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Letter dated 8 December 2006 from the Secretary-General addressed to the President of the Security Council

I have the honour to refer to my previous correspondence with respect to the processing of letters of credit pertaining to the oil-for-food programme.

I have observed, with some disappointment, the slow progress in implementing the remaining contracts and the associated letters of credit under the oil-for-food programme. Given the provisions of Security Council resolution 1483 (2003), under which the Council mandated the closure of the programme, I have informed the Government of Iraq of the need to make every effort to execute all outstanding contracts and letters of credit within the recommended time frames so that the programme can close as currently scheduled during the course of 2007.

In the meantime, I have received allegations from two vendors that authentication documents have been improperly withheld by authorities in Iraq. Furthermore, it has also been alleged that payments have been requested from the vendors as a condition for authentication. These complaints have been shared with the Iraqi authorities but, regrettably, we have received no response.

I should like to draw your attention to the serious nature of the allegations and would seek your consideration of this matter.

(Signed) Kofi A. Annan

