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Financing of the United Nations Interim Administration Mission in Kosovo

Financing arrangements for the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2004 to 30 June 2005

Note by the Secretary-General

1. By its resolution 58/305 of 18 June 2004 on the financing of the United Nations Interim Administration Mission in Kosovo (UNMIK), the General Assembly appropriated to the Special Account for UNMIK the amount of \$264,625,200 gross (\$245,839,600 net) for the maintenance of the Mission for the period from 1 July 2004 to 30 June 2005. The total amount has been assessed on Member States.

2. The budget for UNMIK covering the period from 1 July 2004 to 30 June 2005 was issued on 18 December 2003 (A/58/638). Since then, a number of the cost parameters have changed, resulting in additional resource requirements. The changes which have had a significant impact on the original cost estimates include: the increase in Mission subsistence allowance rates effective 1 May 2004; the revised salary scales for national staff effective 1 March 2004; a new air operations contract effective 15 September 2004, as well as currency fluctuations between the euro and the United States dollar.

3. The total cost of these increases is estimated at \$37,404,100, of which \$3.6 million can be met through reprioritization of funds. As at 31 December 2004, expenditures incurred by UNMIK amount to \$167,106,500 gross (\$155,809,800 net). Total estimated requirements for the next six-month period amount to \$131,292,800 gross (\$119,953,100 net), resulting in total revised requirements of \$298,399,300 gross (\$275,762,900 net) for the 12-month period. Additional resources totalling \$33,774,100 are therefore required as detailed in the table below.

Additional resource requirements

(Thousands of United States dollars)

<i>Category</i>	<i>Amount</i>
Military liaison officers	222.8
Civilian police	8 539.9
International staff	7 991.6
National staff	20 263.8
Air transportation	386.0
Subtotal	37 404.1
Funds to be redeployed	(3 630.0)
Total	33 774.1

4. The additional resource requirements of \$222,800 for military liaison officers and \$8,539,900 for civilian police are attributable to the increase in Mission subsistence allowance rates effective 1 May 2004, the first-30-day rate increased from \$130 per person per day to €107 (US\$ equivalent of \$131.77) and the after-30-day rate increased from \$75 per person per day to €68 (US\$ equivalent of \$83.74).

5. The additional requirements of \$7,991,600 for international staff are attributable to the higher actual ratio of common staff costs to net salaries (57 per cent) as compared to the 35 per cent ratio applied in the 2004/05 budget on the basis of the projected number of international staff hired under 300 series contracts and 100 series contracts. Moreover, the increase in Mission subsistence allowance rates effective 1 May 2004 contributed to the increase in resource requirements.

6. The additional requirements of \$20,263,800 for national staff are attributed to the revised salary scales which became effective 1 March 2004. The new salary scales reflect an overall weighted average increase of 40.7 per cent for national General Service staff and 32.5 per cent for national officers.

7. The increased requirements of \$386,000 under air transportation are attributable to higher rental and operation costs of the helicopter and fixed-wing aircraft, based on a new contract with a carrier that became effective on 15 September 2004.

8. The fluctuation of the euro and the United States dollar also contributed to additional requirements for the 2004/05 budget period under all of the above categories.

9. The actions to be taken by the General Assembly in connection with the additional financing of UNMIK are:

(a) **Appropriation of the amount of \$33,774,100 for the maintenance of the Mission for the 12-month period from 1 July 2004 to 30 June 2005, in addition to the amount of \$264,625,200 already appropriated for the same period under the provisions of General Assembly resolution 58/305 of 18 June 2004;**

(b) **Assessment of the amount in paragraph (a) above at a monthly rate of \$2,814,508.**