

**Security Council**

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Note verbale dated 30 August 2007 from the Permanent Mission of Iraq to the United Nations addressed to the President of the Security Council

The Permanent Mission of the Republic of Iraq to the United Nations presents its compliments to the President of the Security Council of the United Nations and has the honour to enclose herewith a letter from H.E. Mr. Hoshyar Zebari, Minister for Foreign Affairs of the Republic of Iraq, in which he expressed the views of the Government of Iraq on the compensation imposed on Iraq after the invasion of Kuwait by the former Iraqi regime (see annex).

The Permanent Mission of the Republic of Iraq also has the honour to request that the present letter and its annex be circulated as a document of the Security Council.



**Annex to the note verbale dated 30 August 2007 from the
Permanent Mission of Iraq to the United Nations addressed
to the President of the Security Council**

[Original: Arabic]

Sir,

I should like to point out that the compensation that Iraq has been forced to pay was introduced as a result of the actions of the previous dictatorship. The Iraqi people have borne the consequences of those actions, even though they had no part in them and continue to suffer from them, despite the fact that the relevant Security Council resolutions have all stressed that the basic needs of the Iraqi people should not be left unmet. However, it has become apparent that the reverse is true; the basic needs of the Iraqi people have not been met and they, not the regime, have been victimized by the obligation to pay compensation for all these years.

The philosophy and policy of the new Government of Iraq are founded on peaceful coexistence, good-neighbourliness, respect for mutual interests, non-interference in internal affairs, the peaceful settlement of international disputes and respect for basic human rights and needs. One of the fruits of this policy, which the new Government of Iraq announced and has since followed consistently, has been the initiative by many States, including the States members of the Paris Club, to reduce Iraq's debts by 80 per cent. In so doing, they have demonstrated their understanding of the extent of the destruction that befell Iraq as a result of the aforementioned policies of the previous regime. This is why my Government, in its contacts and consultations with various States, is seeking to have the compensation that Iraq owes cancelled or, at the very least, reduced, as has been done with Iraq's debt.

The Government of the Republic of Iraq, recalling the Security Council resolutions stipulating that 5 per cent of the proceeds derived from the sale of petroleum, petroleum products or natural gas should be deposited into the Compensation Fund, would like to point out that the payments made to the Fund have increased as a result of the increase in the price of oil and in Iraq's production capacity.

Further recalling that under paragraph 21 of Security Council resolution 1483 (2003), the Governing Council of the United Nations Compensation Commission and Iraq may review the compensation payment, and that Iraq has long suggested to the Commission that this payment should be reduced, the Government of Iraq therefore believes that the time has come to review this matter. Iraq would like to suspend the obligation to pay compensation or to have the amount of the payments reduced and, to that end, would like to work towards the creation of a new and just compensation mechanism.

Iraq has already paid a considerable amount of compensation for the second Gulf war — US\$ 22,081,193,340 as at 30 April 2007 — and continues to pay such compensation. For this reason, my Government would like to propose that the Security Council should ask the Governing Council to provide it with a review of the situation with a view to temporarily suspending the obligation to make payments at the aforementioned rate so that a new mechanism for negotiating with the States still owed compensation by the Fund can be established and a settlement reached on

that matter, as was done in the case of the States that reduced the debts owed to them in accordance with the principles of the Paris Club.

Saddling the new Iraq with the burdens of previous regimes does not reflect the desire of friendly States to help it overcome its difficult situation. Iraq loses US\$ 200 to US\$ 250 million every quarter; this affects its efforts to rebuild and to raise the standard of living of the Iraqi people, who are suffering as a result of the wars perpetrated by the previous regime.

In placing this matter before the Security Council, the Government of the Republic of Iraq requests that the Council, in coordination with the Commission, temporarily suspend the obligation to pay compensation with a view to reducing compensation payments to an amount that Iraq can handle in its present circumstances. It further requests that the matter should be discussed, either at an international conference bringing together Iraq and the States concerned, or on a bilateral basis between Iraq and each of those States. It is our hope that the Council will respond to Iraq's request and that we can continue to cooperate with friendly States in order to achieve development and progress.

Accept, Sir, the assurances of my highest consideration.

(Signed) Hoshyar **Zebari**
Minister for Foreign Affairs
