



# General Assembly

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## Sixty-sixth session

Agenda item 158

### **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 2011 to 30 June 2012**

### **Note by the Secretary-General**

1. By its resolution 65/300 of 30 June 2011 on the financing of the United Nations Interim Administration Mission in Kosovo (UNMIK), the General Assembly appropriated and assessed on Member States the amount of \$44,914,800 gross for the maintenance of the Mission for the period from 1 July 2011 to 30 June 2012.

2. The budget for UNMIK covering the period from 1 July 2011 to 30 June 2012 was issued on 2 February 2011 (A/65/711). Since the issuance of the budget and adoption by the General Assembly of its resolution 65/300, substantial changes in the cost parameters and assumptions used in the budget have had a significant impact on the approved budget, resulting in additional resource requirements. These changes include the classification of Field Service posts, the higher than budgeted post adjustment multiplier and lower than planned vacancy rate for international staff, the classification of national staff posts combined with the revisions of national staff salary scales after the completion of the 2011/12 budget, as well as exchange rate fluctuations.

3. The classification of Field Service and national staff posts was initiated in the second half of 2010 and completed in March 2012, with its results effective 1 March 2011 (the month following the receipt of the classification request). The estimated resource requirements stemming from the post upgrades amount to \$1,149,700 gross (\$1,007,100 net), comprising \$714,000 gross (\$625,400 net) for international staff and \$435,700 gross (\$381,700 net) for national staff.

4. The total additional resource requirements under the international staff and national staff classes of expenditure that are attributable to the outcome of the classification exercise and factors indicated in paragraph 2 above are estimated at \$3,927,500 gross (\$3,598,100 net), of which \$542,200 gross and net would be offset



primarily through the reprogramming and reprioritization of the already approved resources, including a thorough review of obligations to ensure that they cover only the most essential and critical operational requirements. Accordingly, the projected total expenditure for the 2011/12 financial period would amount to \$48,300,100 gross (\$43,589,400 net), representing an increase of \$3,385,300 gross (\$3,055,900 net), or 7.5 per cent in gross terms, compared to the appropriation of \$44,914,800 gross (\$40,533,500 net) approved by the General Assembly for the maintenance of the Mission in its resolution 65/300 (see table below).

5. Resource variances of at least plus or minus 5 per cent or \$100,000 are explained in paragraphs 6 to 9 below.

Table

**Additional resource requirements for the period from 1 July 2011 to 30 June 2012**

(Thousands of United States dollars)

| Category                             | Apportionment   | Total projected expenditure | Variance         |               |
|--------------------------------------|-----------------|-----------------------------|------------------|---------------|
|                                      |                 |                             | Amount           | Percentage    |
|                                      | (1)             | (2)                         | (3)=(1)-(2)      | (4)=(3)÷(1)   |
| <b>Military and police personnel</b> |                 |                             |                  |               |
| Military observers                   | 361.7           | 340.9                       | 20.8             | 5.8           |
| Military contingents                 | —               | —                           | —                | —             |
| United Nations police                | 369.6           | 293.1                       | 76.5             | 20.7          |
| Formed police units                  | —               | —                           | —                | —             |
| <b>Subtotal</b>                      | <b>731.3</b>    | <b>634.0</b>                | <b>97.3</b>      | <b>13.3</b>   |
| <b>Civilian personnel</b>            |                 |                             |                  |               |
| International staff                  | 27 515.1        | 29 419.1                    | (1 904.0)        | (6.9)         |
| National staff                       | 6 504.5         | 8 528.0                     | (2 023.5)        | (31.1)        |
| United Nations Volunteers            | 1 140.6         | 1 099.7                     | 40.9             | 3.6           |
| General temporary assistance         | 28.8            | 30.2                        | (1.4)            | (4.9)         |
| <b>Subtotal</b>                      | <b>35 189.0</b> | <b>39 077.0</b>             | <b>(3 888.0)</b> | <b>(11.0)</b> |
| <b>Operational costs</b>             |                 |                             |                  |               |
| Government-provided personnel        | —               | —                           | —                | —             |
| Civilian electoral observers         | —               | —                           | —                | —             |
| Consultants                          | 283.3           | 218.5                       | 64.8             | 22.9          |
| Official travel                      | 627.6           | 497.3                       | 130.3            | 20.8          |
| Facilities and infrastructure        | 4 083.8         | 3 850.2                     | 233.6            | 5.7           |
| Ground transportation                | 706.2           | 619.4                       | 86.8             | 12.3          |
| Air transportation                   | —               | —                           | —                | —             |
| Naval transportation                 | —               | —                           | —                | —             |
| Communications                       | 1 572.0         | 1 547.6                     | 24.4             | 1.6           |
| Information technology               | 1 205.4         | 1 237.8                     | (32.4)           | (2.7)         |
| Medical                              | 131.0           | 73.0                        | 58.0             | 44.3          |

| Category                                   | Apportionment   | Total projected expenditure | Variance         |              |
|--------------------------------------------|-----------------|-----------------------------|------------------|--------------|
|                                            |                 |                             | Amount           | Percentage   |
|                                            | (1)             | (2)                         | (3)=(1)-(2)      | (4)=(3)÷(1)  |
| Special equipment                          | —               | —                           | —                | —            |
| Other supplies, services and equipment     | 385.2           | 545.3                       | (160.1)          | (41.6)       |
| Quick-impact projects                      | —               | —                           | —                | —            |
| <b>Subtotal</b>                            | <b>8 994.5</b>  | <b>8 589.1</b>              | <b>405.4</b>     | <b>4.5</b>   |
| <b>Gross requirements</b>                  | <b>44 914.8</b> | <b>48 300.1</b>             | <b>(3 385.3)</b> | <b>(7.5)</b> |
| Staff assessment income                    | 4 381.3         | 4 710.7                     | (329.4)          | (7.5)        |
| <b>Net requirements</b>                    | <b>40 533.5</b> | <b>43 589.4</b>             | <b>(3 055.9)</b> | <b>(7.5)</b> |
| Voluntary contributions in kind (budgeted) | —               | —                           | —                | —            |
| <b>Total requirements</b>                  | <b>44 914.8</b> | <b>48 300.1</b>             | <b>(3 385.3)</b> | <b>(7.5)</b> |

6. The reduced resource requirements of \$97,300 under military and police personnel are attributable primarily to the deployment of seven United Nations police officers from September 2011 to February 2012 compared to the budgetary provision for full deployment of eight police officers during the 2011/12 financial period, as well as lower cost of travel for deployment, rotation and repatriation, and reduced actual requirements for death and disability compensation claims.

7. The additional resource requirements of \$1,904,000 gross (\$1,744,300 net) under the international staff class of expenditure are attributable to (a) the classification of Field Service posts effective 1 March 2011, resulting in 33 posts classified one grade higher and 5 posts classified two grades higher, (b) the higher average actual post adjustment multiplier of 54.6 points from July 2011 to March 2012 compared to the budgeted post adjustment multiplier of 41.8 points, which was the actual rate in January 2011 at the time of the budget preparation, and (c) the projected average vacancy rate of 10 per cent for the 2011/12 financial period compared to the budgeted vacancy rate of 12 per cent as a result of the Mission's efforts to fill vacant posts.

8. The additional resource requirements of \$2,023,500 gross (\$1,853,800 net) under the national staff class of expenditure are attributable to (a) the classification of National Professional Officer and national General Service posts effective 1 March 2011, resulting in 92 national staff posts classified one grade higher and 12 national staff posts classified two grades higher, (b) the actual average grade and step level of the national General Service staffing establishment being higher than budgeted (G-5, step IX, before the classification exercise compared to the budgeted G-4, step VIII) owing to the Mission's significant reduction of staff since the 2008/09 financial period when staff with better qualifications and longer experience were retained, (c) the implementation of two consecutive revised national staff salary scales for Pristina effective 1 February 2011 (6.7 per cent increase) and 1 February 2012 (5.5 per cent increase), and (d) the lower actual average exchange rate of €0.733 per United States dollar during the first three quarters of the 2011/12 financial period compared to €0.764 per United States dollar applied in the budget, a

variance of 4.1 per cent, increasing expenditure for disbursement of national staff remuneration.

9. The reduced resource requirement of \$405,400 under operational costs is attributable to (a) cancellation of engineering projects under the facilities and infrastructure class of expenditure, such as the construction of a new entrance at the Mission's headquarters compound in Pristina, (b) restrictions in official travel, in particular for training and participation in conferences, purchasing tickets at least two weeks in advance and requesting United Nations agencies to participate in facilitation meetings on behalf of UNMIK in countries where there is a presence of United Nations agencies, (c) postponement of the planned outsourcing contract for heavy vehicles repair and maintenance under the ground transportation class of expenditure, (d) lower actual expenditure related to training consultants and lower cost of travel for the consultants on the Human Rights Advisory Panel, and (e) reduced requirements for medical supplies. The overall reduced requirements under operational costs were offset in part by additional requirements under the other supplies, services and equipment class of expenditure owing to the engagement of individual contractors to cover operational requirements of the Mission.

10. As at 19 April 2012, outstanding contributions to the Special Account for UNMIK amounted to \$39.5 million, representing 88 per cent of the 2011/12 appropriation. Owing to the delayed payment of outstanding contributions, cash on hand in the Mission's special account as at 19 April 2012 amounted to \$1.5 million, from a loan of \$22.5 million from closed peacekeeping missions which remains unpaid. The resulting three-month operating cash reserve deficit as at the same date amounted to \$33.7 million.

11. Under the exceptional circumstances addressed in the present note, the requested additional appropriation for UNMIK, with assessment, for the 2011/12 financial period is critical to ensuring the continued operation of the Mission in support of its mandate.

#### **Actions to be taken by the General Assembly**

12. **The action to be taken by the General Assembly in connection with the financing of the United Nations Interim Administration Mission in Kosovo is appropriation and assessment of the amount of \$3,385,300 for the maintenance of the Mission for the 12-month period from 1 July 2011 to 30 June 2012, in addition to the amount of \$44,914,800 already appropriated and assessed for the same period for the maintenance of the Mission under the terms of Assembly resolution 65/300.**