

PRESS RELEASE

UNITED NATIONS COMPENSATION COMMISSION PAYS OUT US\$285 MILLION

The United Nations Compensation Commission has made available today a total of US\$284,816,396.27 to eight Governments for distribution to 42 successful claimants. Payment is being made in respect of 21 claims in category "D" (claims of individuals for damages above US\$100,000), 13 claims in category "E" (claims of corporations, other private legal entities and public sector enterprises) and 8 claims in category "F" (claims of Governments and international organizations).

The present round of payments is being made in accordance with Governing Council decision 256 (S/AC.26/Dec.256 (2005)). As a result of this payment, claimants will be paid up to US\$13,600,000.00 or the unpaid amount of the award, if less. In order to fully disburse the funds available for this round of payments, a number of claims will be paid up to US\$15,600,000.00, depending on the order in which they had been approved.

The attached table lists the countries receiving funds, and the amounts of money to be made available to each of them.

The present payment brings the overall amount of compensation made available to date by the United Nations Compensation Commission to US\$20,339,995,563.64.

Background

The first phase of payments, which commenced in June 1994, involved an initial payment of US\$2,500 to each successful individual claimant in categories "A" (claims of individuals for departures from Kuwait or Iraq) and "C", as well as payment of the full amount to all successful individual claimants in category "B" (claims for death or serious personal injury). In the second phase, which commenced in September 1999, payments of up to US\$100,000 were subsequently made available to approved claims in categories "A", "C", "D", "E", and "F" in two rounds comprising payment amounts of up to US\$25,000 and US\$75,000 respectively. The second phase concluded payment of the full amount to all successful claimants in categories "A" and "C", with the exception of claimants who have not yet been located and late claims that were accepted for filing by the Governing Council at a later stage. A total of US\$8,398,340,500.72 was made available to 1,503,207 claimants in all categories under the first and second phases of payments.

In the third phase of the payments mechanism, which commenced in October 2000, each successful claimant in categories “D”, “E” and “F” received an initial amount of up to US\$5 million in accordance with decision 100 of the Governing Council of the UNCC. Subsequent rounds of payments of up to US\$10 million were made to successful claimants in these categories of claims in the order in which they have been approved. A total of US\$9,219,609,009.52 has been made available to 9,016 claimants in categories “D”, “E” and “F” under the third phase.

At the forty-eighth session (June 2003), the Governing Council adopted decision 197, establishing a temporary payment mechanism in light of the reduction in the Compensation Fund’s income, following the adoption of Security Council resolution 1483 (2003), which provides in paragraph 21 that the Fund shall receive 5 per cent of all export sales of petroleum, petroleum products, and natural gas from Iraq. Under this temporary payment mechanism, up to US\$200 million from the Compensation Fund was made available for the payment of successful claims on a quarterly basis following each session of the Governing Council (from the forty-eighth to the fifty-first sessions, inclusive). Successful claimants in all categories received an initial amount of US\$100,000 or the unpaid principal amount of the award, if less, with the disbursement of subsequent rounds of payments of US\$100,000 to successful claimants in all categories in the order in which they had been approved at the sessions described above, until the available funds for distribution had been exhausted. This temporary mechanism was extended by the Governing Council in its decision 227 at its fifty-second session (June-July 2004).

At the fifty-seventh session (September 2005), as a result of the completion of the review of all claims and of the higher than anticipated income into the Compensation Fund, the Governing Council adopted decision 253, which lifted the ceiling of US\$200 million established under decisions 197 and 227, and made available for payment the entire balance in the Compensation Fund for each quarterly payment.

At the fifty-eighth session (December 2005), the Governing Council adopted decision 256 concerning the payment mechanism and the priority of payment of the 85 outstanding claims. Under the first phase of this decision, quarterly payments will be made in rounds of US\$2 million until completion of payments to individual claimants and payment to all claims up to the level of US\$65 million. Under the second phase, claimants with outstanding amounts greater than US\$500 million will receive a maximum amount of US\$2 million per quarter, whereas claimants with outstanding amounts smaller than US\$500 million and environmental awards approved for the third, fourth and fifth instalments of category F4 environmental remediation claims, will receive rounds of payments of US\$2 million, or the unpaid balance of the award, if less, until all available amounts in the Compensation Fund have been exhausted.

The Governing Council monitors the distribution of payments to claimants by the relevant Governments and international organizations. Governments and international organizations are obligated to distribute funds to successful claimants expeditiously and to report to the Commission on payments made to claimants. Any funds undistributed to claimants by Governments and international organizations within twelve months of receiving payment shall be returned to the Commission.

Further payments to Governments and international organizations shall be suspended where they fail to report on the distribution of funds to successful claimants or fail to return undistributed funds on time.

Further information about the Commission can be found on its website located at www.uncc.ch.

Consolidated report of payments of categories “D”, “E” and “F” claims (19 January 2006)

<i>Country</i>		<i>Category D</i>		<i>Category E</i>		<i>Category F</i>		<i>Totals</i>	
		<i>Amount (US\$)</i>	<i>Number of claims</i>	<i>Amount (US\$)</i>	<i>Number of claims</i>	<i>Amount (US\$)</i>	<i>Number of claims</i>	<i>Amount (US\$)</i>	<i>Number of claims</i>
1	Germany	-	-	1,933,319.00	1	-	-	1,933,319.00	1
2	Jordan	-	-	-	-	4,072,992.00	1	4,072,992.00	1
3	Kuwait	74,875,700.71	21	30,764,845.00	8	21,802,717.00	4	127,443,262.71	33
4	Republic of Korea	-	-	6,000,000.00	1	-	-	6,000,000.00	1
5	Saudi Arabia	-	-	-	-	14,109,179.00	3	14,109,179.00	3
6	Turkey	-	-	6,100,000.00	1	-	-	6,100,000.00	1
7	United Kingdom	-	-	123,775,995.56	1 ¹	-	-	123,775,995.56	1
8	United States	-	-	1,381,648.00	1	-	-	1,381,648.00	1
Total		74,875,700.71	21	169,955,807.56	13	39,984,888.00	8	284,816,396.27	42

¹ Payment pursuant to Governing Council decision 255 (S.AC.26/Dec.255 (2005)).
