

# ***IRAQ: EMERGENCY ASSISTANCE PROGRAMME***

*Information Bulletin No 01*

*23 May 1996*

## ***Introduction***

A Memorandum of Understanding (MoU) between the UN Secretariat and the Government of Iraq on the implementation of Security Council Resolution 986 (1995) was signed on 20 May in New York. The resolution allows Iraq to sell two billion dollars' worth of oil over a six month period and to use part of the proceeds to purchase food, medicines and medical equipment, and water and sanitation supplies.

According to the resolution, the revenue will be used to finance the following programmes:

- 50% for humanitarian activities in the southern and central Governorates
- 15% for humanitarian activities in the northern Governorates
- 30% for the Compensation Fund
- 05% to cover UNSCOM (the UN special monitoring commission) and other operating costs

## ***Memorandum of Understanding***

The MoU consists of ten Sections (51 paragraphs) and two Annexes. Here are the highlights of some of the most important sections:

Section II contains provisions for the **Distribution Plan** to be prepared by the Iraqi Government. It will describe in detail the procedures to be followed by the competent Iraqi authorities in order to ensure equitable distribution. This plan, which has to be approved by the UN Secretary-General, will also include a list of the supplies and goods that Iraq intends to purchase on a six months basis.

Section III contains provisions for the establishment of an **escrow account** and the audit of this account. The account, to be called the "United Nations Iraq Account", will be established by the UN Secretary-General. The revenue from the oil sales will go into it and all transactions will be made through it, including the transfer of 30% of the revenue to the Compensation Fund, established by the Security Council under Resolution 687 in 1991.

Section IV contains provisions for the **sale of petroleum and petroleum products** originating in Iraq. All exports require the approval of the Sanctions Committee.

Annex 1 contains provisions for the **planning, purchase and distribution of supplies in the three northern Governorates of Arbil, Dihouk and Suleimaniyeh**. The UN Inter-agency Programme in Iraq will determine the humanitarian requirements in these areas, for discussion with the Government of Iraq. These requirements will then be incorporated into the Distribution Plan. The responsibility for the storage, handling, internal transportation, distribution and confirmation of the distribution of humanitarian supplies rests with the Programme. It will use appropriate local distribution mechanisms whenever this is possible and cost effective.

### ***Federation's position***

The implementation of Security Council Resolution 986 will definitely, if only partially, alleviate the hardships experienced by the Iraqi population under the sanctions imposed after Iraq's invasion of Kuwait in 1990. However, as can be seen from the procedures specified in the MoU, it will take some time before the resolution becomes operational. At the moment it is not possible to estimate exactly when this will happen: it will depend mainly on when the UN Secretary-General receives the Distribution Plan from the Government of Iraq and when the oil pipelines can be made operative.

In view of the above, the Federation intends to continue its current operation in Iraq as presented in its Emergency Appeal 1996 until the end of the year, while closely monitoring developments. The Federation will shortly conduct a needs assessment mission in order to determine how the assistance programme should change, in the light of an eventual in-flow of humanitarian goods under the MoU.

It should be noted that, despite the MoU, sanctions against Iraq remain firmly in place. This means that the effects of the last six years on the country's health infrastructure will not be eliminated by the implementation of the resolution. In other words, the MoU will not resolve all the humanitarian problems arising from the sanctions.

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