

**Security Council**

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**Letter dated 4 October 2005 from the President of the  
Governing Council of the United Nations Compensation  
Commission addressed to the President of the  
Security Council**

The Governing Council of the United Nations Compensation Commission has concluded its fifty-seventh session, which was held at Geneva from 27 to 29 September 2005.

During the opening plenary meeting, representatives of Kuwait, Iraq, Saudi Arabia, on behalf of Iran (Islamic Republic of), Jordan and Kuwait, and the Philippines addressed the Council. Their respective statements are being sent by mail with the original of this letter.

During the session, the Council discussed the following issues and decided as follows:

To take note of the report of the Executive Secretary: summary of activities, covering the period from 1 May to 31 August 2005.

On the issue concerning arrangements for ensuring that payments are made to the Compensation Fund, to request that the Executive Secretary again approach the Controller with a view to following up on previous correspondence and seeking additional information with respect to the underlying nature of the transactions that resulted in the current shortfall to the Fund; to request that the Controller advise whether appropriate safeguards are in place to ensure that such transactions are not continuing or likely to reoccur; and to keep this issue on the agenda for the next session of the Governing Council, as well as for discussion at a future informal meeting.

To approve corrections to certain category A, C and D claims contained in the thirty-first report of the Executive Secretary pursuant to article 41 of the Provisional Rules for Claims Procedure (S/AC.26/Dec.251 (2005)).

To adopt a decision concerning competing claims for the ownership of the same business or company as a decision of the Governing Council which lifts the current suspensions on payments to a number of claimants (S/AC.26/Dec.252 (2005)).

To express its appreciation with respect to the initiative taken by claimant Governments and Iraq on environmental claims, with the assistance

of the Commission, and the progress made at the meeting in Kuwait in September 2005.

To request the secretariat to develop, with outside expert assistance as necessary, detailed guidelines for monitoring the technical and financial aspects of the environmental remediation projects under the environmental programme, for consideration at future informal meetings of the Governing Council, and to keep this issue on the agenda of the Governing Council.

To request the secretariat to report its findings and recommendations on the issue of environmental monitoring and assessment studies being conducted by the Government of Kuwait, including the validity of the techniques being used, in an information note for consideration at a future informal meeting of the Working Group of the Governing Council in advance of the December session of the Governing Council.

To request the secretariat to report its findings and recommendations on the issue of audit certificates concerning unfinished monitoring and assessment projects in writing for consideration at a future informal meeting of the Working Group of the Governing Council.

To request the secretariat to assist in setting up a meeting in November 2005 of technical representatives of the claimant Governments, Iraq, the Compensation Commission and UNEP to further discuss the issue of the environmental monitoring and assessment databank; to convey to the parties at that meeting the Governing Council's interest in making the databank publicly accessible to the greatest extent possible; to provide an update on this issue following the November 2005 meeting; and to keep this issue on the agenda for the December session.

That the final monitoring and assessment results received from Saudi Arabia's oiled shoreline survey be taken into consideration when the Commission monitors the use of awards for environmental remediation activities, including the award for Commission claim No. 5000451.

That the request by the Government of Kuwait concerning the real property claim in relation to a deceased detainee not be accepted on the grounds that this issue constitutes in fact a request for late filing of the real property portion of the claim outside the filing period for acceptance, and to request the secretariat to inform the Government of Kuwait accordingly.

To request the secretariat to value the claim of an Iranian deceased detainee on the basis of the methodology developed by the D1 Panel of Commissioners and applied to the other deceased detainee claims and decision 218 concerning mental pain and anguish for the families of deceased detainees; that the secretariat provide the valuation results to the members of the D1 Panel of Commissioners for their review; and that the Executive Secretary report the results to the Governing Council for its consideration at the December session.

To request the secretariat to provide further information on the issue of the request of the Government of the United Kingdom of Great Britain and Northern Ireland concerning Commission claim No. 4002126 filed by Lloyd's Syndicate No. 1131 for further consideration by the Governing Council at a

future informal meeting of the Working Group; and to keep this issue on the agenda with a view to taking a decision at the December session of the Council.

To take note of the report of the Executive Secretary on the distribution of payments and transparency and the return of undistributed funds, and to request the secretariat to continue to inform the Governing Council of the reports of Governments and international organizations on the distribution of payments and the return of undistributed funds.

To adopt a decision on revisions to the temporary payment mechanism as a decision of the Governing Council (S/AC.26/Dec.253 (2005)).

To refer the Kuwait proposal for the comprehensive payment of all outstanding claims to a future informal meeting of the Governing Council with a view to taking a decision at the December session of the Council.

To request the Executive Secretary to write a further letter to the Government of Bangladesh reiterating the Governing Council's position that Governments should not deduct more than the 1.5 per cent fee for the payment of individual claims in categories A, B, and C, as stated in Governing Council decision 18, and to refer the Government of Bangladesh to paragraph 7 of decision 18 regarding payment in other currencies and the exchange rates to be applied; and to request the secretariat to adopt the necessary measures, in consultation with the Government of Bangladesh, to ensure that any future payments to Bangladeshi claimants will be made in accordance with decision 18; and to advise the Government of Bangladesh that the Governing Council is actively continuing its consideration of this issue; and to keep this issue on the agenda of the Governing Council.

To request the secretariat to write further letters to the Governments of Liberia, Senegal and the former Yugoslav Republic of Macedonia indicating that, as the Commission has completed the processing of claims, it is now giving greater priority to issues relating to the payment of claims, and reiterating the Governing Council's concern regarding the respective Governments' non-compliance with the requirements of decisions 18 and 48; to indicate in the letter to the Government of Liberia that the Governing Council notes that the Government of Liberia has not responded to previous invitations to attend the Governing Council, and the Council would appreciate its presence at either an informal meeting or at the next session; to provide an update on this matter at an informal meeting of the Working Group; and to keep this issue on the agenda of the Governing Council.

To request the secretariat to provide status updates on the issue of potential duplicate awards in categories A and C for the Working Group's continued consideration at its future meetings and to keep it on the agenda for the next Governing Council session; and that the request by the secretariat be approved for the extension of five staff members to 31 December 2005 to provide support to the forensic accountant experts and to implement any recommendations that may be made concerning potential duplicate awards.

To take note of the secretariat's briefing with respect to the audit by the Office of Internal Oversight Services of compensation award payments, category D Palestinian late claims and liquidation activities, the proposed text

of the section on the Compensation Commission to be included in the 2005 annual report of the Office of Internal Oversight Services, the participation of the focal point designated by that Office in the exercise being conducted by the secretariat to identify the potential duplicate claims in categories A and C, the request by the United Nations Board of Auditors for comments on its draft observations in respect of its visits to Jordan and Kuwait in connection with payments, the request by the Board for comments in response to its draft report on the status of the implementation of recommendations arising out of its audit of the Commission's financial statements for the 2002-2003 biennium, and the communications that the Commission has had with the Independent Inquiry Committee; to request that the secretariat provide updates on this issue at a future informal meeting of the Governing Council; and to keep this issue on the agenda of the Governing Council.

To refer the issue of the post-2007 phase-out of Commission activities in the light of information notes prepared by the secretariat dated 11 November 2004 and 31 August 2005, and further information provided by the secretariat, to an informal meeting of the Working Group of the Governing Council for further consideration, to keep it on the agenda of the Governing Council, and to take note of the Executive Secretary's intention to submit a further information note on this issue for the Council's consideration in advance of the December session.

That the fifty-eighth session of the Governing Council will be held from 6 to 8 December 2005; that the fifty-ninth session of the Governing Council will be held from 7 to 9 March 2006; and that informal meetings of the Working Group will be held between regular sessions of the Governing Council as required.

To take note of the statement made by the delegation of the Philippines at the opening plenary meeting regarding a claim by Landoil Resources Corporation, and the briefing provided by the secretariat to the Working Group.

That the secretariat prepare an information note for the Working Group's consideration at a future informal meeting of the Governing Council, regarding the request made by the delegation of Kuwait at the opening plenary meeting for the return of confidential documents, and to include an update on archiving issues.

With the completion of claims processing in June 2005, the Commission's major remaining task is the payment of awards to successful claimants. As indicated above, a decision was taken at this session with respect to the payment of awards. With higher than anticipated income into the Compensation Fund, the Council decided to lift the ceiling of US\$ 200 million for each quarterly payment and future payments will now be based on the amount available in the Fund at the time of the scheduled payment. As a result, the Commission anticipates that full payment of all claims of individuals will be achieved by mid-2006, approximately one year earlier than previously envisaged.

To date, approximately US\$ 19.4 billion has been made available to Governments and international organizations for distribution to successful claimants in all categories of claims. In addition, pursuant to Governing Council decision 253,

approximately US\$ 600 million will be made available for distribution to successful claimants in October 2005.

*(Signed)* Tassos **Kriekoukis**  
President of the Governing Council

**Annex**

**Documents before the Governing Council at its fifty-seventh session**

**A. Intended for general distribution**

1. Thirty-first report of the Executive Secretary pursuant to article 41 of the Provisional Rules for Claims Procedure (S/AC.26/2005/12).
2. Decision concerning corrections of awards pursuant to article 41 of the Provisional Rules for Claims Procedure (S/AC.26/Dec.251 (2005)).
3. Decision concerning competing claims for the ownership of the same business or company (S/AC.26/Dec.252 (2005)).
4. Decision concerning revisions to the temporary payment mechanism (S/AC.26/Dec.253 (2005)).

**B. Not intended for general distribution**

1. Statements of Kuwait, Iraq, Saudi Arabia and the Philippines (delivered at the opening plenary meeting).
  2. Summary of activities: report of the Executive Secretary (1 May to 31 August 2005) (S/AC.26/2005/R.30).
  3. Report of the Executive Secretary on the distribution of payments and transparency, and the return of undistributed funds (S/AC.26/2005/R.32).
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