



Security Council

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United Nations Compensation Commission

Governing Council

Eighty-third session

Geneva, 3 October 2017

Collaborative efforts of the Governments of Iraq and Kuwait to identify options for the resolution of the outstanding compensation

The Governing Council,

Recalling paragraph 3 of Security Council resolution 1956 (S/RES/1956 (2010)) which affirms the requirement established in paragraph 21 of Security Council resolution 1483 (2003) that Iraq shall deposit five per cent of the proceeds from all export sales of petroleum, petroleum products and natural gas into the Compensation Fund established in accordance with resolution 687 (1991), and subsequent resolutions, and further decides that five per cent of the value of any non-monetary payments of petroleum, petroleum products and natural gas made to service providers shall be also deposited into the Compensation Fund,

Emphasising that in accordance with Security Council resolution 1956, the above provisions remain in force unless the Government of Iraq and the Governing Council, in the exercise of its authority over methods of ensuring that payments are made into the Compensation Fund, decide otherwise,

Recalling that only one claim, awarded to the Government of Kuwait, has an outstanding balance remaining to be paid and that all other claim awards have been paid in full,

Noting that with the adoption of decisions 272 (2014), 273 (2015) and 274 (2016), Iraq's requirements as set out in paragraph 3 of Security Council resolution 1956 have been postponed since 1 October 2014 and that as a result, no payments towards the outstanding compensation award have been made since October 2014,

Recalling that decision 274 provides for the Government of Iraq to resume deposits of five per cent of the proceeds from all export sales of petroleum, petroleum products and natural gas and five per cent of the value of any non-monetary payments of petroleum, petroleum products and natural gas made to service providers into the Compensation Fund effective 1 January 2018,

Recalling also the options for ensuring the timely conclusion of the Commission's mandate were considered by the Council at its eighty-second session and continue to be kept under review,

Recalling further that under decision 274, the Governments of Iraq and Kuwait were encouraged to collaborate on future options to ensure the timely resolution of the outstanding compensation,

Noting the bilateral efforts to date of the Governments of Iraq and Kuwait in this regard,

Having received a request from the Government of Iraq for an additional two months to allow the Governments of Iraq and Kuwait to make further progress on their collaborations and *noting* that the Government of Kuwait has expressed its support for Iraq's request,

Stressing the importance of the integrity of the Commission and bringing its mandate to a conclusion,

1. *Decides* to hold a special session on 21 November 2017 to allow the Governments of Iraq and Kuwait additional time from the date of this decision to collaborate on options for presentation to the Council;
2. *Calls upon* the Governments of Iraq and Kuwait to present options for the Council's consideration by 14 November 2017 that would ensure the final payment of compensation towards the outstanding award by the end of 2021, including, inter alia, their respective views on an appropriate fixed percentage or a yearly escalating scale of percentages of proceeds from export sales of petroleum, petroleum products and natural gas and of the value of any non-monetary payments of petroleum, petroleum products and natural gas made to service providers to be deposited into the Compensation Fund effective 1 January 2018;
3. *Notes* that in the absence of presentation of options by the Governments of Iraq and Kuwait that would bring the mandate of the Commission to a conclusion in the near term, the Council will have no alternative but to make a determination at the special session from among the options for ensuring the timely conclusion of the Commission's mandate, recognizing the extraordinary budgetary challenges Iraq continues to face;
4. *Decides also* that the Governing Council will keep this matter under review.
