaties;

- bijstand verlenen in elk stadium van het onderhandelen van een contract;
- verwerven en veiligstellen van een contract;
- begeleiden, beïnvloeden en beheersen van de samenwerking en activiteiten ter plaatse;
- opstellen van dagelijkse rapportages;
- navigatie door bureaucratische overheidsdepartementen;
- advisering over de lokale cultuur en zakelijke praktijk;
- advisering over lokale marktvoorwaarden en identificatie van marktmogelijkheden;
- betalen van noodzakelijke 'third party costs' om door overheidsvertegenwoordigers blijvend als volwaardige partij te worden beschouwd. Dit is een activiteit die door haar aard alleen kan worden uitgevoerd door een zaakwaarnemer.

### Agenten

Het is belangrijk om een zaakwaarnemer ofwel agent zorgvuldig te kiezen. Veel bedrijven worden benaderd door personen die deze rol graag zouden willen spelen. Een goede agent moet kunnen aantonen dat hij uit een voornamelijk familie komt en goede connecties heeft die zijn gebaseerd op invloed en afstamming van een voornaam geslacht. Ook moet hij zijn (succesvolle) staat van dienst kunnen aantonen, een in Bagdad gevestigd kantoor hebben, goed opgeleid zijn en redelijk Engels kunnen spreken. Als een agent eenmaal is gevonden, is het belangrijk dat er een goed persoonlijk contact wordt opgebouwd. Wanneer een relatie met een agent wordt verbroken, dan kan dit nadelige gevolgen hebben voor het in de toekomst verkrijgen van nieuwe contracten bij staatsorganisaties.

### Acquisitie

Het succes van acquisitie in Irak hangt af van een aantal factoren. Ten eerste is de economie ondergeschikt aan de politiek. Bagdad bestempelt landen als vijanden of als vrienden. Bij het bieden op contracten wordt voorrang gegeven aan bedrijven uit landen met een voor Bagdad vriendelijk beleid. Daarnaast is vooral van belang of een bedrijf al een goede reputatie heeft opgebouwd in Irak bij de uitvoering van werken of de levering van goederen. Nederlandse bedrijven hebben in het verleden al specifieke producten en kennis geleverd voor verschillende sectoren waaronder waterbehandeling en riolering, infrastructuur, elektriciteit, agricultuur, irrigatie, kabels, transport, havens en reserveonderdelen. In het algemeen kan men zeggen dat de kwaliteit van Nederlandse goederen en kennis wordt gewaardeerd. Als laatste en zeker niet onbelangrijke factor speelt ook de inzet en de bekwaamheid van een goede agent mee.

Te verwachten valt dat, nu er steeds meer onder de sancties kan worden geëxporteerd en geïmporteerd, de vraag naar westerse goederen zal toenemen. Gezien de ervaringen in het verleden, de recente ontwikkelingen in de internationale politiek en de staat van de Iraakse economie en infrastructuur, kan gesteld worden dat Nederlandse bedrijven in ieder geval kunnen voortbouwen op eerdere activiteiten in Irak.

*Dit artikel is tot stand gekomen met medewerking van drs. Saif B. Abu Gulal, Midden-Oosten specialist, en Ph. D. Durham, vertegenwoordiger van Nederlandse bedrijven in Irak.*

### Informatieadressen

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- Nederlandse ambassade in Amman, Jordanië, telefoon: 00-962-6-5930525, fax: 00-962-6-5930214, e-mail: [nlgovamm@index.com.jo](mailto:nlgovamm@index.com.jo)

### Websites

Sanctieregime van de VN, de procedures en de status van contracten: [www.un.org/Depts/oip](http://www.un.org/Depts/oip)

Geografie, bevolking, economie, reizen, communicatie, transport, politieke achtergronden en nieuws: [www.ameinfo.com/guide](http://www.ameinfo.com/guide)  
[www.geocities.com/iraqinfo](http://www.geocities.com/iraqinfo)



## Handelscijfers Nederland - Irak 1997-2000

## Handel Nederland - Irak (x 1000.000,- euro)

	Invoer	Uitvoer	Saldo
1997	153,7	676,4	522,7
1998	422,8	21,6	-401,2
1999	968,2	39,9	-928,3
2000	676,4	35,2	-641,2

## Nederlandse invoer uit Irak (x 1000.000,- euro)

SITC-code	Omschrijving	1997	1998	1999	2000
	TOTAAL	153,7	422,8	968,2	676,4
	TOTAAL INDUSTRIE	153,7	422,8	968,2	676,4
3	Minerale brandstoffen, smeermiddelen	153,7	422,8	968,2	676,4

## Nederlandse uitvoer naar Irak (x 1000.000,- euro)

SITC-code	Omschrijving	1997	1998	1999	2000
	TOTAAL	676,4	21,6	39,9	35,2
	TOTAAL LANDBOUW	4,6	6,5	11,9	10,1
0	Voeding en levende dieren	4,3	6,1	11,9	9,5
00	Levende dieren, m.u.v. dieren uit	0,2	0,5	0,0	0,0
001	Levende dieren, m.u.v. dieren uit	0,2	0,5	0,0	0,0
02	Zuivelprodukten en eieren	1,5	1,0	5,1	3,0
022	Melk, room en melkprod., ex. boter en	0,8	0,9	4,9	2,5
024	Kaas en wrongel	0,7	0,2	0,1	0,4
03	Vis, schaal- en weekd.,	0,2	0,4	0,0	0,0
037	Bereidingen van vis, schaal-, weekd.	0,2	0,4	0,0	0,0
04	Granen en graanprodukten	0,1	0,0	3,0	5,9
048	Graanprep., incl. vruchte- en	0,1	0,0	3,0	5,9
06	Suiker en suikerwerken, honing	0,3	0,1	0,6	0,0
061	Suiker, melasse en honing	0,3	0,1	0,6	0,0
08	Veevoeder (m.u.v. niet gemalen granen)	0,7	0,6	0,0	0,0
081	Veevoeder (m.u.v. niet gemalen granen)	0,7	0,6	0,0	0,0
09	Bereide voedingsmiddelen n.a.g.	1,4	3,3	2,7	0,3
098	Bereide voedingsmiddelen n.a.g.	1,4	3,3	2,7	0,3
29	Andere ruwe dierl. en plant. produkten	0,3	0,4	0,0	0,7
292	Ruwe plantaardige produkten n.a.g.	0,3	0,4	0,0	0,7
	TOTAAL INDUSTRIE	6,4	15,2	28,0	25,0
5	Chemische produkten	5,5	4,3	3,6	3,0
51	Organische chemische produkten	0,2	0,0	0,0	0,0
515	Org. verbindingen, heterocyclische	0,1	0,0	0,0	0,0
54	Medicinale, farmaceutische produkten	5,4	2,7	3,4	2,6
541	Medicinale, farm. prod.(- sitcgroep)	0,3	0,0	1,2	0,2
542	Geneesmiddelen (incl. veterinaire)	5,1	2,7	2,2	2,4
59	Andere chemische produkten n.a.g.	0,0	1,4	0,2	0,2
598	Andere chemische produkten n.a.g.	0,0	1,4	0,2	0,0
6	Fabrikaten, gerangschikt naar	0,0	0,5	0,2	0,4

69	Metaalwaren, n.a.g.	0,0	0,5	0,1	0,3
699	Metaalwaren, n.a.g.	0,0	0,5	0,0	0,0
7	Machines en vervoermaterieel	0,6	8,9	22,5	16,7
72	Gespecialiseerde machines	0,0	0,9	1,2	1,5
721	Landbouwmachines (behalve tractors)	0,0	0,3	0,0	0,4
727	Machines voor de voedingsindustrie	0,0	0,6	1,1	1,2
74	Diverse machines, n.a.g.	0,6	1,6	2,8	5,7
741	Verwarmings- en koelmachines	0,0	0,0	0,0	0,4
742	Pompen en elevantoren voor vloeistoffen	0,0	0,0	2,1	0,4
743	Andere pompen, compressors e.d.	0,0	1,5	0,6	4,8
744	Mechanisch transportmaterieel	0,2	0,0	0,0	0,0
745	Andere niet-elektrische machines	0,3	0,0	0,0	0,1
77	Elektrische apparaten, n.a.g.	0,0	6,1	18,4	8,9
774	Elektromedische- en radiologische app.	0,0	5,5	18,2	8,7
778	Elektrische machines en apparaten	0,0	0,6	0,0	0,1
8	Diverse gefabriceerde goederen	0,2	1,4	1,6	4,6
87	Instr. en app. voor beroepsuitoefening	0,1	0,9	1,5	4,2
872	Medische instrumenten en apparaten	0,0	0,4	0,4	2,9
874	Meel-, controle- en analyse	0,1	0,5	1,0	1,3
88	App. en benodigd. voor fotografie	0,0	0,4	0,0	0,1
881	Toest. voor de fotografie en	0,0	0,4	0,0	0,1

Nederlandse uitvoer naar Irak (x 1000.000,- euro)

SITC-code	Omschrijving	1999	2000	2000	2001
		jan-dec	jan-dec	jan-jun	jan-jun
	TOTAAL	39,9	35,2	24,9	24,5
	TOTAAL LANDBOUW	11,9	10,1	6,0	2,8
0	Voeding en levende dieren	11,9	9,5	6,0	2,8
02	Zuivelprodukten en eieren	5,1	3,0	2,7	0,3
022	Melk,room en melkprod.,ex. boter en	4,9	2,5	2,5	0,1
024	Kaas en wrongel	0,1	0,4	0,3	0,2
04	Granen en graanprodukten	3,0	5,9	3,0	1,7
048	Graanprep.,incl.vruchte- en	3,0	5,9	3,0	1,7
05	Groenten en fruit	0,3	0,2	0,1	0,5
054	Groenten en wortels,vers,gekoeld,bevr.	0,3	0,2	0,1	0,5
06	Suiker en suikerwerken, honing	0,6	0,0	0,0	0,0
061	Suiker, melasse en honing	0,6	0,0	0,0	0,0
09	Bereide voedingsmiddelen n.a.g	2,7	0,3	0,1	0,3
098	Bereide voedingsmiddelen n.a.g	2,7	0,3	0,1	0,3
29	Andere ruwe dierl. en plant. produkten	0,0	0,7	0,0	0,0
292	Ruwe plantaardige produkten n.a.g.	0,0	0,7	0,0	0,0
	TOTAAL INDUSTRIE	28,0	25,0	18,8	21,7
5	Chemische produkten	3,6	3,0	0,4	1,4
54	Medicinale, farmaceutische produkten	3,4	2,6	0,2	1,2
541	Medicinale,farm. prod.(- sitcgroep	1,2	0,2	0,0	0,7
542	Geneesmiddelen(incl.veterinaire	2,2	2,4	0,2	0,5
6	Fabrikaten, gerangschikt naar	0,2	0,4	0,2	0,1
7	Machines en vervoermaterieel	22,5	16,7	15,6	2,4
72	Gespecialiseerde machines	1,2	1,5	1,3	0,1

721	Landbouwmachines (behalve tractors)	0,0	0,4	0,1	0,0
727	Machines voor de voedingsindustrie	1,1	1,2	1,2	0,0
74	Diverse machines, n.a.g.	2,8	5,7	5,5	1,1
741	Verwarmings- en koelmachines	0,0	0,4	0,3	0,0
742	Pompen en elevatoren voor vloeistoffen	2,1	0,4	0,4	0,0
743	Andere pompen, compressors e.d.	0,6	4,5	4,8	0,0
745	Andere niet-elektrische machines	0,0	0,1	0,1	1,1
77	Elektrische apparaten, n.a.g.	18,4	8,9	8,5	1,0
774	Elektromedische- en radiologische app.	18,2	8,7	8,5	0,8
8	Diverse gefabriceerde goederen	1,6	4,6	2,6	17,8
81	Gepr.bouww.,sen. art.,install. voor	0,0	0,0	0,0	0,4
813	Verlichtings toestellen n.a.g.	0,0	0,0	0,0	0,4
87	Instr. en app. voor beroepsuitoefening	1,5	4,2	2,6	17,4
872	Medische instrumenten en apparaten	0,4	2,9	1,7	16,7
874	Meet-, controle- en analyse	1,0	1,3	0,8	0,6

Bron: CBS

## Factheet Iraq

(CIA The World Factbook Iraq 2001)

### *Introduction*

**Background:** Formerly part of the Ottoman Empire, Iraq became an independent kingdom in 1932. A "republic" was proclaimed in 1958, but in actuality a series of military strongmen have ruled the country since then, the latest being SADDAM Husayn. Territorial disputes with Iran led to an inconclusive and costly eight-year war (1980-1988). In August 1990 Iraq seized Kuwait, but was expelled by US-led, UN coalition forces during January-February 1991. The victors did not occupy Iraq, however, thus allowing the regime to stay in control. Following Kuwait's liberation, the UN Security Council (UNSC) required Iraq to scrap all weapons of mass destruction and long-range missiles and to allow UN verification inspections. UN trade sanctions remain in effect due to incomplete Iraqi compliance with relevant UNSC resolutions.

### *Geography*

**Location:** Middle East, bordering the Persian Gulf, between Iran and Kuwait

**Geographic coordinates:** 33 00 N, 44 00 E

**Area:** total: 437,072 sq km land: 432,162 sq km water: 4,910 sq km

**Area - comparative:** slightly more than twice the size of Idaho

**Land boundaries:** total: 3,631 km border countries: Iran 1,458 km, Jordan 181 km, Kuwait 242 km, Saudi Arabia 814 km, Syria 605 km, Turkey 331 km

**Coastline:** 58 km

**Maritime claims:** continental shelf: not specified territorial sea: 12 NM

**Climate:** mostly desert; mild to cool winters with dry, hot, cloudless summers; northern mountainous regions along Iranian and Turkish borders experience cold winters with occasionally heavy snows that melt in early spring, sometimes causing extensive flooding in central and southern Iraq

**Terrain:** mostly broad plains; reedy marshes along Iranian border in south with large flooded areas; mountains along borders with Iran and Turkey

**Elevation extremes:** lowest point: Persian Gulf 0 m highest point: Haji Ibrahim 3,600 m

**Natural resources:** petroleum, natural gas, phosphates, sulfur

**Land use:** arable land: 12% permanent crops: 0% permanent pastures: 9% forests and woodland: 0% other: 79% (1993 est.)

**Irrigated land:** 25,500 sq km (1993 est.)

**Natural hazards:** dust storms, sandstorms, floods

**Environment - current issues:** government water control projects have drained most of the inhabited marsh areas east of An Nasiriyah by drying up or diverting the feeder streams and rivers; a once sizable population of Shi'a Muslims, who have inhabited these areas for thousands of years, has been displaced; furthermore, the destruction of the natural habitat poses serious threats to the area's wildlife populations; inadequate supplies of potable water; development of Tigris-Euphrates Rivers system contingent upon agreements with upstream riparian Turkey; air and water pollution; soil degradation (salination) and erosion; desertification

**Environment - international agreements:** party to: Law of the Sea, Nuclear Test Ban signed, but not ratified: Environmental Modification

**Geography - note:** strategic location on Shatt al Arab waterway and at the head of the Persian Gulf

## *People*

Population: 23,331,985 (July 2001 est.)

Age structure: 0-14 years: 41.64% (male 4,934,340; female 4,781,206) 15-64 years: 55.28% (male 6,528,854; female 6,368,823) 65 years and over: 3.08% (male 335,953; female 382,809) (2001 est.)

Population growth rate: 2.84% (2001 est.)

Birth rate: 34.64 births/1,000 population (2001 est.)

Death rate: 6.21 deaths/1,000 population (2001 est.)

Net migration rate: 0 migrant(s)/1,000 population (2001 est.)

Sex ratio: at birth: 1.05 male(s)/female under 15 years: 1.03 male(s)/female 15-64 years: 1.03

male(s)/female 65 years and over: 0.88 male(s)/female total population: 1.02 male(s)/female (2001 est.)

Infant mortality rate: 60.05 deaths/1,000 live births (2001 est.)

Life expectancy at birth: total population: 66.95 years male: 65.92 years female: 68.03 years (2001 est.)

Total fertility rate: 4.75 children born/woman (2001 est.)

HIV/AIDS - adult prevalence rate: less than 0.01% (1999 est.)

HIV/AIDS - people living with HIV/AIDS: NA

HIV/AIDS - deaths: NA

Nationality: noun: Iraqi(s) adjective: Iraqi

Ethnic groups: Arab 75%-80%, Kurdish 15%-20%, Turkoman, Assyrian or other 5%

Religions: Muslim 97% (Shi'a 60%-65%, Sunni 32%-37%), Christian or other 3%

Languages: Arabic, Kurdish (official in Kurdish regions), Assyrian, Armenian

Literacy: definition: age 15 and over can read and write total population: 58% male: 70.7% female: 45% (1995 est.)

## *Government*

Country name: conventional long form: Republic of Iraq

conventional short form: Iraq, local long form: Al Jumhuriyah al Iraqiyah, local short form: Al Iraq

Government type: republic

Capital: Baghdad

Administrative divisions: 18 provinces (muhafazat, singular - muhafazah); Al Anbar, Al Basrah, Al Muthanna, Al Qadisiyah, An Najaf, Arbil, As Sulaymaniyah, At Ta'mim, Babil, Baghdad, Dahuk, Dhi Qar, Diyala, Karbala', Maysan, Ninawa, Salah ad Din, Wasit

Independence: 3 October 1932 (from League of Nations mandate under British administration)

National holiday: Revolution Day, 17 July (1968)

Constitution: 22 September 1968, effective 16 July 1970 (provisional constitution); new constitution drafted in 1990 but not adopted

Legal system: based on Islamic law in special religious courts, civil law system elsewhere; has not accepted compulsory ICJ jurisdiction

Suffrage: 18 years of age; universal

Executive branch: chief of state: President SADDAM Husayn (since 16 July 1979); Vice Presidents Taha Muhyi al-Din MARUF (since 21 April 1974) and Taha Yasin RAMADAN (since 23 March 1991)

head of government: Prime Minister SADDAM Husayn (since 29 May 1994); Deputy Prime Ministers Tariq Mikhail AZIZ (since NA 1979), Hikmat Mizban Ibrahim al-AZZAWI (since 30 July 1999), Ahmad Husayn al-KHUDAYIR (since NA July 2001), and Abd al-Tawab Mullah al-HUWAYSH (since NA July 2001) cabinet: Council of Ministers; note - there is also a Revolutionary Command Council or RCC

(Chairman SADDAM Husayn, Vice Chairman Izzat IBRAHIM al-Duri) which controls the ruling Ba'th Party, and is the most powerful political entity in the country elections: president and vice presidents

elected by a two-thirds majority of the Revolutionary Command Council; election last held 17 October 1995 (next to be held NA 2002) election results: SADDAM Husayn reelected president; percent of vote

- 99%; Taha Muhyi al-Din MARUF and Taha Yasin RAMADAN elected vice presidents; percent of vote - NA%

Legislative branch: unicameral National Assembly or Majlis al-Watani (250 seats; 30 appointed by the president to represent the three northern provinces of Dahuk, Arbil, and As Sulaymaniyah; 220 elected by popular vote; members serve four-year terms) elections: last held 27 March 2000 (next to be held NA March 2004) election results: percent of vote by party - NA%; seats by party - NA

Judicial branch: Court of Cassation

Political parties and leaders: Ba'ath Party [SADDAM Husayn, central party leader]

Political pressure groups and leaders: any formal political activity must be sanctioned by the government; opposition to regime from Kurdish groups and southern Shi'a dissidents

International organization participation: ABEDA, ACC, AFESD, AL, AMF, CAEU, CCC, EAPC, ESCWA, FAO, G-19, G-77, IAEA, IBRD, ICAO, ICRM, IDA, IDB, IFAD, IFC, IFRCS, ILO, IMF, IMO, Inmarsat, Intelsat, Interpol, IOC, ITU, NAM, OAU, OIC, OPEC, PCA, UN, UNCTAD, UNESCO, UNIDO, UPU, WFTU, WHO, WIPO, WMO, WTO

Diplomatic representation in the US: none; note - Iraq has an Interest Section in the Algerian Embassy headed by Akram AL DOURI; address: Iraqi Interests Section, Algerian Embassy, 1801 P Street NW, Washington, DC 20036; telephone: [1] (202) 483-7500; FAX: [1] (202) 462-5066

Diplomatic representation from the US: none; note - the US has an Interests Section in the Polish Embassy in Baghdad; address: P. O. Box 2051 Hay Babel, Baghdad; telephone: [964] (1) 718-9267; FAX: [964] (1) 718-9297

Flag description: three equal horizontal bands of red (top), white, and black with three green five-pointed stars in a horizontal line centered in the white band; the phrase ALLAHU AKBAR (God is Great) in green Arabic script - Allahu to the right of the middle star and Akbar to the left of the middle star - was added in January 1991 during the Persian Gulf crisis; similar to the flag of Syria which has two stars but no script and the flag of Yemen which has a plain white band; also similar to the flag of Egypt which has a symbolic eagle centered in the white band

## *Economy*

**Economy - overview:** Iraq's economy is dominated by the oil sector, which has traditionally provided about 95% of foreign exchange earnings. In the 1980s, financial problems caused by massive expenditures in the eight-year war with Iran and damage to oil export facilities by Iran led the government to implement austerity measures, borrow heavily, and later reschedule foreign debt payments; Iraq suffered economic losses of at least \$100 billion from the war. After the end of hostilities in 1988, oil exports gradually increased with the construction of new pipelines and restoration of damaged facilities. Iraq's seizure of Kuwait in August 1990, subsequent international economic sanctions, and damage from military action by an international coalition beginning in January 1991 drastically reduced economic activity. Although government policies supporting large military and internal security forces and allocating resources to key supporters of the regime have hurt the economy, implementation of the UN's oil-for-food program in December 1996 has helped improve conditions for the average Iraqi citizen. For the first six, six-month phases of the program, Iraq was allowed to export limited amounts of oil in exchange for food, medicine, and some infrastructure spare parts. In December 1999, the UN Security Council authorized Iraq to export under the program as much oil as required to meet humanitarian needs. Oil exports are now more than three-quarters their prewar level. Per capita food imports have increased significantly, while medical supplies and health care services are steadily improving. Per capita output and living standards are still well below the prewar level, but any estimates have a wide range of error.

**GDP:** purchasing power parity - \$57 billion (2000 est.)

**GDP - real growth rate:** 15% (2000 est.)

**GDP - per capita:** purchasing power parity - \$2,500 (2000 est.)

**GDP - composition by sector:** agriculture: 6% industry: 13% services: 81% (1993 est.)

**Population below poverty line:** NA%

**Household income or consumption by percentage share:** lowest 10%: NA% highest 10%: NA%

Inflation rate (consumer prices): 100% (2000 est.)  
Labor force: 4.4 million (1989)  
Labor force - by occupation: agriculture NA%, industry NA%, services NA%  
Unemployment rate: NA%  
Budget: revenues: \$NA expenditures: \$NA, including capital expenditures of \$NA  
Industries: petroleum, chemicals, textiles, construction materials, food processing  
Industrial production growth rate: NA%  
Electricity - production: 29.42 billion kWh (1999)  
Electricity - production by source: fossil fuel: 97.96% hydro: 2.04% nuclear: 0% other: 0% (1999)  
Electricity - consumption: 27.361 billion kWh (1999)  
Electricity - exports: 0 kWh (1999)  
Electricity - imports: 0 kWh (1999)  
Agriculture - products: wheat, barley, rice, vegetables, dates, cotton; cattle, sheep  
Exports: \$21.8 billion (2000 est.)  
Exports - commodities: crude oil  
Exports - partners: Russia, France, Switzerland, China (2000)  
Imports: \$13.8 billion (2000 est.)  
Imports - commodities: food, medicine, manufactures  
Imports - partners: Egypt, Russia, France, Vietnam (2000)  
Debt - external: \$139 billion (2000 est.)  
Economic aid - recipient: \$327.5 million (1995)  
Currency: Iraqi dinar (IQD)  
Currency code: IQD  
Exchange rates: Iraqi dinars per US dollar - 0.3109 (fixed official rate since 1982); black market rate - Iraqi dinars per US dollar - 1,910 (December 1999), 1,815 (December 1996), 1,530 (December 1997), 910 (December 1996), 3,000 (December 1995); note - subject to wide fluctuations  
Fiscal year: calendar year

### *Communications*

Telephones - main lines in use: 675,000 (1997)  
Telephones - mobile cellular: NA; service available in northern Iraq (2001)  
Telephone system: general assessment: reconstitution of damaged telecommunication facilities began after the Gulf war; most damaged facilities have been rebuilt domestic: the network consists of coaxial cables and microwave radio relay links international: satellite earth stations - 2 Intelsat (1 Atlantic Ocean and 1 Indian Ocean), 1 Intersputnik (Atlantic Ocean region), and 1 Arabsat (inoperative); coaxial cable and microwave radio relay to Jordan, Kuwait, Syria, and Turkey; Kuwait line is probably nonoperational  
Radio broadcast stations: AM 19 (5 are inactive), FM 51, shortwave 4 (1998)  
Radios: 4.85 million (1997)  
Television broadcast stations: 13 (1997)  
Televisions: 1.75 million (1997)  
Internet country code: .iq  
Internet Service Providers (ISPs): 1 (2000)  
Internet users: NA

### *Transportation*

Railways: total: 2,339 km standard gauge: 2,339 km 1.435-m gauge (2001)  
Highways: total: 45,550 km paved: 38,400 km unpaved: 7,150 km (1996 est.)  
Waterways: 1,015 km note: Shatt al Arab is usually navigable by maritime traffic for about 130 km; channel has been dredged to 3 m and is in use; Tigris and Euphrates Rivers have navigable sections for shallow-draft boats; Shatt al Basrah canal was navigable by shallow-draft craft before closing in 1991 because of the Gulf war

Pipelines: crude oil 4,350 km; petroleum products 725 km; natural gas 1,360 km  
Ports and harbors: Umm Qasr, Khawr az Zubayr, and Al Basrah have limited functionality  
Merchant marine: total: 30 ships (1,000 GRT or over) totaling 453,273 GRT/779,662 DWT ships by type: cargo 14, passenger 1, passenger/cargo 1, petroleum tanker 12, refrigerated cargo 1, roll on/roll off 1 (2000 est.)  
Airports: 110 (2000 est.)  
Airports - with paved runways: total: 76 over 3,047 m: 20 2,438 to 3,047 m: 36 1,524 to 2,437 m: 6 914 to 1,523 m: 7 under 914 m: 7 (2000 est.)  
Airports - with unpaved runways: total: 34 over 3,047 m: 3 2,438 to 3,047 m: 5 1,524 to 2,437 m: 4 914 to 1,523 m: 10 under 914 m: 12 (2000 est.)  
Heliports: 4 (2000 est.)

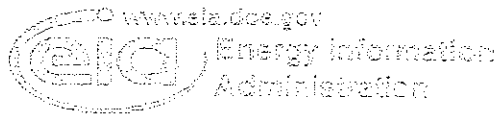
### *Military*

Military branches: Army, Republican Guard, Navy, Air Force, Air Defense Force, Border Guard Force, Fedayeen Saddam  
Military manpower - military age: 18 years of age  
Military manpower - availability: males age 15-49: 5,902,215 (2001 est.)  
Military manpower - fit for military service: males age 15-49: 3,301,880 (2001 est.)  
Military manpower - reaching military age annually: males: 274,035 (2001 est.)  
Military expenditures - dollar figure: \$NA  
Military expenditures - percent of GDP: NA%

### *Transnational Issues*

Disputes - International: Iran and Iraq restored diplomatic relations in 1990 but are still trying to work out written agreements settling outstanding disputes from their eight-year war concerning border demarcation, prisoners-of-war, and freedom of navigation and sovereignty over the Shatt al Arab waterway; in November 1994, Iraq formally accepted the UN-demarcated border with Kuwait which had been spelled out in Security Council Resolutions 687 (1991), 773 (1993), and 883 (1993); this formally ends earlier claims to Kuwait and to Bubiyan and Warbah islands although the government continues periodic rhetorical challenges; dispute over water development plans by Turkey for the Tigris and Euphrates rivers





September 2001

## Iraq

*Iraq holds more than 112 billion barrels of oil - the world's second largest proven reserves. Iraq also contains 110 trillion cubic feet of gas, and is a focal point for regional security issues.*

*Note: The information contained in this report is the best available as of September 2001 and can change. Also, please click [here](#) for a complete chronology of events pertaining to Iraq from 1980 through 2001.*



### GENERAL BACKGROUND

During the 1980s and 1990s, Iraq experienced two major wars (Iran-Iraq and the Kuwait war), as well as over a decade of economic sanctions. As a result, the country's economy, infrastructure, and society are in very bad shape. Iraq's gross domestic product (GDP) has fallen sharply since before the Iraqi invasion of Kuwait, with per-capita income and living standards far below pre-war levels. On the other hand, increased oil production and prices resulted in estimated Iraqi real GDP growth of 18% in 1999 and 4% in 2000. For 2001, with oil production and prices flat or even down somewhat, Iraq's real GDP growth is forecast at -10%. For 2002, Iraq's real GDP growth is expected to rebound to 15%. Inflation currently is estimated at around 80% (down from 100% in 2000), with unemployment (and

underemployment) high as well. Iraq's merchandise trade surplus is over \$3 billion, although much of this is under United Nations (UN) control. Iraq has a heavy debt burden, possibly as high as \$140 billion if debts to Gulf states and Russia are included. Iraq also has no meaningful taxation system, plus erratic fiscal and monetary policies. As of August 2001, the dinar had slipped to around 1,900 per dollar on the black market, from around 900 dinars per U.S. dollar at the beginning of 2000.

On February 26, 2001, US Secretary of State Colin Powell proposed a modification of sanctions on Iraq, more carefully targeting them towards military items sought by the Iraqi government, while allowing freer movement of civilian goods. In early May, Powell stated that the United States wanted "to revise the sanctions policy so that it is directed exclusively at preventing Iraq from a military buildup and developing weapons of mass destruction." In early July 2001, facing an almost certain Russian veto, the UN Security Council agreed to postpone indefinitely a vote on the U.S. "smart sanctions" plan, and extended the oil-for-food program another 5 months. Following this, Iraq resumed oil exports, which it had halted on June 4 in protest of the plan.

As of late September 2001, a dispute within the UN Security Council continued over a U.K. proposal (supported by the United States) to alter the duration (from 30 days to 15 days) whereby

Iraqi oil prices are set. The United States and the United Kingdom are concerned that Iraq is using oil price fluctuations to impose a de facto surcharge on oil purchasers, and that this money goes directly to the Iraqi government outside of UN control. As in the case of the "smart sanctions" proposal, Russia once again is supporting Iraq and blocking the U.K.-U.S. proposal. The United States and the United Kingdom also are attempting to stop Iraq from forcing buyers to pay a \$0.30-\$0.60 per barrel surcharge, paid directly to the Iraqi government.

On October 31, 2000, the UN Sanctions Committee approved an Iraqi request to be paid in Euros, rather than U.S. dollars, for oil exported under the "oil for food" program. On November 16, Iraq's State Oil Marketing Organization (SOMO) demanded that companies lifting cargoes of Iraqi crude oil begin paying a fifty cent per barrel surcharge directly to the Iraqi government (in violation of UN sanctions) starting on December 1, 2000. On December 13, Iraq resumed exports of crude oil after a disruption of nearly two weeks due to a dispute over this issue. In April 2001, the US State Department urged US oil companies to "take all necessary steps to ensure that any Iraqi-origin crude you acquire has not been tainted by the payment...of an illegal surcharge."

Iraq has been working in recent months to improve relations with a number of countries, with mixed results. In late August 2000, Venezuela's President Hugo Chavez met with Saddam Hussein, a move that was strongly condemned by the United States. In November 2000, Saudi Arabia opened a border crossing point with Iraq to facilitate Saudi exports to Iraq under the United Nations "oil for food" program. The land border had been closed since the Iraqi invasion of Kuwait in 1990. In January 2001, Iraq signed free-trade deals with Egypt and Syria, and in August 2001, Syria's Prime Minister visited Baghdad. In April 2001, Iraqi Vice President Taha Hussein Ramadan met Russian President Vladimir Putin, the highest-level Iraqi-Russian contact in several years. In June 2001, however, in an apparent blow to Iraqi-Saudi relations, Saudi Arabia announced that it had seized ownership of the 1.6-million-barrel-per-day IPSA pipeline that had carried Iraqi crude oil to the Saudi Red Sea port of Yanbu (Mu'jiz) prior to Iraq's invasion of Kuwait. The seizure included pumping stations, storage tanks, and the maritime terminal. Saudi Arabia claimed that the pipeline was confiscated as a result of aggressive Iraqi actions. Iraq insisted that it still owned the pipeline. In another negative development, in September 2001, Iraq's foreign minister, Dr. Naji Sabri, warned Kuwait over oil production near the Iraqi-Kuwait border, specifically at the al-Rakba field, an extension of Iraq's al-Rumaila field.

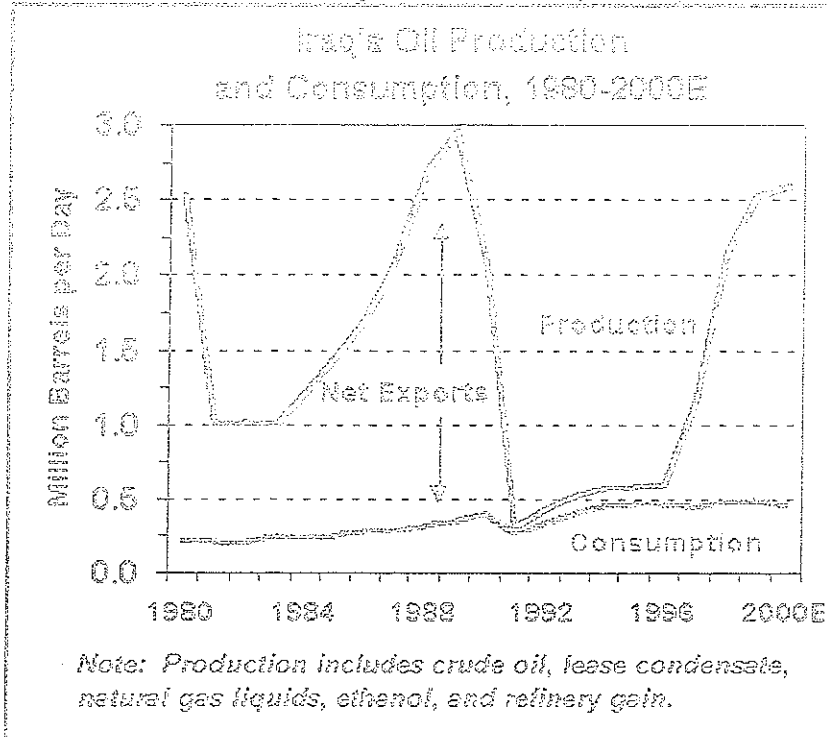
In November 2000, numerous press reports indicated that Syria and Iraq had reopened the 552-mile-long, Kirkuk-Banias pipeline, with the Middle East Economic Digest (MEED) reporting initial deliveries of Iraqi crude oil through the line (and also possibly by rail) at around 140,000-150,000 bbl/d (capacity prior to 1982 was 300,000 bbl/d). The oil, most likely Basra Light, reportedly is being used in Syrian domestic refineries, thus freeing up more Syrian oil for export to world markets, earning Syria extra hard currency oil export revenues (and also earning Saddam Hussein significant revenues outside the UN "oil for food" program). Since Iraqi oil exports are allowed only via approved export routes, use of the Kirkuk-Banias line would represent a potentially serious breach of UN sanctions against Iraq. On January 23, 2001, the Bush administration offered to allow Iraqi oil exports through Syria as long as they were regulated by the UN "oil for food" program.

On September 19, Iraq denied any connection or involvement with the the September 11, 2001 terrorist attacks on the World Trade Center and Pentagon. The United States and the United Kingdom continue to maintain "no-fly zones" over Iraq, and to carry out bombing of various targets periodically.

## OIL

Iraq contains 112 billion barrels of proven oil reserves, the second largest in the world (behind

Saudi Arabia) along with roughly 215 billion barrels of probable and possible resources. Iraq's true resource potential may be understated, as deeper oil-bearing formations located mainly in the



Western Desert region could yield additional resources, but have not been explored. Iraqi oil reserves vary widely in quality, with API gravities in the 24° to 42° range. Iraq's main export crudes come from the country's two largest active fields: Rumaila and Kirkuk. The southern Rumaila field produces three streams: Basra Regular (normally 34° API, 2.1% sulfur, but apparently deteriorating); Basra Medium (30° API, 2.6% sulfur); and Basra Heavy (22°-24° API, 3.4% sulfur). The northern Kirkuk field normally produces 37° API, 2% sulfur crude,

although the API gravity reportedly has fallen in recent years. An additional export crude, known as "Fao Blend," is heavier and more sour, with a 27° API and 2.9% sulfur.

In September 1999, more than 50 foreign companies attended an oil and gas technology exhibition in Baghdad, the first such gathering in 10 years. Most of the firms were from the Canada, France, Italy, and the United Kingdom. No U.S. firms attended, although a high-level Iraqi oil official has stated that Iraq is ready to deal with U.S. oil companies.

To help attract foreign investment to the country's energy sector, Iraq's oil ministry recently introduced amendments to existing development and production contracts (DPCs). Among other things, the duration of DPCs has been reduced from 23 to 12 years. In addition, Iraq has added a clause referring to "an explicit commitment to achieve target production within a set period."

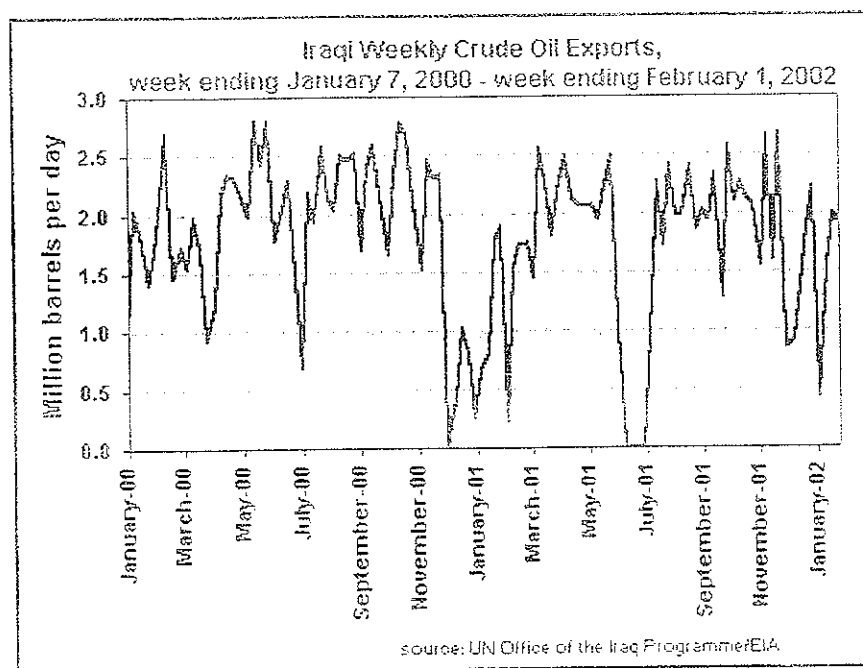
#### Production

Following Iraq's invasion of Kuwait and the embargo on Iraqi oil exports, Iraqi oil production fell to around 300,000 bbl/d (from 3.5 MMB/D in July 1990). For 2000, Iraqi crude oil production averaged 2.6 MMB/D. Iraqi officials had hoped to increase the country's oil production to 3.5 MMB/D by the end of 2000, but now appear to have acknowledged that this was probably not realistic, given technical problems with Iraqi oil fields, export terminals, pipelines, and other oil infrastructure. Industry experts generally assess Iraq's *sustainable* production capacity at no higher than 2.8 MMB/D, and more likely closer to 2.6 MMB/D, with net export potential of around 2.0-2.2 MMB/D. (Note: Iraq has produced 3.0 MMB/D or slightly more in several months over the past year, but whether or not this is "sustainable" is an open question.) Among other problems, Iraq's battle with "water cut" is a major challenge, especially in the south. In October 1999, oil consulting firm Saybolt International reported that Iraq has been able to increase its oil production through use of short-term techniques not generally considered acceptable in the oil industry. A new UN report in June 2001 said that Iraqi oil production capacity would fall sharply unless technical and infrastructure problems were addressed. The report estimated, for instance, that production in the Kirkuk region could fall by 50% over 12 months, to 500,000 bbl/d, and that output at South Rumaila also could be reduced sharply unless immediate actions were taken. Iraq

hopes to counter this by a large-scale program to drill new wells (417 are planned, most of which are to be carried out by Russian, Chinese, Iraqi, and Romanian companies).

### Exports

UN Resolution 986 (April 1995) allows Iraq to sell specified dollar amounts of crude oil over six-month periods, in part for the purchase of humanitarian supplies ("oil for food") for distribution in Iraq under UN supervision. In December 1999, with Iraq steadily increasing its oil export revenues, the Security Council voted to remove any limits on the amount of oil Iraq could export. The current phase (Phase X) runs through the end of November 2001. Remaining proceeds are used to pay compensation for Gulf War victims, pipeline transit fees for Turkey, and funding for U.N. weapons monitoring activities.



During the first six months of 2001, Iraq averaged oil production of 2.29 million barrels per day, with large weekly and monthly fluctuations. For the last full year (2000), Iraq averaged net oil exports of around 2 MMBD. Besides the 70,000-90,000 bbl/d or so going to Jordan legally (i.e., with UN permission), and the 450,000-500,000 bbl/d or so consumed domestically, the rest (not counting illegally smuggled oil and oil products) was exported either through the Iraq-Turkey pipeline or the Persian Gulf port

of Mina al-Bakr. Although U.N. Resolution 986 mandates that at least half of the "oil-for-food" exports must transit through Turkey, it appears that in recent months more Iraqi oil (close to three-quarters) has been exported via Mina al-Bakr than via Ceyhan. Iraqi oil commonly is sold initially to Russian firms (i.e., Machinoimport, Rosneftegasexport, Sidanco, Slavneft, Zarubzhneft), with other large purchasers including Italian (Italtech), Malaysian (Mastek), French and Chinese companies. Oil is then resold to a variety of oil companies, including over 600,000 bbl/d to the United States (overwhelmingly Basra Light oil) through third parties. During 2000, US importers of Iraqi crude oil included ExxonMobil, Chevron, Premcor, Valero, Koch, Phillips, Tosco, Lyondell/Citgo, BP, Clark, Fina, Marathon Ashland, and others. Major customers for Kirkuk oil in 2000 included Italy (21%), France (16%), Spain and Portugal (14%).

In March 2000, U.N. Security Council agreed to double the spending cap for oil sector spare parts and equipment (under Resolution 1175 of June 20, 1998), allowing Iraq to spend up to \$600 million every 6 months repairing oil facilities. U.N. Secretary General Kofi Annan had warned of a possible "major breakdown" in Iraq's oil industry if spare parts and equipment were not forthcoming. In August 2000, a senior Iraqi oil official stated that delays by the United Nations in approving contracts to upgrade Iraq's oil sector were threatening production levels. The United States has said that the \$300 million should be used only for short-term improvements to the Iraqi oil industry, and not to make long-term repairs. Iraq claimed in August 2000 that 508 contracts were on hold or pending approval by the United Nations. Of this total, 440 were "held" by the United States, according to Iraq's oil ministry. The *Financial Times* has reported that several US oil service companies have submitted contracts indirectly, through their foreign subsidiaries.

In addition to U.N.-sanctioned oil exports to Jordan, there have been periodic reports that Iraq has smuggled up to 450,000 bbl/d of crude oil and products via a number of routes. These include: to Turkey (as high as 100,000-150,000 bbl/d) and Jordan (possibly 10,000-30,000 bbl/d above domestic needs) via truck -- with discussion of a possible 250,000-bbl/d pipeline as well; to Syria (150,000 bbl/d or more; see above for details), mainly via the Kirkuk-Banias pipeline, to Iran along the Gulf coast and via Qais Island, and to Dubai with the use of small tankers sailing from Umm Qasr. Press reports also have estimated that these illegal shipments may be providing Iraq with as much as \$600 million-\$2 billion per year in illegal revenues. In April 2000, the U.S. Navy stopped a Russian tanker, the Akademik Pustovoit, which it suspected might be smuggling Iraqi oil. The United Nations later determined that around 20% of the vessel's gasoil cargo (which Shell said it owned) was of Iraqi origin. In April 2001, an Iraqi-owned vessel -- the Zainab -- sunk off the Dubai coast, leaking over 1,000 tons of smuggled diesel oil and polluting Gulf waters and UAE beaches.

#### Oil Field Development, War, and Current Status

Iraq's southern oil industry was decimated in the Gulf War, with production capacity falling to 75,000 bbl/d in mid-1991. The largest producing oil field in this region is Rumaila. The war resulted in destruction of gathering centers and compression/degassing stations at Rumaila, storage facilities, the 1.6-MMBD (pre-war capacity) Mina al-Bakr export terminal, and pumping stations along the 1.4-MMBD (pre-war capacity) Iraqi Strategic (North-South) Pipeline. Seven other sizable fields remain damaged or partially mothballed. These include Zubair, Luhais, Suba, Buzurgan, Abu Ghirab, and Fauji. Generally speaking, oilfield development plans have been on hold since Iraq's invasion of Kuwait, with Iraqi efforts focused on maintaining production at existing fields.

The Kirkuk field, with over 10 billion barrels in remaining proven oil reserves, forms the basis for northern Iraqi oil production. Bai Hassan (110,000 bbl/d), Jambur (75,000 bbl/d), Khabbaz (30,000 bbl/d), Saddam (25,000 bbl/d), and Ain Zalah-Butmah-Safaia (17,000 bbl/d) are the other currently-producing oil fields in northern Iraq. An estimated 60% of Northern Oil Company's (NOC) facilities in northern and central Iraq were damaged during the Gulf War. At the end of 2000, production at Kirkuk was estimated at around 900,000 bbl/d, with output from all northern fields (Bai Hassan, Jambur, Khabbaz, Saddam, Safiya, and Ain Zalah/Butmah) nearly 1.2 MMBD. Iraq's southern fields -- mainly North Rumaila (750,000 bbl/d) and South Rumaila (500,000 bbl/d), plus al-Zubair (240,000 bbl/d), the Missan fields (160,000 bbl/d), West Qurna (120,000 bbl/d), Luhais (30,000 bbl/d), and Bin Umar (10,000 bbl/d) -- were producing around 1.8 MMBD. In early December 1999, Russian energy company Zarubezhneft said that it was drilling multiple wells at Kirkuk, and that this did not violate U.N. sanctions (Russian officials have denied that any work was being done). Zarubezhneft hopes to boost Kirkuk production capacity from its current 900,000 bbl/d to around 1.1 MMBD. Zarubezhneft also has a contract to drill approximately 100 wells in the North Rumaila field.

Another major Iraqi oil field is the 11-billion barrel East Baghdad field, which came online in April 1989. This centrally-located field currently produces 50,000 bbl/d of heavy, 23° API oil as well as 30 million cubic feet per day (Mmcf/d) of associated natural gas.

#### The Post-U.N. Sanctions Development Plan

Following the lifting of UN sanctions, Iraq hopes to increase its oil production capacity to over 6 million bbl/d or higher (in August 2001, Oil Minister Rashid boasted that Iraq could reach 10 million bbl/d). As of May 2001, Iraq reportedly had signed several multi-billion dollar deals with foreign oil companies, mainly from China, France, and Russia (U.S., Canadian, and Vietnamese firms also reportedly have held discussions). Iraq reportedly has become increasingly frustrated,

however, at the failure of these companies actually to begin work on the ground, and has threatened to no longer sign deals unless firms agreed to do so without delay. Iraqi upstream oil contracts generally require that companies start work immediately, but UN sanctions overwhelmingly have dissuaded companies from doing so.

Russia, which is owed several billions of dollars by Iraq for past arms deliveries, has a \$3.5-billion, 23-year deal with Iraq to rehabilitate Iraqi oilfields, particularly the 15-billion-barrel West Qurna field (located west of Basra near the Rumaila field). Since a deal was signed in March 1997, Russia's Lukoil (the operator, heading a Russian consortium plus an Iraqi company to be selected by the Iraqi government) has prepared a plan to install equipment with capacity to produce 100,000 bbl/d from West Qurna's Mishrif formation. Meanwhile, in August 2000, Iraqi engineers reportedly completed work on two degassing stations at West Qurna, with two more planned for 2001, potentially raising production at the field (one of the world's largest) to around 400,000 bbl/d. West Qurna is believed to have potential production capacity of up to 1 MMBD. In October 1999, Russian officials reportedly said that Iraq had accepted a Russian request to delay work on West Qurna given the continuation of U.N. sanctions. This followed an Iraqi warning that Lukoil could lose its contract (and possibly be replaced by another Russian company) at West Qurna if it did not begin work immediately (Lukoil has been restrained from doing so by U.N. sanctions). In October 2000, the Iraqi Oil Ministry expressed frustration with the slow pace of progress by Russian and Chinese firms, and in January 2001, Shell announced that it had held talks with the Iraqi Oil Ministry regarding "potential opportunities" at the 1-billion-barrel Ratawi oilfield. In March 2001, the Deputy Oil Minister announced that Iraq might terminate contracts with the Chinese and Russian companies.

As of August 2001, a joint Russian-Belarus oil company, Slavneft, was reported to be in talks with Iraqi officials on the billion-barrel, Suba-Luhais field in southern Iraq, and expecting to sign a service contract to begin drilling later this year. Full development of Suba-Luhais could result in production of 100,000 bbl/d at a cost of \$300 million over three years.

The Saddam field contains 3 billion barrels of oil and 5 trillion cubic feet (Tcf) of associated gas. Iraq is seeking foreign assistance for a second-phase Saddam development, which would raise oil production capacity to 50,000 bbl/d, as well as 300 Mmcf/d of gas. As of early April 2001, Russia's Tatneft and Zarubezhneft reportedly had received UN approval to drill 45 wells in the Saddam field, plus Kirkuk and Bai Hassan, as part of an effort to reduce water incursion into the fields.

Besides West Qurna, PSCs for the three other large southern oil fields are in various stages of negotiation. The largest of the fields is Majnoon, with reserves of 10-30 billion barrels of 28<sup>o</sup>-35<sup>o</sup> API oil, and located 30 miles north of Basra on the Iranian border. French company TotalFinaElf reportedly has negotiated with Iraq on development rights for Majnoon. Initial output at Majnoon is expected to be 300,000 bbl/d, with later development yielding 600,000 bbl/d or more. Ultimate production potential is estimated at up to 2 MMBD. As of September 1999, Elf and Total reportedly needed only "the stroke of the pen" to complete deals on Majnoon and the 6-billion barrel Nahr Umar field. However, in December 1999, Iraq threatened that the two companies would lose their "preferential treatment" if France did not provide sufficient support to Iraq on the U.N. Security Council. In July 2001, angered by France's perceived support for the U.S. "smart sanctions" plan, Iraq announced that it would no longer give French companies priority in awarding oil contracts, and would reconsider existing contracts as well. Iraq also announced that it was inclined to favor Russia, which has been supporting Iraq at the UN Security Council, on awarding rights to Majnoon and Nahr Umar development.

TotalFinaElf apparently has all but agreed with Iraq on development of the Nahr Umar field.

Initial output from Nahr Umar is expected to be around 440,000 bbl/d of 42° API crude, but may reach 500,000 bbl/d with more extensive development. The 5-billion barrel Halfaya project is the final large field development in southern Iraq. Several companies (BHP, CNPC, Agip) reportedly have shown interest in the field, which ultimately could yield 200,000-300,000 bbl/d in output.

Smaller fields with under 2 billion barrels in reserves also are receiving interest from foreign oil companies. These fields include Nasiriya (Agip, Repsol), Tuba (Schatrach, Pertamina, Reliance), Ratawi (Shell, Petronas, CanOxy, Crescent), Gharaf (Japex, TPAO), and more. Italy's Agip and Spain's Repsol appear to be strong possibilities to develop Nasiriya.

In addition to the 25 new field projects, Iraq plans to offer foreign oil companies service contracts to apply technology to 8 already-producing fields. Meanwhile, Iraq has authorized "risk contracts" to promote exploration in the nine remote Western Desert blocs. Iraq has identified at least 110 prospects from previous seismic work in this region near the Jordanian and Saudi borders. In late 2000, India's ONGC was awarded Block 8 in the Western Desert region.

#### Oil Export Pipelines/Terminals

The 600-mile, 40-inch Kirkuk-Ceyhan pipeline is Iraq's largest operable crude export pipeline. This Iraq-Turkey link consists has a fully-operational capacity of 1.1 MMBD, but reportedly can handle only around 900,000 bbl/d. A second, parallel, 46-inch line has an optimal capacity of 500,000 bbl/d and was designed to carry Basra Regular exports, but at last report was inoperable. Combined, the two parallel lines have an optimal capacity of 1.5-1.6 MMBD. Expanding capacity to this level, however, will depend on Iraq's ability to rehabilitate the IT-1 and IT-1A pumping stations, as well as the Zakho metering station near the Iraq-Turkey border and other ongoing pipeline repairs (including so-called "intelligent pigging") on the 46-inch line. This work appears to be well behind schedule, and reportedly will not be completed anytime soon. The 40-inch line has additional pumping stations and fewer bottlenecks than the 46-inch line, which allows for greater throughput than that of the larger line. Currently, Iraq is bypassing the crucial but damaged IT-2 pumping station, located about 93 miles south of the Turkish border, making it more difficult to reach the 1.6 MMBD dual-line capacity. To make IT-2 operational, Iraqi officials have said that they need controls and associated valves costing around \$50 million. As of early 2001, Iraqi oil ministry officials were claiming that the station would be operational by mid-2001. The IT-1 pumping station near Kirkuk received lighter damage and is presently functional.

On August 20, 1998, Iraq and Syria (which reopened their border in June 1997 -- after a 17-year closure -- for trade and official visits) signed a memorandum of understanding for the possible reopening of the 50-year-old, rusting Baniyas oil pipeline from Iraq's northern Kirkuk oil fields to Syria's Mediterranean port of Baniyas (and Tripoli, Lebanon). As of April 2001, the pipeline reportedly was being used (see above), and there also was talk of building a new, parallel pipeline as a replacement.

In order to optimize export capabilities, Iraq constructed a reversible, 1.4-MMBD "Strategic Pipeline" in 1975. This pipeline consists of two parallel 700,000-bbl/d lines. The North-South system allows for export of northern Kirkuk crude from the Persian Gulf and for southern Rumaila crudes to be shipped through Turkey. During the Gulf War, the Strategic Pipeline was disabled after the K-3 pumping station at Haditha as well as four additional southern pumping stations were destroyed. As of early 2001, Iraqi oil ministry officials were claiming that the pipeline had been rehabilitated, providing Iraq with increased export flexibility. However, a UN assessment team which visited Iraq in March 2001 concluded that the country's downstream sector "had declined seriously in many respects" over the past 18 months, including increased leakage from pipelines, particularly the North-South "Strategic" line.

In the Persian Gulf, Iraq has three tanker terminals: at Mina al-Bakr, Khor al-Amaya, and Khor al-Zubair (which mainly handles dry goods). Iraq also has additional dry goods ports at Basra and at Umm Qasr, which is being outfitted to accommodate crude tankers. Mina al-Bakr is Iraq's largest oil terminal, with four 400,000-bbl/d capacity berths capable of handling very large crude carriers (VLCCs). Gulf War damage to Mina al-Bakr appears to have been repaired in large part and the terminal currently can handle up to 1.3-1.4 MMBD. A full return to Mina al-Bakr's nameplate capacity apparently would require extensive infrastructure repairs. Mina al-Bakr also is constrained by a shortage of separation and storage facilities, most of which were destroyed in the Gulf War.

Iraq's Khor al-Amaya terminal was virtually destroyed during the Iran-Iraq War, and has been out of commission since then. As of March 2001, reports indicated that Iraq had largely completed repairing two berths at Khor al-Amaya. According to the Iraqi Oil Ministry, the terminal, with export capacity of 500,000-700,000 bbl/d, would "soon be ready to receive oil tankers." Upon full completion of repairs, Iraq projects Khor al-Amaya's capacity will rise to 1.2 MMBD, and will help prevent delays at Mina al-Bakr while repairs are conducted there. Iraq will need UN Security Council approval to export from Khor al-Amaya, since it is not part of the approved export outlet of Mina al-Bakr.

### **Refining**

Iraq's current refining capacity as of September 2001 was believed to be around 350,000-400,000 bbl/d (although the Iraqis claim 700,000 bbl/d), compared to a pre-Gulf War, nameplate capacity of 700,000 bbl/d. Iraq has 10 refineries and topping units. The largest are the 150,000-bbl/d Baiji North, 140,000-bbl/d (or higher) Basra, and 100,000-bbl/d Daura plants. During the Gulf War, both Baiji in northern Iraq as well as the refineries at Basra, Daura, and Nasiriyah were severely damaged. Today, a lack of light-end products, low quality gasoline, and rising pollution levels because of a lack of water treatment facilities are some problems faced by Iraq's refining sector. Post-sanction plans include attracting foreign investment to perform refinery upgrades (Iraq has identified dozens of such projects) and to build a new \$1-billion, 290,000-bbl/d "Central" refinery near Babylon.

### **NATURAL GAS**

Iraq contains 110 trillion cubic feet (Tcf) of proven natural gas reserves, along with roughly 150 Tcf in probable reserves. About 70% of Iraq's gas reserves are associated gas (gas produced in conjunction with oil), with the rest made up of non-associated gas (20%) and dome gas (10%). Until 1990, all of Iraq's natural gas production was from associated fields. In 1999, Iraq produced 112 billion cubic feet (Bcf) of gas, down drastically from peak output levels of 700 Bcf in 1979. Within two years after the lifting of U.N. sanctions, Iraq hopes to produce 550 Bcf of gas. Within a decade, Iraq aims to be producing about 4.2 Tcf of gas annually. Since most of Iraq's gas is associated with oil, progress on increasing the country's oil output will directly affect the gas sector as well. Gas is both produced with oil and also used for reinjection for enhanced oil recovery efforts. In October 1997, Iraq invited international partners to invest in natural gas projects worth \$4.2 billion. Generally, Iraq's policy is to award gas and oil concessions to companies from countries supporting the easing or lifting of U.N. sanctions (i.e., France, China, Russia).

Main sources of associated gas are the Kirkuk, Ain Zalah, Butma, and Bai Hassan oil fields in northern Iraq, as well as the North and South Rumaila and Zubair fields in the south. The Southern Area Gas Project was completed in 1985, but was not brought online until February 1990. It has nine gathering stations and a larger processing capacity of 1.5 billion cubic feet per day. Gas gathered from the North and South Rumaila and Zubair fields is carried via pipeline to a



575-Mmcf/d natural gas liquids (NGL) fractionation plant in Zubair and a 100-Mmcf/d processing plant in Basra. At Khor al-Zubair, a 17.5-million-cubic-foot LPG storage tank farm and loading terminals were added to the southern gas system in 1990. In November 2000, the Siberian-Ural's Petrochemical Company (SIBUR) reportedly submitted a plan to utilize associated gas from Iraq's southern oil fields.

Iraq's only non-associated gas production is from the al-Anfal field (200 Mmcf/d of output) in northern Iraq. Al-Anfal production is piped to the Jambur gas processing station near the Kirkuk field, which is 20 miles away. Al-Anfal's gas resources are estimated at 4.5 Tcf, of which 1.8 Tc is proven.

In August 2001, Iraqi oil minister Rashid announced that Iraq had reached an agreement with Turkey to build a \$2.5 billion gas pipeline to Turkey, and possibly on to Europe. Iraq aims to increase its natural gas exports to Europe, and Turkey could be a key transit center.

### ELECTRIC POWER

Around 85%-90% of Iraq's national power grid (and 20 power stations) was damaged or destroyed in the Gulf War. Existing generating capacity of 9,000 megawatts (MW) in December 1990 was reduced to only 340 MW by March 1991. In early 1991, transmission and distribution infrastructure also was destroyed, including the 10 substations serving Baghdad and about 30% of the country's 400-kilovolt (kV) transmission network. In early 1992, Iraq stated that it had restarted 75% of the national grid, including the 1,320-MW Baiji and Mosul thermal plants as well as the Saddam Dam. In 1998, Iraq's maximum available electric generation capacity was estimated (by Iraq) at around 4,000 MW, with a report in November 1999 indicating that this figure may have increased even further, to 6,000 MW. According to a report by UN Secretary General Kofi Annan, Iraq's power deficit stood at 1,800 MW as of August 2000, with blackouts a common occurrence. Iraq reportedly has signed contracts for renovating two generation units at the Harithah power plant, and another to rebuild the Yusufiyah plant, which stopped operating in 1990. Iraq's Electricity Authority reportedly also has signed several other contracts with Chinese, Swiss, French, and Russian companies, to build 3,000 MW of additional power generating capacity. These contracts require UN approval. In December 2000, it was reported that a Chinese company had completed work on the Abdullah power plant north of Baghdad.

*Sources for this report include: Agence France Presse; Associated Press; BBC Summary of World Broadcasts; Business Week; CIA World Factbook 2001; Dow Jones News Wire service; Economist Intelligence Unit ViewsWire; Financial Times; Gulf News; Hart's Africa Oil and Gas; Interfax News Agency; Janet Matthews Information Services (Quest Economic Database); Los Angeles Times; Middle East Economic Survey; New York Times; Oil & Gas Journal; Oil Daily; Petroleum Economist; Petroleum Intelligence Weekly; Platt's Oilgram News; Reuters News Wire; Russian Oil and Gas Report; UN Office of the Iraq Programme; U.S. Energy Information Administration; U.S. Department of State; Washington Post; Weekly Petroleum Argus; WEFA Middle East Economic Outlook; World Markets Online; Xinhua.*

### COUNTRY OVERVIEW

**Head of Government:** Saddam Hussein al-Takriti

**Deputy Prime Minister:** Tariq 'Aziz

**Independence:** October 3, 1932

**Population (7/01E):** 23.3 million

**Location/Size:** Middle East/168,709 square miles, slightly more than twice the size of Idaho.

**Major Cities:** Baghdad (capital), Basra, Mosul, Karbala, Kirkuk

**Languages:** Arabic, Kurdish

**Ethnic Groups:** Arab 75-80%, Kurdish 15-20%, Turkmen, Assyrian, or other 5%

Religions: 97% Muslim (Shi'a 60-65%, Sunni 32-37%), Christian or other (3%)  
 Defense (8/98E): Army (375,000); Air Force (35,000); Navy (2,000). Iraq is believed to have 2,000 battle tanks and 300-350 aircraft (of which as few as 100 may be serviceable)

### ECONOMIC OVERVIEW

Currency: Iraqi Dinar (ID)  
 Unofficial Exchange Rate (8/01E): US\$1 = ID1,900 (note: the official rate is US\$1 = ID 0.3)  
 Gross Domestic Product (at market exchange rates) (2000E): \$31.8 billion (around one-third of 1989's economic output)  
 Gross Domestic Product (at purchasing power parity rates) (2000E): \$57 billion  
 Real GDP Growth Rate (2001E): -10% (2002F): 15%  
 Inflation Rate (consumer prices) (2001E): 80% (2002F): 50%  
 Major Export Products (2000): Crude oil and oil products (regulated by the United Nations)  
 Major Import Products (2000): Food, medicine, consumer goods (regulated by the United Nations)  
 Merchandise Exports (2000E): \$20.6 billion  
 Merchandise Imports (2000E): \$11.2 billion  
 Merchandise Trade Balance (2000E): \$3.3 billion  
 Current Account Balance (2000E): \$1.3 billion  
 Oil Export Revenues/Total Export Revenues (2001E): 95% or more  
 Total External Debt (2000E): \$60 billion

### ENERGY OVERVIEW

Minister of Oil: Amir Muhammad Rashid  
 Proven Oil Reserves (1/1/01E): 112.5 billion barrels (around 75 billion barrels of which has not yet been developed; potential reserves are as high as 200 billion barrels)  
 Oil Production (January-July 2001E): 2.29 million barrels per day (MMBD), of which 2.27 MMBD is crude oil  
 Oil Production Capacity, Maximum Sustainable (9/01E): 2.8-3.0 MMBD (some industry experts believe sustainable capacity is closer to 2.6 MMBD)  
 Oil Export Routes: Kirkuk-Ceyhan pipeline; Mina al-Bakr port; to Jordan and Turkey via truck; reportedly to Syria via the Kirkuk-Banias pipeline; smuggling by boat along the Gulf coast  
 Oil Consumption (2001E): 400,000-500,000 barrels per day (bbl/d)  
 Net Oil Exports (January-July 2001E): 1.8-1.9 MMBD  
 U.S. Oil Imports from Iraq (January-June 2001E): 616,000 bbl/d (up from 562,000 bbl/d during the first six months of 2000)  
 Crude Oil Refining Capacity (1/1/01): 417,500 bbl/d (according to *Oil and Gas Journal*)  
 Natural Gas Reserves (1/1/01E): 109.8 trillion cubic feet (Tcf)  
 Natural Gas Production (1999E): 112 billion cubic feet (Bcf)  
 Natural Gas Consumption (1999E): 112 Bcf  
 Electricity Generation Capacity (1999E): 6 gigawatts  
 Electricity Production (1999E): 29.4 billion kilowatthours

### ENVIRONMENTAL OVERVIEW

Total Energy Consumption (1999E): 1.2 quadrillion Btu\* (0.3% of world total energy consumption)  
 Energy-Related Carbon Emissions (1999E): 21.6 million metric tons of carbon (0.35% of world total carbon emissions)  
 Per Capita Energy Consumption (1999E): 51.7 million Btu (vs U.S. value of 355.8 million Btu)  
 Per Capita Carbon Emissions (1999E): 0.96 metric tons of carbon (vs U.S. value of 5.5 metric tons of carbon)

Energy Intensity (1998E): 34,300 Btu/\$1990 (vs U.S. value of 12,638 Btu/\$1990)\*\*  
 Carbon Intensity (1998E): 0.63 metric tons of carbon/thousand \$1990 (vs U.S. value of 0.19 metric tons/thousand \$1990)\*\*  
 Sectoral Share of Energy Consumption (1998E): Transportation (56.9%), Industrial (33.9%), Residential (9.2%), Commercial (0.0%)  
 Sectoral Share of Carbon Emissions (1998E): Transportation (61.1%), Industrial (28.9%), Residential (9.9%), Commercial (0.0%)  
 Fuel Share of Energy Consumption (1999E): Oil (89.3%), Natural Gas (10.1%), Coal (0.0%)  
 Fuel Share of Carbon Emissions (1999E): Oil (90.0%), Natural Gas (10.0%), Coal (0.0%)  
 Renewable Energy Consumption (1998E): 7 trillion Btu\* (0% increase from 1997)  
 Number of People per Motor Vehicle (1998): 17.8 (vs U.S. value of 1.3)  
 Status in Climate Change Negotiations: Iraq is not a signatory to the United Nations Framework Convention on Climate Change or to the Kyoto Protocol.  
 Major Environmental Issues: Government water control projects have drained most of the inhabited marsh areas east of An Nasiriyah by drying up or diverting the feeder streams and rivers; a once sizable population of Shi'a Muslims, who have inhabited these areas for thousands of years, has been displaced; furthermore, the destruction of the natural habitat poses serious threats to the area's wildlife populations; inadequate supplies of potable water; development of Tigris-Euphrates Rivers system contingent upon agreements with upstream riparian Turkey; air and water pollution; soil degradation (salination) and erosion; desertification.  
 Major International Environmental Agreements: A party to the Law of the Sea and the Nuclear Test Ban. Has signed, but not ratified, Environmental Modification.

\* The total energy consumption statistic includes petroleum, dry natural gas, coal, net hydro, nuclear, geothermal, solar, wind, wood and waste electric power. The renewable energy consumption statistic is based on International Energy Agency (IEA) data and includes hydropower, solar, wind, tide, geothermal, solid biomass and animal products, biomass gas and liquids, industrial and municipal wastes. Sectoral shares of energy consumption and carbon emissions are also based on IEA data.

\*\*GDP based on EIA International Energy Annual 1999

## OIL AND GAS INDUSTRY

Major Companies: The Oil Ministry oversees the nationalized oil industry through the *Iraq National Oil Company* (INOC). Autonomous companies under INOC include the *State Company for Oil Projects* (SCOP) - design and engineering of upstream and downstream projects; *Oil Exploration Company* (OEC) - exploration; *Northern Oil Company* (NOC) and *Southern Oil Company* (SOC) - upstream activities in northern/central and southern Iraq, respectively; *State Organization for Oil Marketing* (SOMO) - crude oil sales and OPEC relations; *Iraqi Oil Tankers Company* (IOTC); and various departments within the Ministry of Oil which run Iraq's internal pipeline systems, distribute oil products, operate downstream natural gas/LPG projects and gas bottling plants. In August 2001, Iraqi oil minister Rashid announced that a new state oil company ("Oil Projects Company") would be created to oversee development of new Iraqi discoveries.

Major Oil Fields (proven/probable reserves - billion barrels, 1998E): Majnoon (20), West Qurna (15), East Baghdad (11+), Kirkuk (10+), Rumaila (10+), Nahr Umar (6+), Halfaya (5), Zubair (4), Bai Hassan (2), Buzurgan (2), Khabbaz (2), Abu Ghirab (1.5), Nasiriya (2), Khormala (1.5)

Oil Refineries (crude refining capacity bbl/d, 2001E): Baiji North (150,000), Basra (140,000), Daura (100,000), Khanakin (12,000), Hadiitha (7,000), Muftiah (4,500), Qayarah (2,000) (Note: Iraq reportedly is constructing several 10,000-bbl/d mobil refineries).

Major Ports: Mina al-Bakr, Khor al-Amaya, Khor al-Zubair, Umm Qasr

Major Pipelines (current capacity): *Kirkuk-Ceyhan (Dortyol) Pipeline* - 0.9 MMBD; *Iraq-Saudi Arabia Pipeline* (IPSA1, 2) - 1.65 MMBD (closed by Saudi Arabia in 1990); *Banias*

*Pipeline* - 0.3 MMBD (closed by Syria in 1983); *Iraq Strategic Pipeline* - less than 1.4 MMBD (reversible, internal transportation only)

[Return to top of the report](#)

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For more information on Iraq, see these other sources on the EIA web site:

[Iraq Chronology: 1980-2001](#)

[EIA - Country Information on Iraq](#)

Links to other U.S. government sites:

[2001 CIA World Factbook - Iraq](#)

[U.S. Office of Foreign Assets Control \(for information on Iraqi Sanctions\)](#)

[U.S. State Department's Consular Information Sheet - Iraq](#)

[Library of Congress -- Iraq Country Study](#)

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[UN Office of the Iraq Program](#)

[Oil-for-Food Program, Basic Figures](#)

[UN Security Council Resolution 1153 on Iraq](#)

[UN Security Council Resolution 986 on Iraq](#)

[UN Security Council Resolutions Relating to Iraq](#)

[Permanent Mission of Iraq to the United Nations](#)

[Gulf Wire](#)

[MENA Petroleum Bulletin](#)

[University of Texas at Austin -- Iraq Page](#)

[Harvard University -- Iraq Page](#)

[University of Pennsylvania -- Middle East Center](#)

[Planet Arabia.com](#)

[AME Info Middle East Business Information](#)

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File last modified: September 28, 2001

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Phone: (202)586-9502

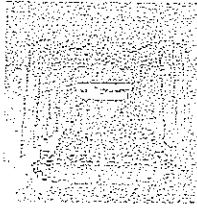
Fax: (202)586-9753

URL: <http://www.eia.doe.gov/cabs/iraq.html>

*If you are having technical problems with this site, please contact the EIA Webmaster at [wwmaster@eia.doe.gov](mailto:wwmaster@eia.doe.gov)*

## Iraq Resource Information Site

### Government



Iraq is governed under a provisional constitution adopted in 1968 and subsequently amended. The principal executive organization of Iraq is the Revolutionary Command Council, which is led by a chairman. The council selects a president. In practice, political power is centralized in a single leader who serves as the nation's president, as its prime minister, and as chairman of the Revolutionary Command Council. A council of ministers is the country's main administrative body.

A National Assembly was established in 1980. It is made up of 250 members popularly elected to four-year terms. The Revolutionary Command Council also has legislative functions. The leading political organization in Iraq is the Arab Baath Socialist Party, which bases its policies on pan-Arab and socialist principles. Other political groups include the Iraqi Communist Party, the Kurdistan Democratic Party, and the Kurdistan Revolutionary Party.

The 18 provinces of Iraq are administered by governors appointed by the national government. Towns and cities are run by councils headed by mayors. Three of the provinces form a Kurdish Autonomous Region, which has an elected 50-member legislature. This area came under UN and Allied protection after the Persian Gulf War, but infighting among Kurdish groups has rendered the government largely ineffective.

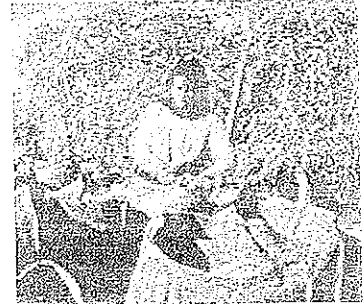
The judicial system of Iraq allows for separate treatment of civil and religious matters. Civil matters are handled in courts presided over by individual judges. Above these courts are five courts of appeals, located in the major cities, and a court of cassation (annulment) in Baghdad. Religious matters are usually handled by Muslim courts.

Military training in Iraq is compulsory for all males when they reach the age of 18; it consists of about two years in active service and an additional period in the reserve. In 1996 the Iraqi army had about 350,000 members (including an estimated 100,000 active reserves); the air force, 30,000 members; and the navy, 2500 members. More than 500,000 troops were reportedly deployed in Kuwait and southern Iraq following the August 1990 invasion.

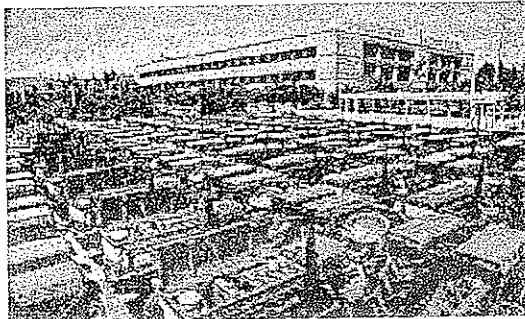
Health standards in Iraq are low because of poor sanitary conditions and many endemic diseases. In 1993 the average life expectancy at birth was about 65 years; the infant mortality rate was estimated at 72 per 1000 live births. Iraq had about 9366 physicians and 31,227 hospital beds in the early 1990s. Most of the medical facilities are controlled by the central government. Working conditions are regulated by a social security law, introduced in 1957, which also provides maternity, disability, old-age, and unemployment insurance. Sanctions imposed against Iraq have resulted in falling health standards since the Persian Gulf War.

## Economy

The modern Iraqi economy is largely based on petroleum, and most of the few large manufacturing industries have to do with oil. Agriculture is the mainstay of the population, and dates are the chief export crop. Most economic institutions are either owned or controlled by the government. Virtually all sectors of the economy suffered as a result of Iraq's war with Iran during the 1980s, which left Iraq with a foreign debt exceeding \$75 billion, much of it owed to Kuwait and Saudi Arabia. The economy was further devastated by the trade embargo imposed by the United Nations (UN) after the invasion of Kuwait in 1990 and by the Persian Gulf War in 1991. The annual budget in the early 1990s balanced at \$13.9 billion in both revenues and expenditures.



Iraq is predominately an agricultural country.



Iskenderiya Tractor Factory in Baghdad, Iraq 1974

Iraq is predominantly an agricultural country. Approximately 13 percent of the land is under cultivation, although it is estimated that about 50 percent of the total available land is arable. Most farmland is in the region of the Tigris and Euphrates rivers. Annual agricultural production in the early 1990s included about 1.5 million metric tons of wheat, 768,000 metric tons of barley, and 189,000 metric tons of rice. Date production totaled about 566,000 metric tons annually, and date exports from Iraq account for a major share of world trade in the commodity. Other fruits produced include apples, figs, grapes, olives,

oranges, pears, and pomegranates. Livestock raising is an important occupation for Iraq's nomadic and seminomadic tribes. In the early 1990s the livestock population included about 1.4 million cattle, 9 million sheep, 1.5 million goats, and 50 million chickens. In addition, the world-famous Arabian horse is extensively bred.

Iraq has a small fishing industry. In the early 1990s about 12,000 metric tons of fish were caught each year. About three-fourths of the catch was comprised of freshwater species.

Petroleum is the most important natural resource of Iraq. The oil fields are located in three main regions: around the Persian Gulf, near Al Basrah; in the north-central part of the country, near Mosul and Kirkuk; and in the east-central part of Iraq, near the town of Khanaqin. Small deposits of various other minerals are found, principally ores of iron, gold, lead, copper, silver, platinum, and zinc. Phosphates, sulfur, salt, and gypsum are fairly abundant, and seams of brown coal are numerous. The most valuable industry in Iraq is



Petrol Station in Saddam City

the production of petroleum and natural gas for export and domestic consumption. Until the early 1970s four foreign-owned companies controlled the Iraqi petroleum industry. The two leading firms were the Iraq Petroleum Company, which held concessions in the north, around Kirkuk and Mosul, and the Basra Petroleum Company, which operated in the southeast, near Al Basrah. From 1972 to 1975 all the foreign oil companies were fully nationalized by the government, and their operations were taken over by the Iraq National Oil Company and the Northern Petroleum Organization. Refineries are located at

Baghdad, Al Basrah, Hadithah, Khanaqin, Kirkuk, and Al Qayyarah. A plant for producing liquid natural gas is situated at At Taji, near Baghdad. Falling oil prices and the war with Iran severely hampered the petroleum industry during the 1980s. The industry was dealt another crippling blow in 1990, when Iraq invaded Kuwait and the United Nations responded with an embargo on Iraqi oil. Limited amounts of oil began to be exported again at the end of 1996. About 187 million barrels of petroleum and 3.2 billion cu m (113 billion cu ft) of natural gas were produced annually in the early 1990s.

Manufacturing is not well developed. Besides petroleum and natural-gas products, manufactures are largely limited to such goods as processed food, textiles and clothing, footwear, cigarettes, and construction materials. Baghdad is the leading manufacturing center of Iraq.

Annual production of electricity in the early 1990s was about 12.9 million kilowatt-hours. More than 95 percent of the electricity was generated in thermal installations. Hydroelectric facilities operate on the Tigris River and some of its tributaries.

The monetary unit is the Iraqi dinar, consisting of 1000 fil or 20 dirham (3.21 dinars equals U.S.\$1; fixed rate). Currency is issued by the Central Bank of Iraq. All banks in Iraq were nationalized in 1964.



Before the United Nations (UN) imposed a trade embargo on Iraq following Iraq's invasion of Kuwait in 1990, annual exports were estimated at \$10.4 billion and imports at about \$6.6 billion. Petroleum sales accounted for almost all the earnings; other exports were dates, raw wool, and hides and skins. Leading imports were machinery, transportation equipment, foodstuffs, and pharmaceuticals. Iraq's main trade partners were Brazil, Turkey, Japan, Germany, France, Italy, Great Britain, and the United States.



## Transportation, Communication, and Education



A network of highways such as these in Baghdad run between the major cities of Iraq.

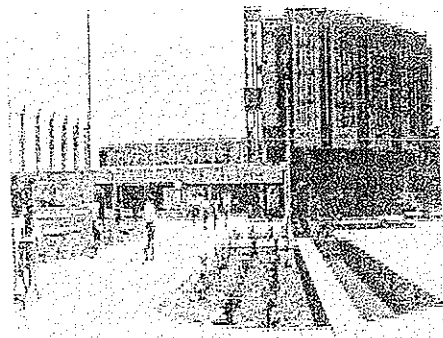
(Click to Enlarge)



A system of public transportation is also available.

(Click to Enlarge)

Baghdad across the desert to Al Fallujah on the Euphrates and the other, used mainly for produce, from Mosul to Mardin, Turkey. Roads and railways were built to meet the transportation needs of the Allied forces during the two world wars. These became the nucleus of the nation's present system, which includes more than 23,800 miles (38,300 kilometers) of paved roads and about 1,500 miles (2,400 kilometers) of track. Iraq's railroad connections run through Syria, Turkey and Europe. In the mid-1980s about 491,800 passenger cars and 246,700 commercial vehicles were in use. International airports serve Baghdad and Al Basrah. Al Basrah, on the Shatt al Arab, and Umm Qasr are the main ports for oceangoing vessels, and river steamers are able to navigate the Tigris from Al Basrah to Baghdad. About 886,000 telephones were in use in Iraq in the mid-1980s; radios in the early 1990s numbered about 4 million and televisions about 1.4 million. A government decree of 1967 closed all privately owned daily newspapers. The country had nine dailies in the early 1990s; *ath-Thawra*, issued by the Baath political party, is one of the country's largest Arabic newspapers, with a circulation of 250,000.



University of Al Mustensria

(Click to Enlarge)

Education is controlled and subsidized by the government at all levels, and women are encouraged to attend school through the university level. Before World War I most schools were part of the neighborhood mosques. During the British occupation of Iraq from 1917 to 1932, the English curriculum became the model. Instruction has become even more westernized since the establishment of the republic in 1958. Six years of primary education are compulsory, but many children in rural areas do not attend schools because facilities are not available. Instruction is in the Arabic language, although Kurdish is used in primary schools in some northern districts. Only about 60 percent of Iraqis aged 15 or older are literate. In the early 1990s about 3.3 million pupils attended elementary schools annually, and some 1 million students were enrolled in secondary schools. In addition, about 185,450 students attended vocational or teacher-training institutions. Iraq has seven universities, three in Baghdad and one each in Al Basrah, Irbil, Mosul, and Tikrit. The University of Baghdad, founded in 1957, had campuses in Basra and Mosul that became separate universities in 1964 and 1967, respectively. The country also has about 20 technical institutes. Approximately 209,800 students were enrolled in institutions of higher education in the late 1980s.

### Economic Activity

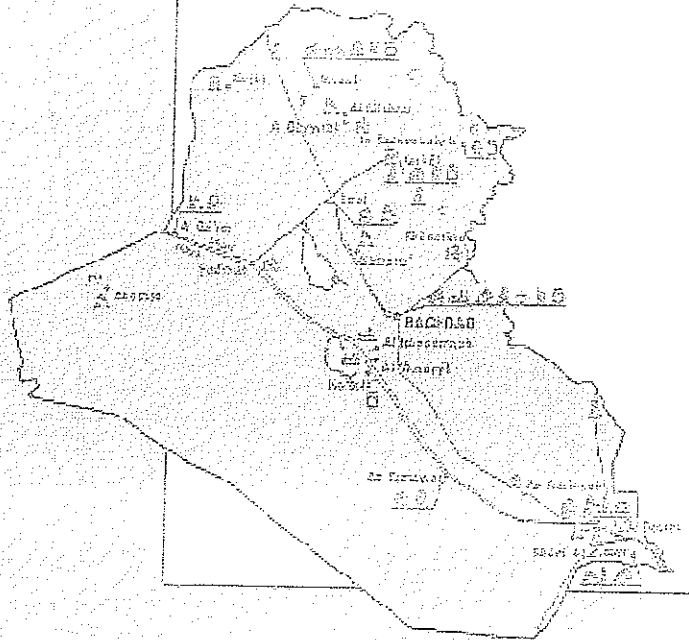
#### INDUSTRY

- 1. Petroleum storage
- 2. Chemical processing and refineries
- 3. Utilities related use
- 4. Heavy industry (automotive and metal processing)
- 5. Metal processing (iron and steel)
- 6. Refinery
- 7. High industry (automotive, furniture and plastics)
- 8. Textile
- 9. Text processing

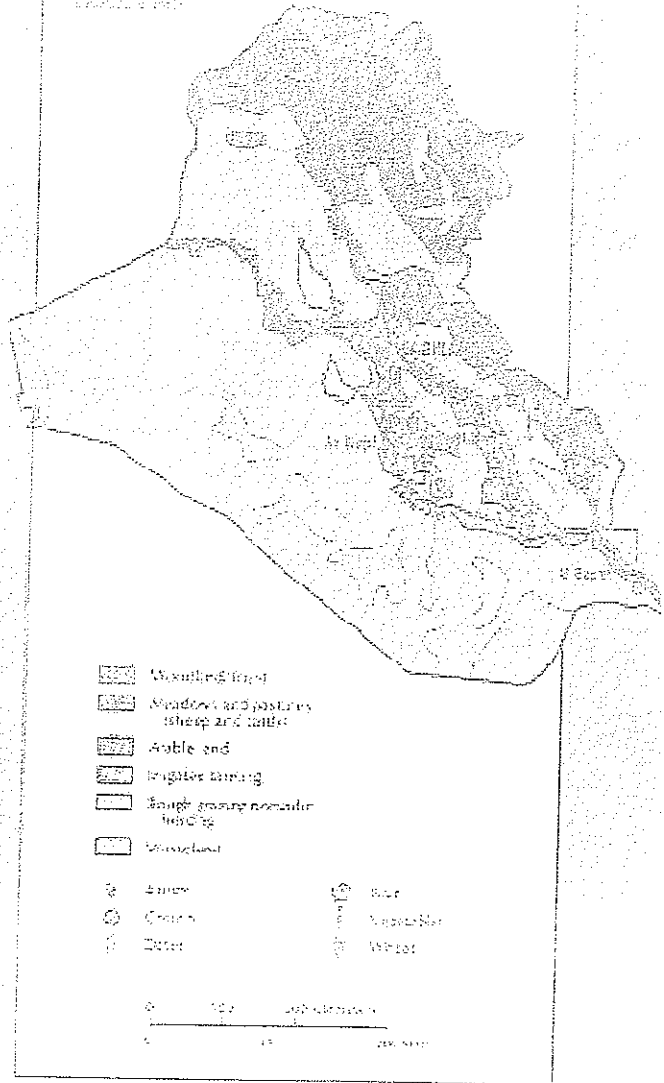
Main pipeline  
 ———— Oil  
 ———— Gas

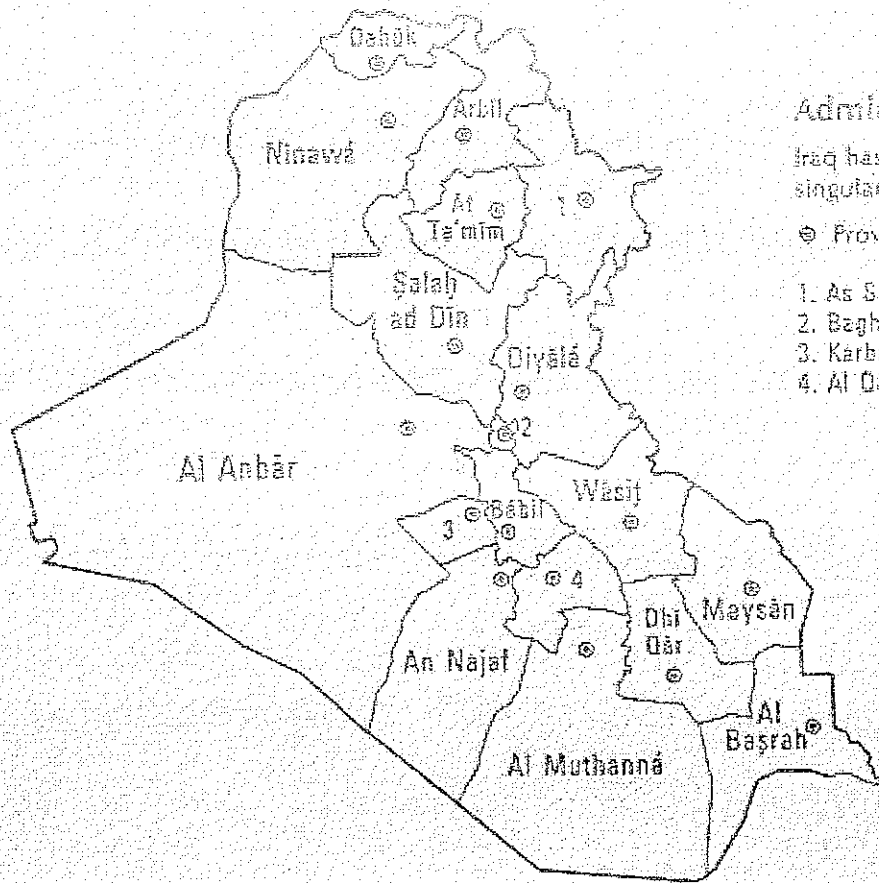
#### Important corridors

- 1. I-10
- 2. I-25
- 3. I-75
- 4. I-40
- 5. I-20
- 6. I-55



### Land Use





### Administrative Divisions

Iraq has 18 provinces (muhafazah), singular muhafazah.

⊙ Province capital

1. As Sulaymaniya
2. Baghdad
3. Karbala
4. Al Qadisiya

Contactadressen

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E-mail: [nloovamm@index.com.jo](mailto:nloovamm@index.com.jo)

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Telefoon: 010-4027777  
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Nederlands Centrum voor Handelsbevordering  
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2501 CA Den Haag  
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Telefoon: 070-3441512  
Fax: 070-3853531  
E-mail: [councils@nchnl.nl](mailto:councils@nchnl.nl)

Bijlagen

SECURITY COUNCIL COMMITTEE ESTABLISHED BY RESOLUTION 681 (1990)  
 CONCERNING THE SITUATION BETWEEN IRAQ AND KUWAIT

NOTIFICATION OR REQUEST TO SHIP GOODS TO IRAQ

(TO BE COMPLETED BY THE SECRETARIAT)

COMM No

REGISTRATION DATE

DEADLINE FOR OBJECTIONS

(TO BE COMPLETED BY PROSPECTIVE EXPORTING COUNTRY or INT'L ORG.)

1. MISSION OR INTERNATIONAL ORGANIZATION

CERTIFYING SIGNATURE AND OFFICIAL S

2. DATE OF SUBMISSION

3. MISSION REFERENCE No.

4a. Sector/item code (SCR 986)	4b. HS tariff code	5. GOODS TO BE SHIPPED (Name and/or description. Attach additional sheet if necessary)	6. quantity in numbers	7. unit of measurement	8. value per item	9. total value	10. currency iso co
1a)							
b							
b							
3a)							
b							

11. exporter Name and address

12. ORIGIN of GOODS (if different from applicant State)

13. RECEIVING COMPANY/ORG Name and address

14. SHIPPING ARRANGEMENTS:

a) Border Point or Port of Entry into Iraq

14 b) Means of Transport

14 c) Other information (s.g. route, major ports, etc.)

From the Iraq Account in accordance with SC resolution 986 (1995)  
 (Relevant documentation including contract(s) must be attached)

15. METHOD OF PAYMENT

By other arrangement (provide as many details as possible)

6. ADDITIONAL INFORMATION: End-use and End-user  
 Attach additional sheet if necessary)

IMPORTANT NOTICE

Provide only one item per line in block 5.

Sector item codes (Box 4a), are mandatory, and are found on the Annexes to the Distribution Plan of SCR 986  
 HS Tariff Codes (Block 4b), if used, must be 6 digit codes of the International Harmonised System of Tariff  
 Nomenclature as determined by the Customs Co-operation Council in Brussels, Belgium.

Information entered must match shipping documents presented to customs officials.

Incomplete, incorrect or illegible applications will be returned by the Committee's Secretariat for completion.

Guidance on the completion of requests and notifications to ship goods to Iraq

Member states are requested to take note of the following points when submitting applications or notifications to the Secretariat

1. Applications should be completed in English or French
  2. Boxes 1,2,3,4(a) (only for SCR 986), 5, 6,7,8,9, 10, 11, 12, 14, 15, must be completed by the applicant company or organization. With respect to box 14(a), border point or port of entry into Iraq and box 14(c), other information, these should be indicated if known; they must be specified for shipments in accordance with Security Council resolution 986 (1995). With respect to box 15, payment "By other arrangement", for letters of credit the issuing bank and date of payment should be specified if known.
  3. Completion of boxes 4(b) and 16 will expedite processing procedures and facilitate the shipment of the goods.
  4. If payment is requested from the Iraq Account in accordance with Security Council resolution 986 (1995), the application must be accompanied by all relevant documentation, including the concluded contractual arrangements.
  5. One item or HS tariff code per line. One total weight and value should be shown per item or HS code.
  6. The HS code, if used, should be limited to the first 4 digits of the harmonised system of tariff.
  7. All lines, up to 50 if supplementary pages are enclosed, should be used (example attached). Missions should not submit several applications for the same company when one would suffice. However, processing and approval can be delayed if applications contain an overly wide variety of unrelated items.
  8. The quantity and total values should be inserted in round numbers. e.g. .00 and .000 should be avoided.
  9. Currencies should be written in full or abbreviated using the ISO code. e.g. GBP, the ISO code for UK pounds. should be used rather than STD.
  10. Units of measures for liquids expressed as bottles or pieces must include the metric amount contained in each bottle or piece.
  11. Units of measurements for dry goods should be expressed in kilos or tons. Exceptions such as shoes should be expressed in pairs; large items of equipment like compressors and pumps may be expressed as pieces.
  12. Boxes, packages and cases, etc. should not be used, as they do not reflect accurately the quantity to be shipped, or allow for the shipment to be decremented effectively.
  13. The value per item(boxes) should, where possible, reflect the price of a single item, e.g. the price of one light tube rather than the cost of one box or kilo of bulbs.
  14. Any free goods and/or free samples must be indicated on the application, preferably on a separate line.
  15. Any and all discounts should be reflected in the total amount (boxes) for a given line item.
  16. Only one border point or port of entry may be listed per application.
  17. Details of the shipping route, e.g. major ports etc. and any other relevant information relating to the shipping arrangements should be included in box 14 c).
  18. Missions should, where possible, avoid faxing forms to the Secretariat or submitting copies reduced in size, as these are often illegible.
  19. It would be preferable for forms to be typed. It is, however, essential that they are completed in black ink as other colours produce poor copies.
- The above is intended as an aide to preferred format for completing the application forms. Following these guidance notes will assist the Secretariat in accelerating the processing of requests and notifications, and facilitate the rapid clearance of legitimate consignments. In accordance with the working procedures of the Committee, applications which are illegible or contain incomplete information will be returned.

UNITED NATIONS



NATIONS UNIES

FEDERAL ADDRESS ADRESSE POSTALE UNITED NATIONS, N.Y. 10001

ADRESSE FEDERALE ADRESSE POSTALE NATIONS UNIES, NEW YORK

REFERENCE

SECURITY COUNCIL COMMITTEE ESTABLISHED BY RESOLUTION 661 (1990)  
CONCERNING THE SITUATION BETWEEN IRAQ AND KUWAIT

S/A.C.28/2001/661/OC.5959

4 December 2001

~~NOT VALID AFTER: 4 December 2001~~

Sir,

On behalf of the Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait, I have the honour to acknowledge receipt of your communication dated 23 November 2001 (ref. NL 069/01) concerning the intended shipment to Iraq, free of charge, of the humanitarian items listed below, as indicated in your form. For security and inspection purposes, a copy of your communication is attached hereto.

2,000 kgs. of seed potatoes (Desiree, Rocolla,  
Ajiba and Bellini varieties, Class A, Size 35/55 mm)

I have the honour to inform you that, in accordance with the Committee's decision taken on 22 March 1991 (document S/22400), the members of the Committee have no objection to the sending of the specified items which fall within the category of materials and supplies for essential civilian needs referred to in paragraph 20 of Security Council resolution 687 (1991).

Further, I have the honour to suggest that your Government ensure that copies of this communication are provided to those engaged in the shipment of the specified items destined for Iraq.

Accept, Sir, the assurances of my highest consideration.

Ole Peter Kolby  
Chairman

Security Council Committee established by resolution 661 (1990)  
concerning the situation between Iraq and Kuwait

Mr. Dirk Jan van den Berg  
Ambassador Extraordinary and Plenipotentiary  
Permanent Representative of the Netherlands to the United Nations  
New York, NY





NOTIFICATION OF REQUEST TO SHIP GOODS TO IRAQ  
(TO BE COMPLETED BY EXPORTERS)

Trade No. **005800** REGISTRATION DATE **1 NOV 2001** DEPARTURE DATE **05 DEC 2001**

MISSION OR OPERATIONAL DESIGNATION **Subjunctive Mission**

DATE OF SUBMISSION **22 November 2001** RECEIPT REFERENCE NO. **111 001 101**

1. SHIPPER'S ITEM CODE	2. GOODS TO BE SHIPPED (State in full, including article description, plant & variety)	3. QUANTITY	4. UNIT OF MEASURE	5. WEIGHT (KG)	6. TOTAL VALUE	7. COMMODITY CODE
(a) 0701 10	Seed potatoes, varieties Désirée,	2000	kg			
(b)	Recaita, Ajiba and Sakini, Class A, size 55/55 mm					
(c)						
(d)						

11. EXPORTER Name and Address: \_\_\_\_\_

12. ORIGIN OF GOODS (If different from applicant's country) **The Netherlands**

13. RECEIVING COMPANY'S Name and Address: \_\_\_\_\_

14. SHIPPING ARRANGEMENTS (a) Mode: **Truck** or Port of Entry into Iraq: **Al-Wafiq**

(b) Means of Transportation: **By sea to Tartous Port Syria via Al-Wafiq then to Baghdad/Iraq by truck**

15. METHOD OF PAYMENT

From the Iraq Account in accordance with SC resolution 661 (1999)

By other arrangements (Specify as many details as possible)

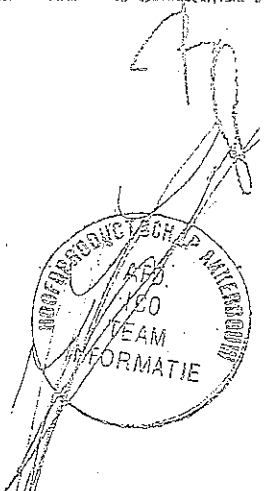
(Please state destination for including certificate(s) where appropriate) **shipment free of charge, goods for trial purposes only**

16. ADDITIONAL INFORMATION: **Excess and End-use**  
(Check additional sheet if necessary)



**IMPORTANT NOTICE**

Provide only one item per line in Box 5.  
 Serial/Item Codes (Box 4a) are mandatory, and are found in the Annexes to the Distribution Plan of SCZ 986.  
 HS Tariff Codes (Box 4b), if used, must be of eight codes of the International Harmonized System of Trade Nomenclature as determined by the Customs Co-Operation Council in Brussels, Belgium.  
 Information declared must match shipping documents presented to customs officials.  
 Incomplete, incorrect or illegible applications will be returned by the Committee's Secretariat for completion.



**Exemplaar voor de Titularis**

1 Instansie van afgifte van het certificaat (naam en adres)  
 Hoofdpredraatschap Akkerbouw  
 Stadhoudersplantsoen 12  
 2517 JL Den Haag  
 Nederland

2 Drucestempel en perforatie van de instantie van afgifte (1)

3 Instansie van afgifte van het certificaat (naam en adres)

4 Rechten overgedragen aan:  
 vanaf \_\_\_\_\_  
 Stempel van de bevoegde autoriteit: \_\_\_\_\_

5 Land van bestemming: Irak  JA  NEEN

6 Vaststelling vooraf gevraagd:  JA  NEEN

7 Deelneming aan inschrijving:  JA  NEEN

8 Datum van indiening van aanvraag voor het originele certificaat: \_\_\_\_\_

9 Totaalbedrag van de zekerheid: \_\_\_\_\_

**13 UIT TE VOEREN PRODUCT** **12 LAATSTE DAG VAN GELDIGHEID**

14 Handelsbenaming  
 pootaardappelen

15 Omschrijving volgens de gecombineerde nomenclatuur (GN)  
 pootaardappelen

16 GN-code(s)  
 0701 10

17 Hoeveelheid (t) in cijfers: 2.000 kg

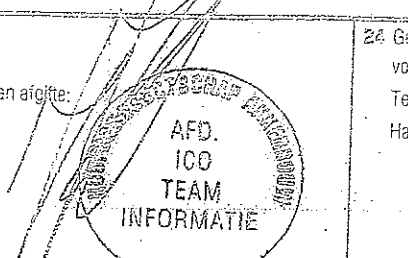
18 Hoeveelheid (t) in letters: tweeduizend kg

19 Tolerantie: 0 % meer

20 Bijzondere vermeldingen  
 Ontheffing krachtens Sanctiewet 1977

21 OP \_\_\_\_\_ BELZENDE RESTITUTIE WELKE VOORAF IS VASTBESLISD

22 Bijzondere voorwaarden

23 Afgegeven te op 11 12 01 onder nr. \_\_\_\_\_  
 Handtekening en stempel van de instantie van afgifte:  


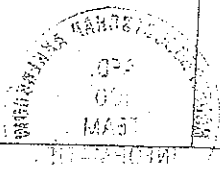
24 Geldigheidsduur verlengd tot en met \_\_\_\_\_  
 voor (t): \_\_\_\_\_  
 Te \_\_\_\_\_, op \_\_\_\_\_  
 Handtekening en stempel van de instantie van afgifte van het certificaat:

15 in te vullen wanneer de handtekening en het stempel niet worden aangebracht in vak 23, in massa of andere meeteenheid met aanduiding van de eenheid.

**27. VERVOLLEN**

In het eerste deel van kolom 28 de beschikbare hoeveelheid en in het tweede deel de afgeschreven hoeveelheid aangeven.

28. Naam, hoeveelheid (bestemmassa of andere meeteenheid met aanduiding van de eenheid)		29. Douanedoelomschrijving (soort en nummer of uitdrukking (nr.) en datum van afschrijving)	30. Naam, lidmaat, handtekening en stempel van de afschrijvende instantie
28.1 in cijfers	28.2 in letters voor de afgeschreven hoeveelheid		
1			
2			
1			
2			
1			
2			
1			
2			
1			
2			
1			
2			



Hier de eventuele verlengstrook bevestigen.

