



Security Council

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Implementation of paragraph 6 of resolution 1956 (2010)

Fifteenth report of the Secretary-General

I. Introduction

1. The present report is submitted pursuant to paragraph 6 of Security Council resolution 1956 (2010), in which the Council requested me to provide written reports to the Council every six months about the United Nations Compensation Fund, with effect from 1 January 2012, evaluating the continued compliance with the provisions of paragraph 21 of resolution 1483 (2003), which requires Iraq to deposit 5 per cent of the proceeds from export sales of petroleum, petroleum products and natural gas into the Fund. The present fifteenth report covers the developments following the issuance of my fourteenth report (S/2018/648) on 28 June 2018.

II. Developments

2. As previously indicated, under decision 276 (2017) of the Governing Council of the United Nations Compensation Commission, the percentage of proceeds from oil export sales to be deposited into the Compensation Fund was reduced for 2018 from 5 per cent to 0.5 per cent.

3. On 7 November 2018, the Governing Council held its eighty-fifth session. At the opening plenary meeting, the delegation of Iraq reaffirmed the Government's commitment to meeting its obligations under relevant Security Council resolutions and Governing Council decisions. The Governing Council welcomed the Government's continued commitment to meeting its obligations and recalled that, under decision 276 (2017), the percentage of proceeds to be deposited in the Compensation Fund would increase effective 1 January 2019 from 0.5 per cent to 1.5 per cent.

4. The average monthly income to the Compensation Fund for 2018 was \$30 million. Since my previous report, the Compensation Commission has made two quarterly payments of \$90 million each to Kuwait, on 20 July and 23 October 2018. With those payments, the overall amount of compensation paid to date by the Compensation Commission stands at \$48 billion, leaving some \$4.4 billion to be paid to settle the last remaining claim. Based on current levels of income to the Fund and recent projections, the outstanding balance is anticipated to be paid in 2021.

5. I should like to recall that the proceeds from export sales by Iraq of petroleum and petroleum products are deposited into the successor account to the Development



Fund for Iraq. As the audit of that account covering the period from 1 January to 31 December 2018 will be carried out in 2019, the results will be reflected in future reports. However, based on current levels of income to the Compensation Fund and the satisfaction of the Governing Council therewith, I am satisfied that the Government of Iraq remains committed to complying with its deposit obligations to the Compensation Fund.

6. In conclusion, I should like to express my ongoing appreciation to the Government of Iraq and the Iraq Committee of Financial Experts for their continued cooperation with the Compensation Commission.
