

PRESS RELEASE

OPENING OF THE FIFTY-NINTH SESSION OF THE UNCC GOVERNING COUNCIL

The Governing Council of the United Nations Compensation Commission will hold its fifty-ninth session from 7 to 9 March 2006 under the Presidency of Ambassador Tassos Kriekoukis (Greece). The Council will be electing a new Vice-President, as one of two Vice-Presidents (Romania) left the Council at the end of 2005. The other current Vice-President of the Council is Japan.

During the session, the Council will discuss various issues relating to the activity of the Commission including reports of the Executive Secretary on the activities of the secretariat since the last session in December 2005 and on the distribution by Governments and international organisations of payments to successful claimants, the transparency of the distribution process, and the return of undistributed funds. Since December 2005, approximately US\$285 million was made available by the Commission to eight Governments for distribution to 42 successful claimants bringing the total amount paid to Governments and international organisations to approximately US\$20.3 billion.

The Governing Council will also hear a report from the secretariat on the status of the implementation of the Follow-up programme for environmental claims awards adopted by the Council at its last session and a report on the results of two regional meetings of Governments, which have been awarded funds by the Commission to conduct environmental remediation and restoration projects, and the Republic of Iraq that took place in Kuwait in December 2005 and in Jordan in February 2006.

General background information on the work of the Commission is provided below.

A press release with information on the results of the fifty-ninth session will be issued on 9 March 2006.

Background

The United Nations Compensation Commission (“the UNCC”) is a subsidiary organ of the United Nations Security Council. It was established in accordance with Security Council resolutions 687 (1991) and 692 (1991) to process claims and pay compensation for direct losses and damage suffered by individuals, corporations, Governments and international organizations as a direct result of Iraq’s unlawful invasion and occupation of Kuwait (2 August 1990 to 2 March 1991).

The structure of the Commission provides for a Governing Council, panels of Commissioners, and a secretariat.

The Governing Council is the policy-making organ of the UNCC. Its composition is the same as that of the fifteen-member Security Council at any given time. The Governing Council makes decisions on recommendations made by the panels of Commissioners regarding compensation for claimants.

The panels of Commissioners, which have now concluded their work, reviewed and evaluated the claims submitted by Governments on behalf of their nationals, their companies or on their own behalf. On the basis of their review, undertaken in instalments of claims, the panels recommended compensation awards to the Governing Council.

The secretariat, headed by the Executive Secretary, provides support and assistance to the Governing Council and earlier, also to the panels of Commissioners.

The Commission received approximately 2.7 million claims. The total asserted value of these claims (i.e., the amount sought by the claimants) amounts to approximately US\$352.5 billion. Ninety-seven Governments filed claims on behalf of their nationals, corporations and themselves, as well as thirteen offices of three international organizations, which filed claims on behalf of individuals not in a position to submit their claims through a Government. They consist of the claims of individuals for departure from Kuwait or Iraq (category "A" claims), the claims of individuals for serious personal injury or death (category "B" claims), the claims of individuals for losses up to US\$100,000 (category "C" claims), the claims of individuals for losses over \$100,000 (category "D" claims), the claims of corporations, other private legal entities and public sector enterprises (category "E" claims), and the claims of Governments and international organizations (category "F" claims).

With the approval of the final reports and recommendations of the panels of Commissioners by the Governing Council in June 2005, the UNCC completed its processing of all submitted claims. The total compensation awarded amounts to approximately US\$52.5 billion.

To date, the Commission has made available to Governments and international organizations approximately US\$20.3 billion for distribution to successful claimants in all categories. Funds to pay compensation are drawn from the United Nations Compensation Fund, which receives a percentage of the proceeds generated by the export sales of Iraqi petroleum and petroleum products. This percentage was originally set at 30 per cent by the Security Council under its resolution 705 (1991), and was maintained in Security Council resolution 986 (1995) as well as in a number of subsequent resolutions, establishing and extending the "oil-for-food" mechanism. The level of funding was changed to 25 per cent as of December 2000 under Security Council resolution 1330 (2000). Finally, paragraph 21 of Security Council resolution 1483 (2003), adopted on 22 May 2003, changed the level of the proceeds of all export sales of Iraqi petroleum, petroleum products, and natural gas to be deposited into the Compensation Fund to 5 per cent.

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