



# Security Council

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## Implementation of paragraph 6 of resolution [1956 \(2010\)](#)

### Twentieth 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 \(2003\)](#), under which Iraq is required to deposit 5 per cent of the proceeds from export sales of petroleum, petroleum products and natural gas into the Fund. The present twentieth report covers the developments following the issuance of my nineteenth report ([S/2021/17](#)) on 6 January 2021.

#### II. Developments

2. 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 from 5 per cent under resolution [1483 \(2003\)](#) to 0.5 per cent for 2018, 1.5 per cent for 2019 and 3 per cent for 2020. The rate will remain at 3 per cent until the outstanding compensation has been paid in full.

3. In exercising its authority over the arrangements for ensuring that payments are made to the Compensation Fund, the Governing Council has continued to actively monitor deposits into the Fund. The Commission secretariat has also continued to engage with the Iraq Committee of Financial Experts, the oversight body for the control, reporting and use of Iraqi oil revenues.

4. The average monthly income to the Compensation Fund for 2021 to date is \$164.5 million. Since my previous report, the Commission has made two quarterly payments to Kuwait, one in the amount of \$270 million on 26 January and one in the amount of \$380 million on 27 April. With those payments, the overall amount of compensation paid to date by the Commission stands at \$50.7 billion, leaving some \$1.7 billion to be paid to Kuwait to settle the last remaining claim. On the basis of the current levels of income to the Fund and recent projections, the Commission anticipates paying the remaining balance in the first half of 2022, which would bring its mandate to a conclusion.



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. The audit of the successor account for 2018 reflected a shortfall in deposits to the Compensation Fund since the equivalent value of non-monetary transactions was not deposited. The Commission secretariat has followed up on this matter with the Iraq Committee of Financial Experts and the 2018 shortfall has been addressed, with the amount of \$55 million deposited into the Fund. The audit report of the successor account for 2019 was issued on 8 March 2021. It reflected a shortfall equivalent to \$162 million, which has since been deposited into the Fund. On the basis of this development, the current levels of income to the Fund and the Governing Council's satisfaction therewith, I am pleased to note that the Government of Iraq remains committed to complying with its obligations.

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

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