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**Financing of the activities arising from Security Council
resolution 687 (1991): United Nations Iraq-Kuwait
Observation Mission**

Financing of the United Nations Iraq-Kuwait Observation Mission for the period from 1 July 2003 to 30 June 2004

Note by the Secretary-General

Summary

The present note provides updated information on the status of the United Nations Iraq-Kuwait Observation Mission and sets out the reasons why a revised budget for the period from 1 July 2003 to 30 June 2004 will not be submitted to the General Assembly.

1. The proposed budget for the United Nations Iraq-Kuwait Observation Mission (UNIKOM) for the period from 1 July 2003 to 30 June 2004 contained in document A/57/664 dated 18 December 2002 and Corr.1 dated 28 February 2003 was submitted to the General Assembly in anticipation of the continuation of the Mission.
2. In his letter dated 3 April 2003 (S/2003/400) addressed to the Secretary-General, the President of the Security Council informed the Secretary-General that the members of the Council had noted that UNIKOM was unable to fulfil its mandate as a result of the situation on the ground, and concurred with his recommendation that a peacekeeping presence be retained at an appropriate level for a further three months, until 6 July 2003, subject to any further decision the Council might take regarding the UNIKOM mandate.
3. The Secretary-General subsequently proposed interim financing arrangements for UNIKOM for the four-month period from 1 July to 31 October 2003 in his note dated 14 May 2003 (A/57/811). The Secretary-General also indicated in his note that, subject to the decision of the Council in July, a revised budget proposal for the period from 1 July 2003 to 30 June 2004 would be submitted to the General Assembly for review during the main part of its fifty-eighth session.
4. Under the circumstances, the Advisory Committee on Administrative and Budgetary Questions recommended in paragraph 5 of its report of 16 May 2003 (A/57/813) that, in lieu of an appropriation, commitment authority be granted to use the available cash balance to cover the requirements for the maintenance of the Mission for the four-month period from 1 July to 31 October 2003.
5. The General Assembly, in its resolution 57/330 of 18 June 2003, therefore authorized the Secretary-General to enter into commitments in an amount not exceeding \$12 million for the period from 1 July to 31 October 2003, to be financed from the accumulated fund balance in the Special Account for the United Nations Iraq-Kuwait Observation Mission.
6. The Security Council, in its resolution 1490 (2003) of 3 July 2003, decided to continue the mandate of UNIKOM for a final period until 6 October 2003. A one-month liquidation period will follow.
7. In view of the closure of the Mission, no revised budget will be submitted to the General Assembly for the period from 1 July 2003 to 30 June 2004. On the basis of the current level of expenditures for UNIKOM, the \$12 million commitment authority approved by the General Assembly would suffice to cover the remaining activities of the Mission, including its liquidation. Actual expenditures incurred during this period will be reported to the General Assembly in the context of the performance report.