

ACTION NEA-00

INFO	LOG-00	CA-00	INL-00	EB-00	EUR-00	E-00	UTED-00
	TEDE-00	IO-00	L-00	OMB-00	PA-00	PER-00	PM-00
	P-00	D-00	SP-00	SSO-00	SS-00	TEST-00	R-00
	PMB-00	PRM-00	G-00	SAS-00	SWCI-00	/000W	
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R 091934Z MAR 04
 FM CPA BAGHDAD
 TO SECDEF WASHDC 0071
 SECSTATE WASHDC 0079
 WHITE HOUSE NSC WASHDC 0064
 CJCS WASHDC
 CDR USCENTCOM MACDILL AFB FL
 US DEPT OF TREASURY WASHDC
 AMEMBASSY ROME
 DEPT OF AGRICULTURE WASHDC 0002

UNCLAS BAGHDAD 000045

SENSITIVE

E.O. 12958: N/A

TAGS: EAID, ETRD, PGOV, IZ

SUBJECT: CPA 0693: Food Security Q Visit of WFP Country
 Director

1. (U) Summary: During a visit to Baghdad March 3-4, World Food Program (WFP) Country Director Torben Due met with the Minister of Trade and CPA officials to discuss procurement and delivery under the \$910 million MOU of January 8. Procurement of over 1.6 million metric tons will be completed by April 1 with deliveries to all of Iraq's governorates in coming months. The Ministry of Trade will issue its first tender this week under CPA oversight in preparation to take over food basket procurement in April and build a 3-month buffer stock by July 1. The WFP visit, approved by SYG Kofi Annan, demonstrated the UN's willingness to engage positively on provision of an essential service. End Summary.

2. (U) WFP country director for Iraq, Torben Due, visited Baghdad March 3-4 for meetings with the Ministry of Trade (MOT) and the CPA food security team regarding the implementation of the Memorandum of Understanding to procure and deliver commodities for Iraq's food ration system. The MOU provides for the procurement and delivery of food and other commodities valued at \$910 million before March 31. The WFP procurements, together with food

deliveries under Oil for Food contracts and new procurement by the Ministry of Trade are part of CPA efforts to build a 3-month food buffer stock by transition on July 1. Due's visit coincided with the visit of NEA/IR Coordinator Ambassador Robin Raphel, who participated in all discussions.

3. (U) In a meeting with Minister of Trade Allawi and WFP Due at CPA March 4, the following issues were discussed:

--Funding: WFP has received \$460 million and will receive the final tranche of \$450 million this week. With receipt of funds, procurement will be completed by March 31.

--Transition: MOT explained that it will issue its first tender this week with the cooperation of CPA; the Ministry will be prepared to take over food basket procurement on April 1. Minister Allawi noted that future letters or credit would be issued through the Trade Bank of Iraq and that members of his staff were already working with TBI on procedures. MOT and WFP are coordinating on procurement and deliveries to avoid duplication and provide for a smooth transition.

--Transport: WFP Due agreed that WFP would provide transportation for commodities to all governates on a schedule provided by MOT. Because of problems with inland transport, the establishment of regional hubs as provided for in the MOU would be replaced by delivery to distribution points and warehouses in the governates. WFP will arrange for authentication of deliveries at destinations to ensure accountability.

--Port Issues: CPA officials explained anticipated port enhancements in Umm Qasr that will increase grain off-load capacity by 50 percent by April 1. These include rehabilitation of existing facilities in conjunction with the Ministry of Transportation and lease of needed equipment.

--Accountability: CPA emphasized to Minister Allawi the need to preserve all records from Oil for Food contracts in view of ongoing and upcoming audits of the program. Allawi agreed and noted that MOT has information relevant to future investigations.

4. (SBU) WFP will procure the following commodities in fulfillment of the Memorandum of Understanding for immediate delivery:

Foreign Wheat --897,500 MT

Rice----222,500 MT
Veg Ghee---121,500 MT
Sugar---201,700 MT
Tea----24,000 MT
Milk----58,600 MT
Salt----19,670 MT
Infant Formula--4,800 MT
Soap----13,000 MT
Detergent---56,700 MT

5. (SBU) Comment: WFP DueQs visit was a sign of the UNQs willingness to engage with CPA and Iraqis on an essential

service. Due said that his visit was approved by SYG Kofi Annan; security was provided by the UN in cooperation with CPA. WFPQs responsiveness to Iraqi concerns on food delivery issues will help avoid delays and allow for orderly transition to full Iraqi control of the food ration system.

6. (U) Amb. Raphael did not have the opportunity to clear this report.
BREMER

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