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UNITED NATIONS
COMPENSATION COMMISSION
GOVERNING COUNCIL

Decision concerning the payment mechanism and the priority of payment of outstanding claims
taken by the Governing Council of the United Nations Compensation Commission
at its 150th meeting, on 8 December 2005

The Governing Council,

Having considered the current temporary payment mechanisms in force under decision 197 (S/AC.26/Dec.197 (2003)), as extended by decision 227 (S/AC.26/Dec.227 (2004)), and decision 253 (S/AC.26/Dec.253 (2005)) as well as the proposal put forward by the Government of Kuwait for the comprehensive payment of all outstanding United Nations Compensation Commission claims at the fifty-seventh session of the Governing Council held in September 2005,

Noting that with the approval of the last reports of the panels of Commissioners at the fifty-sixth session of the Governing Council held in June 2005, the review of all claims has been completed,

Noting also that following the last round of payment made on 27 October 2005, there remain 85 claims with payments outstanding,

Noting further that 28 such claims have received US\$65 million and 16 claims have received \$55 million in accordance with decision 100 (S/AC.26/Dec.100 (2000)/Rev.1), and that 15 claims have received \$9.6 million and 26 claims have received \$9.5 million in accordance with decision 197 and decision 227,

Recalling the Governing Council's previous conclusions that due to the special circumstances faced by environmental claims, it would consider, at the appropriate time, the possibility of a different payment mechanism for successful environment claims,

1. Decides that, beginning with the next round of payment, the payment of claims will be made in two phases:

(a) Under phase one, payments will continue to be made in accordance with the provisions of decision 197, decision 227 and decision 253, with the exception that payments will be made in rounds of \$2 million, rather than \$100,000, until all remaining claimants have received an amount of \$65 million or the unpaid balance of the award, if less;

(b) Under phase two, the funds available in the Compensation Fund for the payment of the 48 claims remaining following the completion of phase one, will be allocated as follows:

(i) Each quarter, claimants with outstanding amounts greater than \$500 million, will receive a fixed amount of \$2 million; and

(ii) Each quarter, claimants with outstanding amounts smaller than \$500 million and awards approved for the third, fourth and fifth instalments of category "F4" environmental remediation claims, will receive rounds of payments of \$2 million, or the unpaid balance of the award, if less, in the order in which they have been approved, until all available amounts in the Compensation Fund have been exhausted.

(c) If upon payment of the amounts referred to in sub-paragraphs (a) and (b) above on any claim, that claim will have a remaining balance of \$100,000 or less, the Executive Secretary may pay the full remaining balance of the claim;

2. Decides also that the Governing Council will keep the payment mechanism and the priority of payment under review.
