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SECURITY COUNCIL VOTES TO EXTEND ARRANGEMENTS FOR DEPOSIT OF PROCEEDS

FROM IRAQ'S OIL, PETROLEUM PRODUCTS, GAS INTO DEVELOPMENT FUND

Noting Iraq's progress in the security, political and economic fields, while recognizing that the country still needed regional and international support in order to advance further, the Security Council decided today to extend until 31 December 2009 arrangements for depositing the proceeds from sales of petroleum, petroleum products and natural gas into the Development Fund for Iraq. It also decided to review all resolutions pertaining to Iraq from 1990.

Unanimously adopting resolution 1859 (2008) under Chapter VII of the United Nations Charter, the Council also extended the task of the International Advisory and Monitoring Board in overseeing the Fund for the same period. The Council decided that those decisions would be reviewed upon request by the Government of Iraq or no later than 15 June 2009, while encouraging the International Monetary Fund (IMF) and the World Bank, as members of the International Advisory and Monitoring Board, to brief the Council in January 2009.

Regarding its decision to review resolutions pertaining specifically to Iraq, beginning with resolution 661 (1990), the Council requested the Secretary-General, after consultations with Iraq, to report on facts relevant to consideration by the Council of actions necessary for that country to achieve an international standing equal to that it had enjoyed prior to the adoption of such resolutions.

In resolution 1483 of 22 May 2003 (see Press Release [SC/7765](#)), the Council noted the establishment of the Development Fund for Iraq, the resources of which would be disbursed for humanitarian, reconstruction, disarmament and civilian administration purposes. The existence of the Fund was extended by resolution 1546 of 8 June 2004 (see Press Release [SC/8117](#)), which determined that funds should be disbursed solely at the direction of the Government of Iraq and that the International Advisory and Monitoring Boards should continue its monitoring of the Fund. Proceeds from petroleum, petroleum products and natural gas originating in Iraq would be immune from legal procedures against them.

The Council adopted resolution 1859 (2008) at the request of the Government of Iraq, conveyed in a letter from the Prime Minister to the President of the Council, dated 7 December and annexed to the text. In that letter, the Prime Minister noted that the mandate of the Multinational Force in Iraq would end on 31 December.

According to the letter, Iraq had made great progress in settling inherited debts and claims from the previous regime, but settling all of them would require some time, and there would be a continuing need for temporary support from the international community. Since oil revenues constituted 95 per cent of Government resources, the inherited claims could have an impact on reconstruction and economic transformation, consequently posing a grave threat to Iraq's stability and security.

Following adoption of today's resolution, Iraq's Minister for Foreign Affairs said, "Iraq is no longer a rogue State flouting international law and posing a threat to international peace or regional security; nor is it an instrument of oppression against its own people." The country was fully committed to the resolution of all legitimate claims. Iraq had therefore requested an extension of arrangements for the depositing into the Development Fund for Iraq of proceeds from export sales of petroleum, petroleum products and natural gas as well as for monitoring the Fund.

Others making brief statements were the representatives of Italy, France, Indonesia, United Kingdom and the United States.

The meeting began at 3:10 p.m. and ended at 3:45 p.m.

Resolution

The full text of resolution 1859 (2008) reads as follows:

"The Security Council,

"Welcoming the efforts of the democratically elected, constitutionally based, national unity Government of Iraq in fulfilling its detailed political, economic, and security programme and national reconciliation agenda, and *encouraging* in that regard the holding of inclusive and peaceful provincial elections,

"Recalling all of its previous relevant resolutions on Iraq,

"Reaffirming the independence, sovereignty, unity, and territorial integrity of Iraq and *reaffirming further* the importance of the principle of non-interference in the internal affairs of Iraq,

"Noting the progress that is taking place in Iraq, particularly in achieving security and stability, and in strengthening the armed forces and other Iraqi security forces, and *noting* likewise Iraq's progress in the political and economic fields,

"Welcoming the continuing work of the Government of Iraq towards a federal, democratic, pluralistic and unified Iraq, in which there is full respect for human rights,

"Noting the Government of Iraq's progress in pursuing an atmosphere in which sectarianism is totally rejected, *underscoring* the importance of inclusive political dialogue and national reconciliation,

"Recognizing that international support for security and stability is essential to the well-being

of the people of Iraq as well as the ability of all concerned, including the United Nations, to carry out their work for the benefit of the people of Iraq, and *expressing appreciation* for Member State contributions in this regard under resolution 1483 (2003), resolution 1511 (2003), resolution 1546 (2004), resolution 1637 (2005), resolution 1723 (2006), and resolution 1790 (2007),

“Recognizing also that Iraq is still in need of regional and international support so that it can continue to make progress, so that its people can flourish and prosper in peace,

“Welcoming continuing progress under the International Compact with Iraq, an initiative of the Iraqi Government that has created a new partnership with the international community and is building a strong framework for Iraq’s continued political, economic and security transformation and integration into the regional and global economy, as confirmed in the Stockholm Declaration on 29 May 2008, and *welcoming also* the important role that the United Nations is playing by jointly chairing the Compact with the Government of Iraq,

“Recalling the establishment of the United Nations Assistance Mission for Iraq (UNAMI), and affirming that the United Nations should continue to play a leading role in supporting the efforts of the Iraqi Government to strengthen institutions for representative government, promote political dialogue and national reconciliation, engage neighbouring countries, assist vulnerable groups, including refugees and internally displaced persons, and promote the protection of human rights and judicial and legal reform in accordance with resolution 1770 (2007) and resolution 1830 (2008),

“Calling upon the international community, particularly countries in the region and Iraq’s neighbours, to support the Iraqi people in their pursuit of peace, stability, security, democracy and prosperity, *welcoming* the Expanded Neighbours’ Conferences held in Sharm El-Sheikh, Istanbul and Kuwait and their role in supporting the efforts of the Government of Iraq to achieve security and stability in Iraq, and the positive results thereof on regional and international peace and security, *welcoming also* the fact that the Expanded Neighbours’ Conference, held in Kuwait on 22 April 2008 approved the terms of reference of the support mechanism, and *noting* that the successful implementation of this resolution will contribute to regional stability,

“Noting the letter from the Prime Minister of Iraq to the President of the Security Council, dated 7 December 2008, which is annexed to this resolution, *welcoming* the Prime Minister’s affirmation of Iraq’s commitment to living in peace with its neighbours in a manner that contributes to the security and stability of the region, and *recognizing* the expiration of the mandate of the multinational force at the end of 31 December 2008,

“Recognizing the positive developments in Iraq and that the situation now existing in Iraq is significantly different from that which existed at the time of the adoption of resolution 661 (1990), and *further recognizing* the importance of Iraq achieving international standing equal to that which it held prior to the adoption of resolution 661 (1990),

“Recognizing that the letter from the Prime Minister of Iraq also reaffirms the commitment by the Government to resolve the debts and settle the claims inherited from the previous regime, and to continue to address those debts and claims until they are resolved or settled, and requests the continued assistance of the international community, as the Government of Iraq works to complete this process,

“Recognizing the significant role of the Development Fund for Iraq and the International

Advisory and Monitoring Board, and the provisions of paragraph 22 of resolution 1483 (2003) in helping the Government of Iraq to ensure that Iraq's resources are being used transparently and accountably for the benefit of the Iraqi people, and *recognizing also* the need for Iraq during 2009 to transition to successor arrangements for the Development Fund for Iraq and the International Advisory and Monitoring Board, to include the Committee of Financial Experts,

“Reaffirming that acts of terrorism must not be allowed to disrupt Iraq's political and economic transition, and *further reaffirming* the obligations of Member States under resolution 1618 (2005) of 4 August 2005 and other relevant resolutions and international conventions with respect, inter alia, to terrorist activities in and from Iraq or against its citizens,

“Recognizing that the Government of Iraq will continue to have the leading role in coordinating international assistance to Iraq and *reaffirming* the importance of international assistance and development of the Iraqi economy and the importance of coordinated donor assistance,

“Acting under Chapter VII of the Charter of the United Nations,

“1. *Decides* to extend until 31 December 2009 the arrangements established in paragraph 20 of resolution 1483 (2003) for the depositing into the Development Fund for Iraq of proceeds from export sales of petroleum, petroleum products and natural gas and the arrangements referred to in paragraph 12 of resolution 1483 (2003) and paragraph 24 of resolution 1546 (2004) for the monitoring of the Development Fund for Iraq by the International Advisory and Monitoring Board and further decides that, subject to the exception provided for in paragraph 27 of resolution 1546 (2004), the provisions of paragraph 22 of resolution 1483 (2003) shall continue to apply until that date, including with respect to funds and financial assets and economic resources described in paragraph 23 of that resolution;

“2. *Decides further* that the provisions in the above paragraph for the deposit of proceeds into the Development Fund for Iraq and for the role of the International Advisory and Monitoring Board and the provisions of paragraph 22 of resolution 1483 (2003) shall be reviewed at the request of the Government of Iraq or no later than 15 June 2009;

“3. *Requests* the Secretary-General to report to the Council on a quarterly basis, with the first briefing no later than 31 March 2009 and with a written report on a semi-annual basis, on the activities of the Development Fund for Iraq and the International Advisory and Monitoring Board, including on progress made in strengthening financial and administrative oversight of the Development Fund for Iraq;

“4. *Encourages* the International Monetary Fund and the World Bank, as members of the International Advisory and Monitoring Board, to brief the Council in January 2009;

“5. *Decides* to review resolutions pertaining specifically to Iraq, beginning with the adoption of resolution 661 (1990), and in that regard *requests* the Secretary-General to report, after consultations with Iraq, on facts relevant to consideration by the Council of actions necessary for Iraq to achieve international standing equal to that which it held prior to the adoption of such resolutions;

“6. *Decides* to remain actively seized of the matter.”

Annex

Letter dated 7 December 2008 from the Prime Minister of Iraq addressed to the President of the Security Council

Further to our letter dated 31 December 2007 addressed to you, in which we indicated that the extension of the mandate of the Multinational Forces in Iraq (MNF I) would be for one final time; with appreciation for the important role and efforts of those forces in assisting Iraq to achieve security and stability; and in view of the fact that Iraq has signed the Agreement between the United States of America and the Republic of Iraq on the Withdrawal of United States Forces from Iraq and the Organization of their Activities during their Temporary Presence in Iraq, we look forward to the ending of the mandate of MNF-I at the end of 31 December 2008. On behalf of the Government and people of Iraq, I express my gratitude to the Governments of the States that have contributed to those forces and to the forces themselves for the services rendered during their presence in the territory, waters and airspace of Iraq.

Iraq has inherited debts and claims from the previous regime and has made great progress in settling them. However, much remains to be done, and our efforts to settle those claims and debts will require some time. Temporary support from the international community will continue to be required during the coming phase. Therefore, we hope that the international community will continue current protections and arrangements for petroleum, petroleum products, and natural gas from Iraq and the proceeds thereof until such time as the Government of Iraq is able to take the measures necessary to settle those debts and claims inherited from the previous regime. Oil revenues constitute 95 per cent of Government resources, and these claims have an impact on reconstruction and the economic transformations taking place in Iraq, and consequently pose a grave threat to Iraq's stability and security and by extension to international peace and security.

The Iraqi Government recognizes the importance of the provisions of paragraph 22 of United Nations Security Council resolution 1483 (2003) ensuring that Iraq's petroleum and natural gas resources and proceeds and obligations arising from sales thereof, as well as funds deposited in the Development Fund for Iraq, shall be used for reconstruction projects and other purposes benefiting the people of Iraq. Therefore, bearing in mind the exception provided for in paragraph 27 of United Nations Security Council resolution 1546 (2004), Iraq requests that the Security Council continue to implement the provisions of paragraph 22 of United Nations Security Council resolution 1483 (2003) until 31 December 2009, including those relating to funds or other financial assets or economic resources mentioned in paragraph 23 of that resolution.

The Government of Iraq believes that the provisions of United Nations Security Council resolution 1546 (2004) relating to the deposit of proceeds into the Development Fund for Iraq will help to ensure that proceeds from Iraq's natural resources will be used for the benefit of the Iraqi people, as will the role played by the International Advisory and Monitoring Board. The Iraqi Government recognizes that the Development Fund for Iraq plays an important role in helping Iraq to reassure donors and creditors that Iraq is administering its resources and debts in a responsible manner in the service of the Iraqi people. It should be noted that Iraq is attempting, after years of isolation under the previous regime, to form a new partnership with the international community with a view to integrating its economy into those of the region and the world through the International Compact with Iraq, and its efforts were endorsed by more than 90 countries and international organizations in the Stockholm Declaration of 29 May 2008. In view of this, Iraq requests the Security Council to extend the mandates

of the Development Fund for Iraq and the International Advisory and Monitoring Board for a period of 12 months, with a review of the extension to be conducted before 15 June 2009 at the request of the Government of Iraq.

The Government of Iraq affirms that it honours its obligations under United Nations Security Council resolutions and follows policies of peaceful coexistence with its neighbours conducive to the security and stability of the region. The Government of Iraq looks forward to recognition by the United Nations Security Council that major positive developments have taken place in Iraq; that the situation in Iraq is fundamentally different from that prevailing at the time of the adoption of United Nations Security Council resolution 661 (1990); and that the time has come for Iraq to regain its legal and international status prevailing prior to the adoption by the Security Council of that resolution and the subsequent sanctions imposed on it under Chapter VII of the Charter of the United Nations.

The Government of Iraq requests that the Security Council include this letter as an annex to the resolution currently being drafted on Iraq, and should be grateful if the President of the Security Council would circulate it to the Members of the Security Council as soon as possible.

(Signed) Nuri Kamel al-Maliki
Prime Minister of the Republic of Iraq
7 December 2008

Statements

HOSHYAR ZEBARI, Minister for Foreign Affairs of Iraq, said after the adoption that, since the liberation of the Iraqi people in 2003, the country had charted a path towards stability and democracy, with the support of the international community. The mandate of the Multinational Force would end on 31 December, prompting a review of the arrangements to manage Iraq's financial resources in accordance with international obligations. With the country emerging as a peaceful and responsible democracy, its status in the international community was due for review.

He said Iraq had achieved remarkable progress over the year, and had turned a vital corner towards stabilization and recovery, noting that attacks as well as civilian and military deaths had decreased by over 80 per cent. "Iraq has stepped back from the brink of civil war. Terrorists and outlaw groups have no hiding place in Iraq." The central strategy of the Government and the coalition had been to bolster the capacity of the Iraqi national security forces for the end-goal of transferring full responsibility for the country's defence to them.

Iraq and the United States had negotiated new security arrangements to direct their future bilateral partnership, he said, adding that further agreements were being negotiated with other international coalition partners. According to the agreement with the United States, 2011 would be a realistic date for the withdrawal of United States forces. However, the struggle for peace was far from over, and a significant level of security and military support continued to be necessary. Any premature military withdrawals would leave a vulnerable vacuum that would be exploited to destabilize Iraq and threaten the entire region. There was, therefore, a need for measured and responsible security transitions.

He emphasized Iraq needed assurances that its resources and financial assets were available for recovery programmes otherwise the functioning of the Government and the country's

current stability could be seriously endangered. Iraq had therefore requested an extension of arrangements for the depositing into the Development Fund for Iraq of proceeds from export sales of petroleum, petroleum products and natural gas, as well as for monitoring the Fund. The country had inherited immense debt and international legal claims from the former Saddam Hussein regime's wars and aggressions. The Government was fully committed to the resolution of all legitimate claims and to complying with its obligations under international law. It had worked diligently to fulfil its commitments and pay compensation.

"Iraq is no longer a rogue State flouting international law and posing a threat to international peace or regional security; nor is it an instrument of oppression against its own people," he said. The country sought peaceful coexistence with its neighbours and stood as a steadfast partner in the fight against global terrorism. Iraq, therefore, requested a review of all Council resolutions, to be undertaken jointly by the Secretary-General and Iraq and reported to the Council as the final arbiter to take stock of remaining obligations and assess the relevance and validity of all resolutions in view of Iraq's current situation.

ALDO MONTOVANI ([Italy](#)) said he had voted in favour of the resolution because, from the start, his country had been at the side of the Iraqi people in building a stable country at peace with its neighbours. However, the complexity of texts and the legal situation meant that all financial issues must be handled carefully and in compliance with measures adopted by the Security Council.

HUBERT RENIE ([France](#)) said the resolution marked a new stage in the resumption of Iraqi sovereignty and his country would continue to lend its support in the building of a future Iraq that would include peace, security and prosperity.

MARTY NATALEGAWA ([Indonesia](#)) said that both the Development Fund for Iraq and the International Advisory and Monitoring Board had played a crucial role in ensuring that Iraq's resources were directed towards development. However, many challenges remained, including the initiation of meaningful political dialogue and reconciliation involving all segments of the population. Indonesia commended previous efforts towards that end and urged the Government to make such an initiative a priority.

He went on to say that, as his country neared the end of its tenure in the Council, he wished to thank the other members and the Secretariat for their support. During Indonesia's tenure, it had always tried to ensure that the concerns of the wider United Nations membership were channelled into discussions. An effective Council was a united Council.

JOHN SAWERS ([United Kingdom](#)), welcoming the fact that a Chapter VII mandate for international forces was no longer needed, said his country's forces would complete their tasks within the first five months of 2009 and proceed to withdraw. The United Kingdom welcomed the continuation of arrangements for the Development Fund. However, an important decision contained in the resolution was the one to review resolutions pertaining to Iraq under Saddam Hussein. They had been introduced in a different set of circumstances and should be overhauled with a view to ending them.

ZALMAY KHALILZAD ([United States](#)) welcomed the adoption of the resolution, noting that it recognized the progress Iraq had made across the board. In 10 days, the mandate for the Multinational Force would expire and bilateral agreements would guide the military presence of the

United States in Iraq and its relationship with that country.

Noting that 13 of the country's 18 provinces were under Iraqi security control, he said the others would follow. Inflation was down and economic growth was up. Regional relations had improved considerably. The resolution would help to facilitate more progress by allowing Development Fund resources to be spent on implementation of development plans. It was also "totally reasonable" to review Council resolutions pertaining to Saddam Hussein's Iraq, as the circumstances were now significantly different.

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