ОРГАНИЗАЦИЯ ОБЪЕДИНЕННЫХ НАЦИЙ **S**

СОВЕТ БЕЗОПАСНОСТИ

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КОМПЕНСАЦИОННАЯ КОМИССИЯ
ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ
СОВЕТ УПРАВЛЯЮЩИХ

Решение в отношении последующей программы в связи с компенсацией по экологическим претензиям, принятое Советом управляющих Компенсационной комиссии Организации Объединенных Наций на его 150-м заседании 8 декабря 2005 года

Совет управляющих,

рассмотрев подготовленный секретариатом проект руководящих принципов для возможной последующей программы в связи с компенсацией по экологическим претензиям,

ссылаясь на решения 132 (S/AC.26/Dec.132 (2001)), 212 (S/AC.26/Dec.212 (2003)), 234 (S/AC.26/Dec.234 (2004)), 235 (S/AC.26/Dec.235 (2004)) и 248 (S/AC.26/Dec.248 (2005)) Совета управляющих, на основании которых была учреждена программа отслеживания и отчетности в отношении компенсации, присужденной по экологическим претензиям,

напоминая о том, что в соответствии с решениями 212, 234, 235 и 248 Совет управляющих должен рассмотреть вопрос о том, какие дальнейшие меры могут быть необходимы для обеспечения того, чтобы средства использовались исключительно под обоснованные проекты, и предусмотреть механизм, который может для этого потребоваться,

напоминая также о просьбе правительства Ирака от 16 декабря 2003 года и заявлениях, сделанных на первых пленарных заседаниях пятьдесят третьей и пятьдесят четвертой сессий, по поводу контроля за использованием компенсации по экологическим претензиям и транспарентности расходов, а также положительном отклике на это со стороны правительств, представивших претензии "F4", а именно Исламской Республики Иран, Иорданского Хашимитского Королевства, Государства Кувейт и Королевства Саудовской Аравии,

напоминая далее о том, что Совет управляющих на своей пятьдесят шестой сессии пришел к выводу о необходимости включить текущие проекты контроля и оценки в программу отслеживания и отчетности,

принимая к сведению, что эти вопросы были обсуждены на первом региональном совещании правительств, представивших претензии "F4", и правительства Ирака, которое было организовано под эгидой ККООН в Кувейте в сентябре 2005 года, и участники совещания, как об этом сказано в отчете о работе совещания, дали свое согласие на последующую программу и разработку подробных руководящих принципов Советом управляющих,

ссылаясь на то, что Совет управляющих на своей пятьдесят седьмой сессии принял к сведению инициативу правительств, представивших претензии "F4", и правительства Ирака и дал указание секретариату подготовить подробные руководящие принципы контроля за техническими и финансовыми аспектами экологических проектов,

отмечая, что на втором региональном совещании правительств, представивших претензии "F4", и правительства Ирака, которое было организовано под эгидой ККООН в Женеве в ноябре 2005 года, участники совещания обсудили и рассмотрели, как об этом сказано в отчете о работе совещания, проект руководящих принципов, подготовленный секретариатом, и рекомендовали представить их Совету управляющих,

отмечая также, как сказано в отчете о работе второго регионального совещания, что расходы на возможную последующую программу будут покрываться правительствами заявивших претензии стран,

1. постановляет принять руководящие принципы для последующей программы в связи с компенсацией по экологическим претензиям, содержащиеся в приложении к настоящему решению, и поручает Исполнительному секретарю предпринять необходимые шаги для осуществления программы;

2. поручает Исполнительному секретарю по договоренности между секретариатом и правительствами стран, заявивших претензии "F4", дважды в год вычитать часть компенсации по претензиям "F4" для покрытия любых расходов, понесенных в этой связи ККООН;

3. поручает также Исполнительному секретарю удержать 15% от общей суммы присужденной компенсации по претензиям "F4", подпадающих под последующую программу для каждого из правительств, заявивших претензии "F4", из последних платежей каждому такому правительству и разблокировать удержанные суммы по удовлетворительному завершению экологических проектов. В случае осуществления длительных проектов, состоящих из нескольких этапов, Совет управляющих может принять решение об удержании более значительной доли соответствующей компенсации, которая будет разблокироваться по мере успешного завершения каждого этапа;

4. постановляет, что в отношении пяти длительных проектов с суммами компенсации, превышающими 50 млн. долл. США, соответствующее правительство-заявитель должно будет представить на утверждение Совета управляющих до начала осуществления проекта предложение относительно его поэтапной реализации и суммы компенсации, выделяемой на каждом этапе;

5. вновь подтверждает дальнейшую применимость соответствующих положений решений 17 (S/AC.26/Dec.17 (1994)) и 18 (S/AC.26/Dec.18 (1994)) и других соответствующих решений Совета управляющих;

6. постановляет, что до окончательного расформирования Совета управляющих ККООН он рассмотрит вопрос о последующих механизмах в отношении своей надзорной функции, предусмотренной руководящими принципами.

Annex

GUIDELINES FOR THE FOLLOW-UP PROGRAMME FOR ENVIRONMENTAL AWARDS

I. SCOPE AND PROCESS OVERVIEW

1. These guidelines will be used to monitor technical and financial aspects of projects funded by awards in the category F4 environmental claims that are covered by the Follow-up programme for environmental awards (the “Programme”). Information about the claims involved, including claim and instalment numbers and award amounts, is given in annex I to this document.

2. The Programme is established pursuant to paragraph 6 of Governing Council decision 132, concerning the first instalment of F4 claims and paragraph 5 of Governing Council decisions 212, 234, 235 and 248 concerning the third, fourth and fifth instalments of F4 claims. By paragraph 6 of decision 132, the Governing Council established a tracking and reporting programme

> "to ensure that funds are spent on conducting the environmental monitoring and assessment activities in a transparent and appropriate manner and that the funded projects remain reasonable monitoring and assessment activities".

3. In paragraph 5 of Governing Council decisions 212, 234, 235 and 248, the Governing Council further directed that,

> "to ensure that funds are spent on conducting the environmental remediation activities and *monitoring and assessment activity* in a transparent and appropriate manner and that the funded projects remain reasonable remediation activities *and monitoring and assessment activity*, claimant Governments are directed to submit to the secretariat every six months progress reports concerning the status of the funds received and the environmental remediation projects *and monitoring and assessment activity*. The secretariat will keep the Governing Council informed of such progress reports for any appropriate action that may be required. The Governing Council shall consider what further measures may be necessary to ensure that the funds will only be used for reasonable remediation projects *and monitoring and assessment activity*, and shall specify any mechanism that may be necessary *or take any appropriate action that may be required"* (text in italics appears only in decision 248).

4. The Programme is a cooperative process involving:

(a) The Governments of Iran, Jordan, Kuwait and Saudi Arabia ("claimant Governments");

(b) The Government of Iraq;

(c) International or local experts who are independent with respect to the projects (the "Independent Reviewers"), as described in the Executive Summary of the September 2005 Meeting of the Claimant Countries, Iraq and the UNCC;

(d) The Governing Council of the UNCC (the "Governing Council"); and

(e) The secretariat of the UNCC (the "secretariat").

5. The role of each of these entities in carrying out the Programme and the guidelines that apply to each of them are set out below. A flowchart of the process is attached here as annex II. In summary, the Programme will function as follows. The UNCC will monitor the Programme. Claimant countries will provide regular technical and financial reports for each project to the Independent Reviewers, according to the criteria and guidelines set out below. The Independent Reviewers will report their evaluation of the projects to the secretariat. The secretariat will, in turn report to the Governing Council.

6. Section II lists the entities involved in the Programme and describes their respective activities and the types of reports that they are required to produce. Sections III and IV set out the technical and financial review and reporting guidelines applicable to remediation and restoration projects; and Section V specifies the technical and financial guidelines that apply to monitoring and assessment projects. Section VI contains the guidelines for the selection of the Independent Reviewers.

II. ENTITIES INVOLVED AND THEIR ROLES

A. Claimant Governments

7. The claimant Governments are responsible for the implementation of the remediation and restoration projects and for the management of award funds.

1. Activities

8. Each claimant Government will decide how projects are to be implemented and funds are to be allocated, based on the reports and recommendations of the F4 panel of Commissioners, as approved by the Governing Council. UNCC monitoring will be implemented through the system of reporting and evaluation set out in these guidelines.

9. Each claimant Government will recommend experts to the UNCC, to act as Independent Reviewers of the projects, based on the criteria set forth in section VI.A. below. The claimant Government will provide the name, curriculum vitae (including a personal statement of independence and impartiality, interest and potential contribution) and a disclosure statement for each candidate for review and approval of the UNCC.

10. Each claimant Government will designate a national focal point ("NFP") that will be the link between the agencies responsible for the projects and the UNCC. As mentioned in the Discussion Paper of September 2005, a regional committee of NFPs from claimant Governments and Iraq will meet for coordination, cooperation and exchange of information, as necessary.

11. The claimant Governments are responsible for reporting and responding to requests for information about ongoing monitoring and assessment projects and remediation and restoration projects. This includes reporting at least every six months to the Independent Reviewers, providing access to documents, project sites and personnel to the Independent Reviewers and to the UNCC. The claimant Governments will provide information to the Independent Reviewers, to support their production of semi-annual progress reports to the UNCC on each project, on a schedule to be agreed with the Independent Reviewers. In addition, claimant Governments shall ensure that the contractors and other personnel engaged in implementation of the projects cooperate with the Independent Reviewers and the UNCC.

2. Reports

12. Pursuant to the direction of the Governing Council, claimant Governments are required to report at the beginning of each project and every six months, to enable the UNCC to ensure that funds are spent on conducting the environmental remediation and restoration activities in a transparent and appropriate manner and that the funded projects remain reasonable remediation activities. Every six months, each claimant Government will report to the UNCC, through the Independent Reviewers, on its ongoing monitoring and assessment projects, according to the procedures set out in section V below. Critical stages in the implementation of the remediation and restoration projects on which information should be reported are:

(a) Initial planning phase – Key decisions will be made during this period, and the claimant Governments should ensure that the UNCC is kept informed, through the Independent Reviewers, in a timely manner. During the initial planning phase, work plans will be defined (including long-term environmental monitoring plans to guide project implementation over time); draft agreements with public or private contractors will be developed; contracts will be established; environmental and financial assessments will be prepared; and any necessary field tests of restoration approaches are to be completed. In developing their initial work plans, claimant Governments should submit to the Independent Reviewers detailed summaries of any changes that have been made to the approach recommended by the F4 panel.

(b) Project implementation – During the project implementation phase, the claimant Governments will report regularly to the UNCC, through the Independent Reviewers, on work progress, financial and environmental performance of the projects.

(c) Project modifications or problems are identified – Each claimant Government has a continuing responsibility to provide timely reports to the Independent Reviewers whenever it proposes to make material technical or financial modifications to the projects, or if it identifies a significant problem with a project. When a claimant Government modifies a project, the Independent Reviewers should be notified and provided with a summary of the modification, as well as the reasons for the proposed modification and any anticipated environmental, financial/economic and scheduling implications. A claimant Government will notify and consult with the Independent Reviewers regarding any financial or technical problems, as soon as the Government becomes aware of the problem.

13. Claimant Governments will submit documents and information as requested by the Independent Reviewers for their technical and financial evaluation of projects. Such documents and information will include, but are not limited to, those relating to:

(a) Procurement standards;

(b) Terms of reference for implementation of the projects;

(c) Details of consultants and contractors, and all contracts including those with principal contractors, subcontractors and consultants;

(d) Contract value, scope of work and contract duration for each project;

(e) Project work plans and detailed project budgets;

(f) QA/QC protocols for technical and financial monitoring;

(g) Criteria for the evaluation of remediation or restoration programmes;

(h) Research reports and field studies documenting the rationale for the selection of remediation and restoration approaches that are different from the approach recommended by the F4 panel;

(i) Periodic technical monitoring reports, as requested by the Independent Reviewers, consistent with the Technical Review and Reporting Guidelines in section III below;

(j) Periodic financial monitoring and audit reports, as requested by the Independent Reviewers, including audited statements on expenditures related to the level of implementation, consistent with the Financial Review and Reporting Guidelines in section IV below.

14. For accomplishing its verification tasks, the UNCC will rely primarily on progress reports provided by the Independent Reviewers, based on information submitted to them by the claimant Governments. The UNCC may directly request that a claimant Government provide any documents or information that the UNCC considers to be necessary for its verification tasks.

B. Independent Reviewers

15. The Independent Reviewers are responsible for evaluating projects according to the technical and financial guidelines and reporting their findings to the UNCC. Independent Reviewers shall be prominent international or local experts proposed by the claimant Governments and approved by the UNCC, as described in section VI below. They shall be assisted by necessary support or management staff.

1. Activities

16. The main responsibilities of the Independent Reviewers are (a) to follow each project closely in cooperation with the claimant Governments and to provide regular monitoring and evaluation reports to the UNCC on the implementation of the remediation/restoration projects according to the technical and financial guidelines; (b) to identify any material modifications in the projects; (c) to identify significant problems that may arise in the implementation of the remediation/restoration projects; and (d) to notify the secretariat of any such modifications and problems in a timely manner. The reports of the Independent Reviewers will be based on documents provided by claimant Governments, site inspections and discussion with project personnel, that they determine to be necessary.

17. The Independent Reviewers will also report to the UNCC on the monitoring and assessment projects as described in section V below.

2. Reports

18. The Independent Reviewers will submit to the UNCC a detailed report reviewing and evaluating each remediation/restoration project. Each report will identify the sources of information on which the evaluation is based and explain the reasoning in detail, on a schedule mutually agreed with the UNCC to meet the requirement that the secretariat report to the Governing Council every six months. The report should include:

(a) A concise summary of project plans;

(b) A concise statement of project status;

(c) A concise summary of the results of any environmental assessments;

(d) A summary of periodic and total expenditure reported by claim number and claim element;

(e) A detailed evaluation of whether the technical and financial aspects of the projects remain reasonable;

(f) Any other information, which in the opinion of the Independent Reviewers will assist the UNCC to determine whether the project continues to be a reasonable remediation/restoration project.

19. Key documents that the Independent Reviewers determine to be necessary for the UNCC to understand their report should be attached to the report. The Independent Reviewers will also provide a list of documents and other information that were considered in the preparation of the report, with a brief description of such documents and information.

20. The Independent Reviewers will inform the UNCC secretariat of any material modification to a project or significant problems in its implementation as soon as they become aware of such a modification or problem. They will provide an evaluation of the modification or problem to the UNCC on an expedited basis. Each semi-annual report to the UNCC will include an appendix giving a brief description of matters that arose during the review period, but which were not

referred to the UNCC because the Independent Reviewers determined that they were not material or significant.

21. Every six months (or whenever requested by the UNCC), the Independent Reviewers will also submit to the UNCC a report on the monitoring and assessment projects, as described in section V below.

C. Iraq

Activities

22. The Government of Iraq will designate a national focal point for contacts with the claimant Governments and the UNCC. As mentioned in the Discussion Paper of September 2005, a regional committee of NFPs from Iraq and claimant Governments will meet for coordination, cooperation and exchange of information, as necessary. The Government of Iraq will be informed of the projects and the progress made therein through meetings of the NFPs.

23. The Government of Iraq will be provided by the secretariat with copies of the final reports of the Independent Reviewers for Iraq's response and comments. Any response or comments received from Iraq by the secretariat will be submitted to the Governing Council.

24. It is noted that Iraq and the claimant Governments may cooperate through a regional cooperation programme that should also provide a means for Iraq to receive information about the environmental projects. The Government of Iraq may provide its views and comments through the meetings of the NFPs and through the UNCC.

D. UNCC secretariat

25. A small staff capable of addressing the scientific, economic and financial issues that will arise in relation to the monitoring and assessment activities or restoration and remediation projects will be attached to the secretariat. The secretariat will, as necessary, retain experts in appropriate fields to assist in project evaluation and reporting to the Governing Council.

1. Activities

26. The secretariat will work cooperatively with the claimant Governments and the Independent Reviewers to implement the Programme. In particular, it will communicate to the claimant Governments and the Independent Reviewers the needs and focus of the UNCC and indicate information that is needed by the Governing Council. The functions of the secretariat

include undertaking site inspections, holding discussions with the claimant Governments or the Independent Reviewers and requesting information or additional reports on the monitoring and assessment activities and restoration and remediation projects. The secretariat will work with the Independent Reviewers to establish a schedule for the submission of semi-annual reports.

27. The secretariat will assess the environmental, economic and financial consequences of proposed work plans, project modifications and project implementation. The secretariat will refer any issues of significant concern to the Governing Council without delay.

2. Reports

28. Every six months, the secretariat will submit to the Governing Council an assessment of whether the funds awarded for environmental projects "are spent on conducting the environmental remediation activities and monitoring and assessment activity in a transparent and appropriate manner, and [whether] the funded projects remain reasonable remediation activities and monitoring and assessment activity". This assessment will be based on the reports of the Independent Reviewers.

E. UNCC Governing Council

29. The Governing Council will be responsible for deciding whether funds awarded for environmental projects "are spent on conducting the environmental remediation activities and monitoring and assessment activity in a transparent and appropriate manner, and [whether] the funded projects remain reasonable remediation activities and monitoring and assessment activity" based on periodic secretariat reports.

30. The Governing Council will decide on the steps that should be taken in respect of "unreasonable" activities that may be identified in any reports submitted by the secretariat. "Unreasonable activities" may relate to procedural, financial or environmental matters.

31. The Governing Council will direct the secretariat to withhold 15 per cent of each award, to be deducted from the last payments to each Government, to be released upon satisfactory completion of the environmental projects. Where projects with long duration are being implemented in multiple phases, the Governing Council may decide to withhold a higher percentage of the relevant awards to be released proportionally to the successful completion of each phase.

32. The provisions of decisions 17, 18, and other relevant Governing Council decisions will continue to apply.

III. GUIDELINES FOR TECHNICAL REVIEW AND REPORTING FOR REMEDIATION/RESTORATION PROJECTS

A. General principles for remediation/restoration projects

33. The F4 panel has outlined the following seven general principles for guidance in the development and implementation of environmental remediation projects (third, fourth and fifth F4 reports).

"(a) Remediation approaches or techniques that pose unacceptable risks of ecological harm should be avoided.

(b) Remediation activities should be undertaken only if they are likely to result in more positive than negative effects.

(c) Remediation techniques that facilitate natural recovery processes should be preferred, and active remediation should build on and enhance natural recovery that has already occurred.

(d) Remediation should rely on proven and well-established technologies and techniques in preference to experimental or untested approaches.

(e) The effectiveness of remediation activities should be monitored to ensure that remediation targets are met. Remediation programmes should be designed to be sufficiently flexible and responsive to new information obtained from such monitoring.

(f) Where more than one remediation approach or technique is appropriate to achieve a desired remediation goal, the most cost-effective option should be selected.

(g) Remediation decisions should consider both the short-term and long-term effects of remediation activities on neighbouring ecosystems, including transboundary effects."

34. The panel has also stressed that “primary emphasis must be placed on restoring the environment to pre-invasion conditions, in terms of its overall ecological functioning rather than removal of specific contaminants or restoration of the environment to a particular condition.” (third F4 instalment report, paragraph 48.)

35. A long-term monitoring plan that collects relevant data before, during and after remediation or restoration activities should be carefully integrated into the remediation project. In the course of remediation, remediation activities should be adapted in response to data and analysis developed through such a monitoring programme. This will provide opportunities to identify and address negative impacts of remediation activities, if any arise. It will also assist in identifying successful remediation or restoration approaches.

36. The criteria for the evaluation of the remediation or restoration project should be specified before the monitoring programme is implemented. The claimant Government's planning team should consider carefully how data collected by the monitoring programme will be used to evaluate and, where appropriate, alter remediation decisions. Where quantitative indicators of ecological conditions are used, it is essential to determine in advance an appropriate sampling approach on the basis of which meaningful statistical comparisons can be made.

B. Technical monitoring indicators

37. For the Follow-up programme, the UNCC will rely on the claimant Governments for information on the design, implementation and performance of remediation measures. With respect to engineering components of the projects, this will include summary information on the technical specifications and rationale for the selection of remediation and restoration technologies and approaches. Of particular interest to the UNCC in assessing projects is information summarizing the results from further field tests to support the design and implementation of remediation and restoration projects, and the implications of such tests for the final selection of approaches.

38. In addition, the UNCC’s technical assessment of the reasonableness of projects will include consideration of information on progress in achieving the schedules proposed by the claimant Governments. This will include, as appropriate, information on the physical progress achieved with specific projects (e.g., the proportion of the site area remediated) as well as other indicators of progress, such as drafts of contracts for conducting remediation activities.

39. The UNCC will also expect the claimant Governments to develop and report information on environmental indicators and related performance criteria that can be used to track the progress and effectiveness of restoration measures as compared to well-functioning reference ecosystems.

40. Environmental performance indicators, based on the conditions of each specific project area, should be developed to measure and track the type and extent of environmental restoration that is intended for each remediation/restoration project. Collectively, for each project the

indicators should be those that can assist in evaluating whether the damaged resource is making adequate progress towards recovery as a result of the measures taken. Indicators should be selected to represent a variety of levels of ecosystem organization as appropriate for the particular project. These include such factors as (a) genetic, (b) species/population, (c) ecosystem, (d) community, and (e) landscape (see Holl, K.D. and J. Cairns, "Monitoring and Appraisal" in Handbook of Ecological Restoration, Perrow, M. and A. Davy, Cambridge University Press, 2002, page 422). Indicators should be selected to track positive restoration progress as well as any unintended adverse consequences of the restoration measures, particularly damage to neighbouring and previously undamaged ecosystems (e.g., remediation-induced sedimentation in undamaged marine environments adjacent to areas being remediated).

41. As widely recommended in the literature on monitoring environmental restoration projects, goals specified as performance criteria should be developed for each environmental indicator (see for example, Holl & Cairns, 2002; Society for Ecological Restoration International, Primer on Ecological Restoration). Such criteria will be useful for determining the rate of environmental progress and for ascertaining when restoration is complete. To the maximum extent feasible, performance criteria should be based on conditions in well-functioning reference ecosystems similar to the one being restored and for which there is empirical information about the state of the environmental indicators. Because of the inherent variability within ecological types, performance criteria are often defined in terms of an indicator's range of values across well-functioning, comparable ecosystems (see Holl & Cairns, page 413).

42. More generally, environmental indicators and performance criteria should be chosen to provide empirical evidence of the effectiveness of the restoration measures in returning the damaged resource to a well-functioning condition. A well-functioning ecosystem can be characterized by a variety of attributes. Guidance developed by international experts on restoration science, practice and policy suggests that a well-functioning system includes a characteristic assemblage of native species, the presence of key functional groups of organisms necessary for development or stability of the restored ecosystem, the ability of the system to reproduce and sustain itself over time, the demonstrated resiliency of the system to stress, and the integration of the restored ecosystem into the larger ecological and social matrix of the landscape (see, e.g., www.ser.org/content/guidelines_ecological_restoration.asp). The published literature on ecological restoration includes more detailed guidance on measuring restoration progress for specific ecosystems – see, for example, an approach that was developed for monitoring restoration of terrestrial ecosystems (www.cse.csiro.au/research/ras/efa/). While the UNCC does not have a preference for any specific approach, it will expect Independent Reviewers to evaluate the actual or potential success of restoration projects by reference to indicators of progress toward well-functioning, comparable ecosystems. Whenever necessary, the Independent Reviewers should verify restoration progress through field visits to the sites.

C. Material changes to projects

43. Where a claimant Government is proposing material changes to the projects as outlined in the F4 panel reports and annexes, the UNCC will consider the views of the Independent Reviewers on the extent to which the revised approach is better able to achieve appropriate remediation/restoration objectives. In particular, the Independent Reviewers should base their assessment of the proposed modification on empirical information on environmental indicators that demonstrates that the revised approach is a more effective way of achieving the remediation/restoration objectives. To the maximum feasible extent, data from field trials comparing the alternative approaches will be preferred. Such trials should be at a scale and for a duration appropriate to demonstrate the relative merits of the alternatives. In addition the Independent Reviewers should consider whether a change would have any significant unintended adverse consequences, particularly on neighbouring and previously undamaged ecosystems.

D. Phasing of projects

44. A phased approach should be taken to implementation of projects with long duration. Phasing is consistent with the F4 panel's recommendation that "(t)he effectiveness of remediation activities should be monitored to ensure that remediation targets are met. Remediation projects should be designed to be sufficiently flexible and responsive to new information obtained from such monitoring". Phasing would allow a particular restoration approach to be tested and evaluated for a smaller area before decisions are made to implement the approach across the entire area proposed to be remediated or restored.

IV. GUIDELINES FOR FINANCIAL REVIEW AND REPORTING FOR REMEDIATION/RESTORATION PROJECTS

45. The UNCC's assessment to determine whether remediation and restoration projects remain reasonable will consider financial monitoring and audit information for all projects. To assist this assessment, claimant Governments should develop policies and procedures that ensure full transparency in management of funds awarded by the UNCC. In this regard, claimant Governments should:

(a) Establish and maintain full control over the project including the management of the award funds and responsibility for the disbursement of funds to contracted parties.

(b) Ensure transparent, competitive and effective procurement in compliance with applicable national laws and standards of international practice.

(c) Ensure that contracts for remediation and restoration projects are designed to be flexible enough to accommodate changes to work programmes that may be suggested by the Independent Reviewers or the UNCC.

(d) Assume financial management and accountability for all projects, including the capacity and competence to:

(i) Record all transactions and balances;

(ii) Disburse funds to contractors in a transparent and accountable manner;

(iii) Prepare regular financial statements, by claim number and claim element, that are subject to acceptable auditing arrangements;

(iv) Have adequate infrastructure and information systems to support project implementation, including the monitoring of the financial performance of subcontractors and out-sourced entities;

(v) Ensure that funds are used for the intended purposes.

(e) Ensure effective and on-going financial monitoring and evaluation with appropriate reporting and quality control mechanisms.

(f) Assure appropriate internal and external accountability arrangements.

(g) Assist the Independent Reviewers in their preparation of periodic verifications of financial activity and implementation activity.

(h) Allow access by the UNCC and Independent Reviewers to all project financial documents and to financial monitoring and evaluation activities.

46. Where a claimant Government is recommending a material change to a project outlined in the panel report and annexes, the UNCC will consider whether the claimant has demonstrated that the revised or alternative approach is the most cost-effective method for achieving the remediation or restoration objectives recommended by the panel and approved by the Governing Council, taking into account the Independent Reviewers' evaluation.

V. GUIDELINES FOR TECHNICAL AND FINANCIAL REVIEW AND REPORTING FOR CONTINUING MONITORING AND ASSESSMENT PROJECTS

47. The monitoring and assessment projects covered by the Programme include twelve environmental and public health projects for which compensation was awarded in the first F4 instalment and one public health monitoring project for which compensation was awarded in the fifth F4 instalment.

48. A programme by which the F4 panel tracked the use of funds awarded for monitoring and assessment projects was established pursuant to paragraph 6 of Governing Council decision 132. Under this programme, claimant Governments were required to report on the use of funds awarded for environmental monitoring and assessment claims. Tracking of the use of funds by the F4 panel ended in March 2005 when the panel completed its review of the F4 claims. The agreement between the UNCC and the United Nations Environment Programme ("UNEP"), under which UNEP provided assistance to the panel, also came to an end at the same time.

49. At its fifty-sixth session in June 2005, the Governing Council adopted the recommendation set out in paragraphs 12 to 14 of the eighth report of the F4 panel of Commissioners concerning the tracking of the progress of environmental monitoring and assessment projects compensated pursuant to Governing Council decision 132. The recommendation of the panel was for the continuation of a number of on-going public health studies being conducted by the Governments of Kuwait and Saudi Arabia and several studies on natural resources damage that are being conducted by the Government of Kuwait. The Governing Council decided that, consistent with Governing Council decision 132, the claimant Governments would continue to submit periodic reports on the progress of these studies.

50. Final results of the monitoring and assessment projects produced by claimant Governments should be taken into consideration in tracking the use of award funds for environmental remediation and restoration activities, where appropriate.

51. The tracking mechanism for these continuing monitoring and assessment studies will operate as follows:

(a) Claimant Governments will submit periodic progress reports on the monitoring and assessment projects to the Independent Reviewers;

(b) Claimant Governments will certify, with each final monitoring and assessment report submitted to the Independent Reviewers, that the funds awarded for monitoring and assessment

have been audited in accordance with the respective Government's generally accepted auditing standards, and will provide appropriate audit certifications;

(c) The Independent Reviewers will review progress reports submitted by claimant Governments from a financial perspective, and will report on financial and project status information to the UNCC. Before submitting their report on a project to the UNCC, the Independent Reviewers will seek answers to any questions raised by the report, through written and oral exchanges with the claimant Government concerned and, as necessary, site inspections. The Independent Reviewers' reports will include an evaluation of the progress of each project, taking into account expenditure on the project;

(d) The Independent Reviewers will review monitoring and assessment information submitted by claimant Governments from a scientific and technical perspective. The Independent Reviewers will evaluate the information produced by the monitoring and assessment projects, and report to the UNCC. The report shall indicate whether the Independent Reviewers are satisfied that the claimant Government has spent the funds in a manner consistent with the approved plans, that interim results suggest continuation of the project is reasonable, and that no impediments have arisen that would jeopardize the successful completion of the project. As part of their review, the Independent Reviewers may use the environmental databank developed by UNEP containing the information submitted from the monitoring and assessment projects and maintained and updated by the claimant Governments;

(e) The UNCC may indicate any further issues that should be addressed by the Independent Reviewers. For example, the UNCC may direct the Independent Reviewers to seek clarifications of information submitted by the claimant Governments and any issues arising from such information;

(f) Taking into consideration all of the information provided to it, including any comments and views that it may have received from the Government of Iraq, the secretariat will report to the Governing Council, indicating whether, in its view, the funds awarded are being spent "on conducting the monitoring and assessment activities in a transparent and appropriate manner and that the funded projects remain reasonable monitoring and assessment activities", as required by decision 132. The secretariat will make such recommendations to the Governing Council, as it may consider necessary.

VI. OTHER MATTERS

A. Selection of Independent Reviewers

52. The UNCC's assessment of the reasonableness of proposed remediation and restoration projects will rely heavily on reports from the Independent Reviewers. Accordingly, the selection process for the Independent Reviewers should be such that it can guarantee the technical and financial qualifications and independence of the persons selected. The Reviewers should be selected with due regard to the need for a high level of professional expertise, experience and integrity. Each Independent Reviewer will act in his or her personal capacity, rather than as a representative of a government or an institution. A person selected as an Independent Reviewer shall not be involved in or have financial interests in any of the projects under the Follow-up Programme. An Independent Reviewer may not be associated with or have financial interest in any corporations or institutions that have contracts to carry out work on the projects under the Programme.

53. In reviewing the persons nominated by claimant Governments as Independent Reviewers, the UNCC will consider the following information for each person nominated, and may wish to contact potential candidates:

(a) A detailed curriculum vitae documenting the candidate's expertise and prominence in his or her field. The curriculum vitae should include a statement of the candidate's qualification and professional experience, interest in the specific areas of the relevant projects, and the candidate's potential contribution to the review process;

(b) A signed statement that discloses any prior or actual organizational or financial relationship with the Governments or firms or individuals involved with the projects, or any other circumstances that are likely to give rise to actual or perceived justifiable doubts as to the candidate's impartiality or independence with respect to the prospective tasks. The statement should acknowledge that, if appointed, the Independent Reviewer will have an ongoing obligation to disclose to the UNCC any new circumstances likely to give rise to justifiable doubts as to his or her impartiality or independence.

54. In approving the claimant Governments' nominees, the UNCC will also consider the extent to which the persons proposed by the Government are likely, collectively, to provide the full range of expertise required to evaluate the projects. In principle, all projects will likely involve scientific, engineering, economic and financial issues. However, within these four broad categories, the specific types of expertise required will depend on the nature of the particular

projects. For example, the experts required for marine restoration projects will probably be different from those needed for terrestrial projects.

B. Costs

55. A portion of the awards, as may be specified, may be used for the costs of the Follow-up Programme. Subject to a separate agreement between the UNCC and the claimant Governments, the relevant costs of the UNCC, including costs of experts to be retained, as necessary, to assist in project evaluation and reporting to the Governing Council, will be borne proportionally by the claimant Governments as part of the Follow-up Programme costs. In the evaluation of the projects, the UNCC will use such funds proportionally with respect to projects of each claimant Government. Should the costs related to the projects of a particular claimant Government exceed the amount available, the additional costs will be borne by that Government.

Annex I

F4 PROJECTS FOR FOLLOW-UP PROGRAMME

Claimant country	*F4 instalment*	*UNCC claim number*	*Subject matter of claim elements in follow-up programme*	*Amount awarded for project in follow-up programme*
Iran	F4 (4)	5000456	Remediation of damage to rangelands resulting from the presence of refugees	$188,760
	F4 (5)	5000394	Monitoring incidence of cancers	$332,200
	Total Iran			**$520,960**

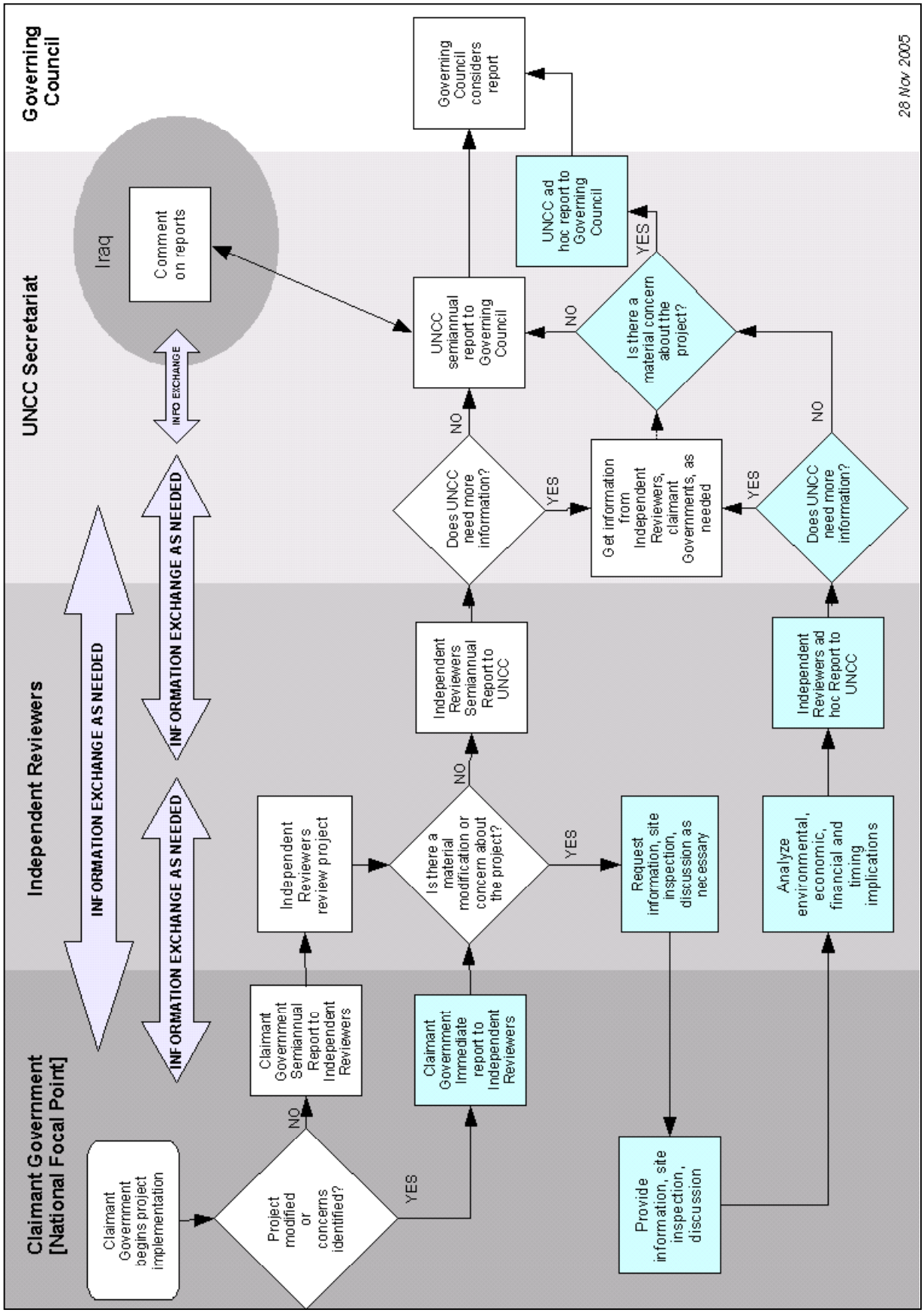
Claimant country	*F4 instalment*	*UNCC claim number*	*Subject matter of claim elements in follow-up programme*	*Amount awarded for project in follow-up programme*
Jordan	F4 (5)	5000304	Cooperative rangeland management programme	$160,582,073
	Total Jordan			**$160,582,073**

Claimant country	*F4 instalment*	*UNCC claim number*	*Subject matter of claim elements in follow-up programme*	*Amount awarded for project in follow-up programme*
Kuwait	F4 (1)	5000398	Oiled shoreline technology assessment	$8,237,792
		5000432	Oil lake contamination and treatment technology assessment	$10,484,988
		5000433	Technology assessment for restoration of desert surface damaged by military fortifications: field studies of revegetation methods	$160,344
		5000434	Technology assessment for restoration of desert surface damaged by oil, fires and fire fighting: ecological assessment, pilot testing of revegetation methods	$7,246,880
		5000403	Public Health - Establishment and operation of a data repository and exposure registry for five years	$6,763,546
		5000404	Public Health - Human health risk assessment	$1,150,771
		5000405	Public Health - Long-term health impacts	$4,846,396
		5000406	Public Health - Clinical monitoring program	$7,278,268
		5000407	Public Health - Human health assessment survey	$770,190
	Subtotal Kuwait F4 (1)			**$46,939,175**
	F4 (3)	5000256	Remediation of damage to groundwater resources	$41,531,463
		5000450	- Remediation of areas damaged by military fortifications	*$9,019,717*
			- Remediation of areas in and around wellhead pits	*$8,252,657*

Claimant country	*F4 instalment*	*UNCC claim number*	*Subject matter of claim elements in follow-up programme*	*Amount awarded for project in follow-up programme*
			- Remediation of areas damaged by tarcrete	*$166,513,110*
			- Revegetation of damaged terrestrial ecosystems	*$460,028,550*
				$643,814,034
Kuwait (continued)	F4 (4)	5000259	Remediation of damage to marine and coastal resources	$3,990,152
		5000466	Remediation of damage at open burning/open detonation sites	$162,259
		5000454	- Remediation of areas damaged by oil lakes, oil-contaminated piles, oil trenches and oil spills	*$1,975,985,580*
			- Revegetation of damaged terrestrial ecosystems	*$283,300,389*
				$2,259,285,969
	F4 (5)	5000460	Compensatory project for shoreline resources	$7,943,030
	Subtotal Kuwait F4 (3), (4) and (5)			**$2,956,726,907**
	Total Kuwait			**$3,003,666,082**

Claimant country	*F4 instalment*	*UNCC claim number*	*Subject matter of claim elements in follow-up programme*	*Amount awarded for project in follow-up programme*
Saudi Arabia	F4 (1)	5000414	Public Health - Data repository/Exposure Registry	$12,590,100
		5000416	Public Health - Long-term health studies	$5,106,058
		5000417	Public Health - Clinical Monitoring Program	$7,162,958
		5000418	Public Health - Human Health Survey	$611,177
	Subtotal Saudi Arabia F4 (1)			**$25,470,293**
	F4 (3)	5000451	Remediation of damage to coastal resources	$463,319,284
	F4 (4)	5000455	Remediation of damage to terrestrial resources resulting from military encampments, fortifications and roads	$618,974,433
		5000465	Remediation of damage to marine resources	$6,172,274
	F4 (5)	5000463	Compensatory project for intertidal shoreline habitats	$46,113,706
	Subtotal Saudi Arabia F4 (3), (4) and (5)			**$1,134,579,697**
	Total Saudi Arabia			**$1,160,049,990**

Annex II


Governing Council
UNCC Secretariat
Independent Reviewers
Claimant Government [National Focal Point]
28 Nov 2005
Iraq
Comment on reports
INFO EXCHANGE
Governing Council considers report
UNCC ad hoc report to Governing Council
UNCC semiannual report to Governing Council
Is there a material concern about the project?
YES
NO
Does UNCC need more information?
YES
NO
Get information from Independent Reviewers, claimant Governments, as needed
Does UNCC need more information?
YES
NO
Independent Reviewers Semiannual Report to UNCC
Independent Reviewers ad hoc Report to UNCC
Is there a material modification or concern about the project?
YES
NO
Independent Reviewers review project
Request information, site inspection, discussion as necessary
Analyze environmental, economic, financial and timing implications
Claimant Government Semiannual Report to Independent Reviewers
Claimant Government: Immediate report to Independent Reviewers
Project modified or concerns identified?
YES
NO
Provide information, site inspection, discussion
Claimant Government begins project implementation
INFORMATION EXCHANGE AS NEEDED
INFORMATION EXCHANGE AS NEEDED
INFORMATION EXCHANGE AS NEEDED
