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**REPORT
OF THE COMMITTEE
ON CONTRIBUTIONS**

GENERAL ASSEMBLY

OFFICIAL RECORDS: TWENTY-EIGHTH SESSION

SUPPLEMENT No. 11 (A/9011)

UNITED NATIONS

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New York, 1973

NOTE

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I. MEMBERSHIP OF THE COMMITTEE

1. The thirty-third session of the Committee on Contributions was held at the Headquarters of the United Nations from 22 May to 15 June and from 19 to 21 September 1973. The following members were present:

Syed Amjad Ali

Mr. Joseph Quao Cleland

Mr. Richard V. Hennes

Mr. Angus J. Matheson

Mr. Santiago Meyer Picón

Mr. Takeshi Naito

Mr. Hussein Nur-Elmi

Mr. Stanislaw Raczkowski

Mr. Michel Rougé

Mr. V. S. Safronchuk

Mr. David Silveira da Mota

Mr. Wang Wei-tsai

Miss K. Whalley

The Committee re-elected Syed Amjad Ali as Chairman and Mr. Silveira da Mota as Vice-Chairman.

II. TERMS OF REFERENCE

2. Under General Assembly resolution 2654 (XXV) of 4 December 1970, the Committee on Contributions was instructed to review the scale of assessments in 1973 and to submit a report for the consideration of the General Assembly at its twenty-eighth session. At its twenty-seventh session, the General Assembly adopted resolutions 2961 B, C and D (XXVII) of 13 December 1972, in which it gave the Committee on Contributions certain specific directives for the establishment of the scale. In resolutions 2961 B, C and D (XXVII), the General Assembly also recalled the original terms of reference of the Committee on Contributions as adopted on 13 February 1946 (resolution 14 (1), paragraph (3) and the further directives given to the Committee in resolutions 238 (III) of 18 November 1948, 582 (VI) of 21 December 1951, 665 (VII) of 5 December 1952, 876 A (IX) of 4 December 1954, 1137 (XII) of 14 October 1957, 1927 (XVIII) of 11 December 1963, and 2118 (XX) of 21 December 1965. Those terms of reference and directives, including the texts of resolutions 2961 B, C and D (XXVII), are set out in the annex to the present report.

III. ORGANIZATION OF WORK

3. The Committee decided that the first matter to be considered was the implementation of resolution 2961 B (XXVII), regarding the maximum contribution in the scale of assessments.

4. The Committee noted that, during the discussion in the General Assembly at the twenty-seventh session, it had been emphasized that the expected admission of the Federal Republic of Germany and the German Democratic Republic to membership in the United Nations would afford an opportunity for a reduction of the United States assessment to 25 per cent without increasing the assessment rates of other Member States. When the thirty-third session of the Committee on Contributions opened, the constitutional requirements for the two German States to apply for membership in the United Nations were in the process of completion and it appeared a virtual certainty that these two States would become Members of the United Nations at the twenty-eighth session of the General Assembly. The Committee reached the conclusion, therefore, that it would be more practical to include the two German States in the draft scale of assessments for the years 1974-1976. The Committee considered, however, that it should not formally recommend the scale of assessments including the two German States until they became Members of the Organization and decided, therefore, to resume its session after that question had been settled.

IV. ADMISSION OF NEW MEMBERS

5. The General Assembly, at its 2117th plenary meeting on 18 September 1973, decided to admit the following States to membership in the United Nations:

The German Democratic Republic and The Federal Republic of Germany	Resolution 3050 (XXVIII)
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The Commonwealth of the Bahamas	Resolution 3051 (XXVIII)
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6. Under rule 162 of the rules of procedure of the General Assembly, 1/ the Committee on Contributions shall advise the General Assembly "on the assessments to be fixed for new Members"

7. Rates of assessment for the Bahamas, the German Democratic Republic and the Federal Republic of Germany are included in the scale of assessments recommended by the Committee for the years 1974, 1975 and 1976 in paragraph 46, and the assessment of the three new Members for the year of admission is dealt with in paragraph 48 of the present report.

1/ United Nations publication, Sales No.: E.72.I.13.

V. STATISTICAL INFORMATION

8. At the eighth session of the General Assembly, it was agreed in the Fifth Committee that Member States should be informed of the dates of the meetings of the Committee on Contributions as soon as these had been fixed, in order to ensure that Governments would submit the national income and other data in time for the Committee to take them into account in the formulation of its recommendations to the Assembly on the scale of assessments. In its report to the General Assembly at its twenty-seventh session, the Committee on Contributions announced that its next session would open on 22 May 1973. ^{2/} The Secretary-General, in a communication of 15 February 1973 addressed to Member States and to the non-member States referred to in paragraphs 49 and 50 below, confirmed the opening date of the session and asked Governments to make available, as soon as possible, any relevant supplementary data or information that they might wish to submit to the Committee on Contributions for consideration. In accordance with its usual practice, the Statistical Office of the United Nations had also requested Members and non-member States to submit for the use of the Committee on Contributions national income statistics. The data and supplementary information submitted in response to these requests were carefully studied and used in the current review of the scale.

9. For the purpose of drawing up a scale of assessments for the years 1974, 1975 and 1976, the Committee used the national accounts data of Member States covering the years 1969, 1970 and 1971. The Committee noted that, during recent years, a number of countries had been able to improve the quality and coverage of their estimates of national income and product and to publish revised estimates based on more adequate material. The statistical data provided by Member States for the base period were thus more comprehensive than for previous periods. From national sources of economic statistics, from regional economic surveys prepared by the regional economic commissions and also from reports of statistical experts provided under the technical co-operation programmes, valuable information has been obtained which made it possible to improve the methods of estimation for countries for which recent official figures are not yet available. In those cases where extrapolations from previous years were necessary, the publication of more detailed basic economic and financial statistics has ensured generally better estimates than in previous years. The Committee expressed appreciation of the progress made by Member States in improving the quality of their national accounts and of the work of the Secretariat in presenting and analysing the data for the use of the Committee. These data are of great importance to the committee in achieving an equitable scale of assessments.

10. As an improvement in comparability, the Committee has, since 1964, used net national products at market prices for all Member States (which is equal to the national income at market prices). This change was made primarily so that the data for those Members using the Material Product System of accounts could be more appropriately compared with data for Member States using a system of national accounts which included non-material products. For its current review of the scale, as the basis for its work, the Committee again used net national product at market prices.

2/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 11 (A/8711 and Corr.1), para. 43.

11. As mentioned in earlier reports, however, irrespective of the system of national accounts used, there remain various other institutional and economic factors, which prevent exact comparability of national accounts aggregates whether the comparisons are among Member States using the United Nations System of National Accounts (SNA) or the Material Product System (MPS) or between such systems. Most important of these general factors are the varied structures of prices within a State and the problems associated with the conversion of national accounts data to a common currency. The question remains whether these factors affecting comparability can be measured with sufficient precision in the present state of economic science. Further analysis and the exercise of judgement therefore continues to be part of the task of the Committee on Contributions.

12. In converting the 1969, 1970 and 1971 national income estimates of Member States into a common unit of measurement (that is, United States dollars) the Statistical Office of the United Nations used the following procedures. For those countries which, during that period, had a single fixed exchange rate system under the Articles of Agreement of the International Monetary Fund (IMF), the conversion rate used was the par value prevalent during each of the base years. In the case of those countries which changed their par values during any one or more of the base years, use was made for that year of a rate which was an average of the pre- and post-devaluation or revaluation rates weighted by the number of pre- and post-devaluation or revaluation days. For those countries which did not have a par value under the Articles of Agreement of IMF, but which had a single official fixed exchange rate during each year under review and reasonable price stability, the national income estimates in current prices were directly converted into United States dollars by the prevailing official exchange rates. In the case of those countries whose currencies were realigned in the course of 1971 without a formal devaluation or revaluation, the conversion rates used for 1971 were essentially monthly averages of the end-of-month effective rates as reported in the publication entitled International Financial Statistics of IMF. Within the group of countries employing multiple exchange rate systems, some countries experienced reasonable price stability in their domestic economies during the period. The national income estimates of the latter countries were converted into United States dollars by one of the exchange rates then in force. The choice of the particular rate was made after due consideration of various relevant factors, such as the relative importance of the rate of the external transactions of the country. Some countries in this category, on the other hand, experienced sharp price rises. It was found, however, that the adjustment in exchange rates in these countries kept pace in a general way with changes in internal prices. It was thus feasible to select from the existing exchange rates for each year a single rate that appeared appropriate for converting the national income estimates in current prices into United States dollars. For still other countries in this category, where no one individual rate in the multiple system seemed suitable for conversion of national income estimates of a given year, an average (weighted or simple) was taken of several individual rates which prevailed during the year; one variant of the weighted average rate was the ratio of value estimates of international trade for a given country in national currencies and in United States dollars. For the countries whose prices during the period did not bear a reasonable relationship to their respective exchange rates, either of the following two procedures was used: (a) national income estimates for the period under review were converted at "adjusted exchange rates", the latter being obtained by adjusting some selected year's exchange rate, believed to represent a reasonable approximation to the purchasing power ratio of the two countries, by the ratio of relative price changes of the two countries

since the base year; (b) when a national income series was available in constant prices of a year during which a reasonable exchange rate prevailed, estimates in constant prices for the period under review were converted at the exchange rate of the base year and were then adjusted to the current price basis by applying the change in the purchasing power of the United States dollar. In a few instances, national income estimates were derived directly in United States dollars from production data or estimates of national accounts figures expressed in terms of United States dollars.

13. The Committee reviewed, and generally approved, the methods used for converting the national income figures expressed in national currencies into United States dollars. It noted that further review of these methods would be necessary at the next examination of the scale, when the data would be affected by the unusually wide movements of exchange rates which began at the end of 1971.

VI. REVIEW OF THE SCALE OF ASSESSMENTS

14. The scale reviewed by the Committee at its current session totalled 100.24 per cent as a result of the General Assembly's decision, in resolutions 2762 (XXVI) of 8 November 1971 and 2961 A (XXVII), to add to the scale adopted by the General Assembly for the years 1971, 1972 and 1973 resolution 2654 (XXV), the rates of assessments for the six Members (Bahrain, Bhutan, Fiji, Oman, Qatar and the United Arab Emirates) admitted to the Organization at the twenty-fifth and twenty-sixth sessions of the General Assembly.

15. For its review of the scale, the Committee applied its original terms of reference in conjunction with the further directives given to it by the General Assembly, as referred to in paragraph 2 above, which may be summarized as follows:

(a) Under the Committee's original terms of reference adopted in 1946, the expenses of the United Nations should be apportioned broadly according to capacity to pay, and comparative estimates of national income were recommended as the fairest guide. The main factors to be taken into account to prevent anomalous assessments resulting from the use of comparative estimates of national income were:

- (i) Comparative income per head of population;
- (ii) Temporary dislocation of national economies arising out of the Second World War;
- (iii) The ability of Members to secure foreign currency.

(b) By the further directives given to the Committee, the Assembly has:

- (i) Established a ceiling on the rate of assessment of the highest contributor which, as a matter of principle, should not exceed 25 per cent of the total;
- (ii) Recognized that, in normal times, the per capita contribution of any Member State should not exceed the per capita contribution of the largest contributor;
- (iii) Requested the Committee to change the elements of the low per capita allowance formula so as to adjust it to the changing world economic conditions;
- (iv) Established a minimum rate of assessment of 0.02 per cent;
- (v) Requested that due attention be given to the developing countries in view of their special economic and financial problems.

A. Capacity to pay

16. As a basis for determining the relative capacities to pay of Member States in the scale for 1974-1976 now presented, the Committee, as previously mentioned, used averages of national income at market prices for the three years 1969-1971. Before the calculation of the scale of assessments, the Committee examined in detail the national income statistics made available to it for each Member State. For many countries, official estimates had been submitted by Governments for the three-year period. In the case of countries for which official figures were not available for the three base years, or for some of them, the Committee reviewed the methods of estimation and extrapolation used by the Statistical Office of the United Nations in the compilation of the data. The Committee also examined the rates of exchange used for the conversion of the national income figures expressed in national currencies into a common unit, namely, the United States dollars, particularly in the case of countries with multiple exchange rates systems.

17. The triennium 1969-1971, which was used as the base of the scale of assessments for 1974-1976, was one of economic progress in many Member States. The aggregate of the national incomes of Member States, expressed in their current dollars, increased by 28 per cent over the level of the previous triennium (1966-1968). Part of this increase was due to changes in price levels and exchange rates, which accounted for an increase of 14 per cent. When the changes in prices and exchange rates as compared with the earlier triennium were eliminated, the global volume of the national incomes in real terms was found to have increased by 12 per cent. Most Member States showed increases in the volume of national income close to the average of 12 per cent and only in a few cases exceeded that average.

18. The Committee considered the role played by changes in exchange rates and price levels in relation to the capacity to pay. When prices show a continuous rise in a country, the result is a corresponding increase in its national income expressed in current dollars, which is used by the Committee for assessment purposes. When the increase in prices has attained a height out of proportion to the price changes of other countries, mainly those of the country's trading partners, the tendency is for devaluation to take place. The devaluation then operates to reduce the figure of the country's national income expressed in current dollars and thus to restore the country to a lower figure in the scale of assessments. The opposite course of events, that is, a decrease in the country's price relative to the price levels of other countries, tends to compel a revaluation. Where the price rise and the consequent devaluation occur in the same triennium, the Committee's task is greatly simplified. Where this does not happen, care must be taken not to over-assess a given country for its pre-devaluation period. The Committee bore these considerations in mind in recommending changes in the scale.

19. At its session in 1971 and again in 1972, the Committee made a detailed examination of the question of taking account of differential price changes in relation to exchange rates. This study reaffirmed the importance of ensuring that countries showing inordinately large upward or downward relative price movements, not proportionately reflected in the rates of exchange, were not over-assessed or under assessed purely as a result of such relative price movements. As stated in its report to the General Assembly at its twenty-seventh session, the Committee decided that it would "continue to follow the practice in reviewing the

scale of assessments of paying particular attention to the effect of noticeable differential price changes in price levels in relation to exchange rates in individual cases". ^{3/} Consequently, in arriving at the scale now recommended, the Committee made certain adjustments designed to moderate the impact of inordinately high price movements on the national income data.

(i) Comparative income per head of population

20. In using national income statistics for measuring the relative capacity to pay of Member States, the Committee is required, under its original terms of reference, to take into account the factor "comparative income per head of population". A systematic allowance has been made for this factor from the inception of the Committee's work and, under the present formula, Member States with per capita income below \$1,000 receive for the purpose of assessment a reduction up to a maximum of 50 per cent in their national income figures used as a basis for the scale. It has also been the practice of the Committee to give special attention to the concession of relief, particularly to the countries with per capita income below \$300, as well as to a wider range of low per capita income countries.

21. The question of the allowance for low per capita income and the attention to be given to developing countries in view of their special economic and financial problems has continued to be the subject of discussion in the Committee on Contributions and in the Fifth Committee of the General Assembly. At its session in 1971 and again in 1972, the Committee on Contributions made in-depth studies of the allowance for low per capita income in the light of the various views expressed in the General Assembly. As a result of its detailed study of several variants in the allowance formula, the Committee, in its report to the General Assembly at its twenty-seventh session, expressed the view that:

"On the basis of the data available, it became apparent that changing the elements of the present allowance formula would be justified, particularly when account is taken of changes in the per capita income of Member States, of changes in value of the dollar over the past 25 years, and of the General Assembly's request for special attention to be given to developing countries". ^{4/}

22. This was the background for the adoption of resolution 2961 C (XXVII) in which the General Assembly:

"1. Reaffirms its previous directives to the Committee on Contributions regarding the additional recognition to be given to the low per capita income countries and the attention to be given to the developing countries in the calculation of their rates of assessment;

"2. Requests the Committee on Contributions, at its next review of the scale of assessments, to change the elements of the low per capita income allowance formula so as to adjust it to the changing world economic conditions."

^{3/} Ibid., para. 16.

^{4/} Ibid., para. 21.

23. At its current session, on the basis of national income statistics for the years 1969-1971, the Committee on Contributions again studied the effects on the scale of different variants of the allowance formula for low per capita income, as compared to the present formula. The Committee considered the two elements of the allowance formula: the upper limit for concession of relief and the maximum percentage allowance. It noted that, on the basis of data for 1969-1971, there are now 33 Member States with per capita income above the level of \$1,000. It also noted that the figure of \$1,000 per capita fixed in 1946 would be equivalent to more than twice that amount in terms of current United States prices. In considering the question of the upper limit, the Committee further took into account that, if the present limit of \$1,000 were maintained, countries with per capita income below that level might have increases in assessments not only because of the increases in their national income, but also because of a diminishing low per capita allowance as they approached the \$1,000 limit. For all these reasons and given the general increase in per capita incomes of Member States, the Committee considered it would be justified to raise the upper limit. The Committee reached the additional conclusion that, to meet more fully the General Assembly's request concerning the attention to be given to the developing countries, the maximum allowance should be increased from its present level of 50 per cent. The Committee examined in detail several variants in the allowance formula and found that the most effective way of providing progressive relief in the scale in the light of changing world economic conditions would be to adopt the formula of an upper limit of \$1,500 and a maximum reduction of 60 per cent. 5/

24. Throughout its deliberations, the Committee also considered the Fifth Committee's request, as contained in the following paragraph of its report to the General Assembly, at its twenty-seventh session 6/ which was endorsed by the Assembly at its 2108th plenary meeting:

"The Fifth Committee requested the Committee on Contributions, in granting relief to countries with low per capita income, to give additional attention to the less developed of the developing countries."

25. Whereas the adoption of the revised allowance formula reduced somewhat the need for the practice of making small downward adjustments in individual cases in the rates of the lowest per capita income countries, the Committee still re-examined the rates of assessment for the less developed of the developing countries and made small downward adjustments, as appropriate. In making adjustments, the Committee bore in mind throughout the basic principle of capacity to pay for the apportionment of the United Nations expenses.

5/ The method used for making allowance for low per capita income in the scale now recommended is in brief as follows: a deduction was made from the national income of each Member State with a per capita income below \$1,500. The difference between \$1,500 and a country's per capita income below \$1,500 is expressed as a percentage of \$1,500 and 60 per cent of that percentage is used to reduce the country's total national income for the purpose of assessment.

6/ Official Records of the General Assembly, Twenty-seventh Session, Annexes, agenda item 77, document A/8952, para. 13.

(ii) Mitigation of changes in the scale

26. In line with its usual procedure, as explained in earlier reports, the Committee examined in detail any large changes, upwards or downwards, in the rates of assessment of certain Member States as compared to the present scale. The Committee again found it advisable to adjust such changes in order to avoid too drastic shifts from one scale to another. In modifying the changes in rates of assessment, the Committee had to keep in mind, however, the effect of increasing the gap between the statistical rate and the actual rate of assessment either for a country with a rapidly expanding economy, or for one with less than average growth in its economy. Through special scrutiny of the basic statistical data, the Committee sought to assure, moreover, that the changes in rates of assessment would not be excessive and would be mitigated again to the extent compatible with the basic principle of capacity to pay.

(iii) Other factors

27. Two other factors specifically mentioned in the Committee's original terms of reference are "temporary dislocation of national economies arising out of the Second World War" and "the ability of Members to secure foreign currency". For the first of these factors, the Committee in earlier reports has confirmed its conclusion - accepted by the General Assembly - that it is no longer necessary to make any special allowance for this factor.

28. As regards the ability of Members to secure foreign currency, the Committee in earlier reports has explained the difficulties in devising any systematic and sound way of making allowance for payments difficulties in the determination of contribution rates for all Member States. It has been the practice of the Committee, however, to take into account available data on the servicing of the external debt of Member States in making small downward adjustments in individual assessments.

29. At its current session, the Committee on Contributions was provided with as comprehensive data as practicable bearing on this problem, and studied a series of data on the subject of external public debt. The data examined related to the years 1969-1971, which is the base period for the statistical data used for the computation of the scale. The Committee noted that there are wide variations among countries in the nature and extent of the external public debt, the terms on which the debt is serviced and in the relationship of debt servicing costs to export earnings. The Committee did not find it possible, however, to devise a method of making a systematic allowance for this factor and decided that it should continue the practice of taking into account, as appropriate, available data on the servicing of the external debt of Member States. In arriving at the scale now recommended, the Committee has paid particular attention to countries that had to devote a large portion of their foreign earnings to the servicing of foreign debts and has made downward adjustments in individual assessments for this factor.

30. In paragraph 66 below, the Committee refers to the arrangements made by the Secretary-General for the payment of part of Member States' contributions in currencies other than United States dollars. In view of the continued interest shown by Member States in the possibility of meeting part of their financial obligations to the United Nations in currencies other than dollars, the Committee recommends that the Secretary-General should be authorized to continue similar arrangements for the period 1974-1976.

B. Ceiling principle

31. The General Assembly, in resolution 2961 B (XXVII), decided that "as a matter of principle, the maximum contribution of any one Member State to the ordinary expenses of the United Nations shall not exceed 25 per cent of the total" and that the percentage contributions of any newly admitted Member States immediately upon their admission should, to the extent necessary, be utilized to reduce to 25 per cent the percentage contribution of the Member State paying the maximum contribution. The General Assembly further prescribed, in the same resolution, that the percentage contribution of Member States in the United Nations shall not in any case be increased as a consequence of that resolution.

32. The scale now presented includes the German Democratic Republic and the Federal Republic of Germany. As the percentage rates of assessment for these two new Members alone would be more than sufficient to reduce the United States assessment rate of 31.52 per cent in the 1973 scale to 25 per cent, the assessment rate of the largest contributor in the scale recommended for 1974-1976 has been reduced to that level. The Committee also ensured that the percentage contribution of no Member State was increased as a consequence of the implementation of the reduction in the maximum contribution.

C. Per capita ceiling principle

33. The per capita ceiling principle was laid down in resolution 238 A (III), in which the General Assembly recognized "that in normal times the per capita contribution of any Member should not exceed the per capita contribution of the Member which bears the highest assessment". This principle has been fully implemented in all scales since 1956.

34. During the discussion of the scale of assessments in the Fifth Committee at the twenty-seventh session of the General Assembly, the representatives of Canada and Denmark announced "that without breach of the per capita ceiling principle, their respective Governments had decided to forgo the benefits they would have derived from the implementation of that principle as a consequence of the lowering of the ceiling of the maximum contribution to 25 per cent". 7/ Subsequently, the Government of Sweden also informed the Committee that it had decided to take the same position and forgo the implementation of the per capita ceiling principle in respect of its assessment.

35. In drawing up the scale recommended for 1974-1976, the Committee took into account the position taken by the Governments of Canada, Denmark and Sweden and their rates of assessment have been determined without the application of the per capita ceiling principle. The rates of assessments affected by the implementation of that principle in the scale now submitted are those for Kuwait and the United Arab Emirates, which, as a consequence, are somewhat lower than they would otherwise have been. The General Assembly may wish to consider whether the changed situation brought about by the reduction of the maximum contribution may warrant re-examination of the per capita ceiling principle by the Committee at a subsequent session.

7/ Ibid., para. 22.

D. Floor

36. The General Assembly, in resolution 2961 D (XXVII), requested "the Committee on Contributions, in formulating the coming scale of assessment, to lower the floor from 0.04 per cent to 0.02 per cent to allow the adjustments necessary for the developing countries, in particular those with the lowest per capita income".

37. In the scale for 1974-1976, the Committee on Contributions has therefore reduced the rate of assessment to 0.02 per cent for all Member States whose national income statistics, after appropriate adjustments for low per capita income, justified the minimum rate of assessment.

E. Representation on individual assessments

38. During the discussion of the scale of assessments at the twenty-seventh session of the General Assembly, several delegations referred to the earlier decision of the Fifth Committee that:

"Special consideration should be given by the Committee on Contributions to the countries which had suffered heavy losses as a result of catastrophic natural disasters, which adversely affected their capacities to pay. Attention was drawn to the pertinent paragraphs of relevant reports on the matter. 8/ In this connexion the Fifth Committee took note of the statement of the Chairman of the Committee on Contributions that the Committee would give sympathetic consideration to the plight of the countries that had suffered major disasters". 9/

39. The Committee on Contributions had before it representations submitted by the Governments of Hungary, Romania and the Philippines giving statistical data and other information on the magnitude of the natural catastrophies suffered by their countries and the effects on their economies.

40. The Committee studied the statistical and economic data submitted by the three Governments on the damages caused by the natural disasters that had struck their countries, which showed the magnitude of these calamities. The Committee, in considering the individual assessments for the three countries on the basis of the national income statistics for the base period 1969-1971, took account of the effects of the natural disasters in question and made pertinent downward adjustments in their rates of assessment.

41. The Committee also received representations from the Khmer Republic, Nicaragua and the Sudan on special circumstances affecting the capacity to pay of their

8/ Ibid., Twenty-fifth Session, Annexes, agenda item 77, document A/8183, para. 5; ibid., Twenty-sixth Session, Supplement No. 11 (A/8411), para. 13; ibid., Twenty-sixth Session, Annexes, agenda item 80, document A/8489, paras. 2 and 5.

9/ Ibid., Twenty-seventh Session, Annexes, agenda item 77, document A/8952, para. 3.

countries. As these States are recommended for the minimum rate of assessment of 0.02 per cent, no further action was required.

F. Appeal for change in assessment

42. The Committee considered an appeal by Pakistan for a downward adjustment in its rate of assessment for 1973 in view of the fact that Pakistan's contribution to the regular budget of the United Nations for the years 1971-1973 was assessed on the basis of figures pertaining to both East and West Pakistan. The Committee noted that Pakistan had paid in full its contribution to the United Nations regular budget for 1972.

43. In paragraph 53 of the present report, the Committee has recommended rates of assessment at which Bangladesh, as a non-member State, shall be called upon to contribute to the 1973 expenses of the United Nations activities in which it participates, namely, the Economic Commission for Asia and the Far East (ECAFE), the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Industrial Development Organization (UNIDO). The Committee recommends that Pakistan's contribution for 1973 shall be reduced by the amounts that Bangladesh will be required to contribute to the United Nations budget for 1973 in respect of the United Nations activities in which it participates as a non-member State.

VII. SCALE OF ASSESSMENTS

44. The major factors causing changes in the recommended scale of assessments in comparison with the present scale were the following:

- (a) The admission of new Members;
- (b) The reduction of the assessment rate of the highest contributor;
- (c) The application of the new allowance formula for low per capita income countries;
- (d) The application of the new floor level;
- (e) The change in the Chinese assessment, from 4.00 per cent in the present scale to 5.50 per cent, as indicated by the Government of the People's Republic of China and accepted by the Committee;
- (f) Relative changes in the national economies of Member States.

45. The assessment rates of 12 Member States have been increased above the present scale; the assessment of three Member States have remained unchanged. All other Member States have received reductions in their assessments. Countries paying the lowest level of assessment of 0.02 per cent now number 70 in all.

46. The changes recommended in the scale by the Committee as a result of its review will be seen from the following table, in which are listed: (a) the present 1973 rates of assessment totalling 100.24; and (b) the scale of assessments recommended for the years 1974, 1975 and 1976.

Scale of assessments

<u>Member State</u>	(1)	(2)
	<u>Present scale</u>	<u>Scale recommended for 1974-1976</u>
Afghanistan	0.04	0.02
Albania	0.04	0.02
Algeria	0.09	0.08
Argentina	0.85	0.83
Australia	1.47	1.44
Austria	0.55	0.56
Bahamas		0.02
Bahrain	0.04	0.02
Barbados	0.04	0.02
Belgium	1.05	1.05
Bhutan	0.04	0.02
Bolivia	0.04	0.02
Botswana	0.04	0.02
Brazil	0.80	0.77
Bulgaria	0.18	0.14
Burma	0.05	0.03
Burundi	0.04	0.02
Byelorussian Soviet Socialist Republic	0.50	0.46
Cameroon	0.04	0.02
Canada	3.08	3.18
Central African Republic	0.04	0.02
Chad	0.04	0.02
Chile	0.20	0.14
China	4.00	5.50
Colombia	0.19	0.16
Congo	0.04	0.02
Costa Rica	0.04	0.02
Cuba	0.16	0.11
Cyprus	0.04	0.02
Czechoslovakia	0.90	0.89
Dahomey	0.04	0.02
Democratic Yemen	0.04	0.02
Denmark	0.62	0.63
Dominican Republic	0.04	0.02
Ecuador	0.04	0.02
Egypt	0.18	0.12
El Salvador	0.04	0.02
Equatorial Guinea	0.04	0.02
Ethiopia	0.04	0.02
Fiji	0.04	0.02
Finland	0.45	0.42
France	6.00	5.86
Gabon	0.04	0.02
Gambia	0.04	0.02
German Democratic Republic	-	1.22
Germany, Federal Republic of	-	7.10

<u>Member State</u>	(1)	(2)
	<u>Present scale</u>	<u>Scale recommended for 1974-1976</u>
Ghana	0.07	0.04
Greece	0.29	0.32
Guatemala	0.05	0.03
Guinea	0.04	0.02
Guyana	0.04	0.02
Haiti	0.04	0.02
Honduras	0.04	0.02
Hungary	0.48	0.33
Iceland	0.04	0.02
India	1.55	1.20
Indonesia	0.23	0.19
Iran	0.22	0.20
Iraq	0.07	0.05
Ireland	0.15	0.15
Israel	0.20	0.21
Italy	3.54	3.60
Ivory Coast	0.04	0.02
Jamaica	0.04	0.02
Japan	5.40	7.15
Jordan	0.04	0.02
Kenya	0.04	0.02
Khmer Republic	0.04	0.02
Kuwait	0.08	0.09
Laos	0.04	0.02
Lebanon	0.05	0.03
Lesotho	0.04	0.02
Liberia	0.04	0.02
Libyan Arab Republic	0.07	0.11
Luxembourg	0.05	0.04
Madagascar	0.04	0.02
Malawi	0.04	0.02
Malaysia	0.10	0.07
Maldives	0.04	0.02
Mali	0.04	0.02
Malta	0.04	0.02
Mauritania	0.04	0.02
Mauritius	0.04	0.02
Mexico	0.88	0.86
Mongolia	0.04	0.02
Morocco	0.09	0.06
Nepal	0.04	0.02
Netherlands	1.18	1.24
New Zealand	0.32	0.28
Nicaragua	0.04	0.02
Niger	0.04	0.02
Nigeria	0.12	0.10

<u>Member State</u>	(1)	(2)
	<u>Present scale</u>	<u>Scale recommended for 1974-1976</u>
Norway	0.43	0.43
Oman	0.04	0.02
Pakistan	0.34	0.14 <u>a/</u>
Panama	0.04	0.02
Paraguay	0.04	0.02
Peru	0.10	0.07
Philippines	0.31	0.18
Poland	1.41	1.26
Portugal	0.16	0.15
Qatar	0.04	0.02
Romania	0.36	0.30
Rwanda	0.04	0.02
Saudi Arabia	0.07	0.06
Senegal	0.04	0.02
Sierra Leone	0.04	0.02
Singapore	0.05	0.04
Somalia	0.04	0.02
South Africa	0.54	0.50
Spain	1.04	0.99
Sri Lanka	0.05	0.03
Sudan	0.04	0.02
Swaziland	0.04	0.02
Sweden	1.25	1.30
Syrian Arab Republic	0.04	0.02
Thailand	0.13	0.11
Togo	0.04	0.02
Trinidad and Tobago	0.04	0.02
Tunisia	0.04	0.02
Turkey	0.35	0.29
Uganda	0.04	0.02
Ukrainian Soviet Socialist Republic	1.87	1.71
Union of Soviet Socialist Republics	14.18	12.97
United Arab Emirates	0.04	0.02
United Kingdom of Great Britain and Northern Ireland	5.90	5.31
United Republic of Tanzania	0.04	0.02
United States of America	31.52	25.00
Upper Volta	0.04	0.02
Uruguay	0.07	0.06
Venezuela	0.41	0.32
Yemen	0.04	0.02
Yugoslavia	0.38	0.34
Zaire	0.04	0.02
Zambia	0.04	0.02
Grand Total	100.24	100.00

a/ Assessment rate excluding Bangladesh.

VII. ASSESSMENT OF NEW MEMBER STATES FOR THE YEAR OF ADMISSION

47. Regulation 5.8 of the Financial Regulations of the United Nations states that: "New Members shall be required to make a contribution for the year in which they become Members ...". In paragraph 4 of its resolution 69 (I) of 14 December 1946, the General Assembly resolved:

"That new Members be required to contribute to the annual budget of the year in which they are first admitted, at least 33 1/3 per cent of their percentage of assessment determined for the following year, applied to the budget for the year of their admission."

48. The Committee therefore recommends that the Bahamas, the German Democratic Republic and the Federal Republic of Germany, which became Members of the United Nations on 18 September 1973, shall contribute the prescribed minimum of one third of their assessment rates for 1974 applied to the same basis of assessment for 1973 as for other Member States.

IX. ASSESSMENT OF NON-MEMBER STATES

49. The General Assembly, in resolution 2654 (XXV) approved the following percentage rates at which States that are not Members of the United Nations, but which participate in certain of its activities, should be called upon to contribute towards the 1971, 1972 and 1973 expenses of such activities.

	<u>Percentage rates for 1971-1973</u>
Federal Republic of Germany	6.80
Holy See.	0.04
Liechtenstein	0.04
Monaco.	0.04
Republic of Korea	0.11
Republic of Viet-Nam.	0.07
San Marino.	0.04
Switzerland	0.84

As the Federal Republic of Germany became a Member of the United Nations on 18 September 1973, the Committee recommends that the amounts it is called upon to contribute under General Assembly resolution 2654 (XXV) towards the 1973 expenses of the United Nations activities in which it participated before becoming a Member shall be reduced by the same fraction as will be established for its contribution to the United Nations budget for 1973.

50. The German Democratic Republic, before it became a Member of the United Nations on 18 September 1973, participated in the United Nations activities shown below:

	<u>Date of participation</u>
Economic Commission for Europe.	4 January 1973
United Nations Conference on Trade and Development	22 February 1973

51. The Committee recommends that, for 1973, the German Democratic Republic shall be called upon to contribute towards the expenses of the above United Nations activities at the rate of 1.40 per cent, but that the amount of its contribution calculated on this basis shall be reduced by the same fraction as will be established for its contribution to the United Nations budget for 1973.

52. Bangladesh has participated in the following United Nations activities from the dates indicated below:

	<u>Date of participation</u>
Economic Commission for Asia and the Far East.	19 April 1973
United Nations Conference on Trade and Development	21 May 1972
United Nations Industrial Development Organization	11 December 1972

53. Recalling paragraphs 42 and 43 above, the Committee recommends that Bangladesh shall be called upon to contribute towards the 1973 expenses of UNCTAD and UNIDO at the percentage rate of 0.15 per cent and towards the 1973 expenses of ECAFE at the rate of three quarters of 0.15 per cent.

54. The Democratic People's Republic of Korea became a member of UNCTAD on 23 July 1973 and the Committee recommends that it shall be called upon to contribute towards the 1973 expenses of UNCTAD at the rate of one half of ~~xxx~~ 0.07 per cent.

55. The Committee's recommendations for the rates at which Bangladesh and the Democratic People's Republic of Korea shall contribute for 1973, as referred to in paragraphs 53 and 54 above, were based on General Assembly resolution 876 B (IX). In paragraph 9 of that resolution, the General Assembly decided that in connexion with countries eligible for membership in regional economic commissions, if such countries should become members in the course of the year, "they should be called upon to contribute an amount calculated, as from the quarter in which membership becomes effective ...".

56. The Committee also reviewed the rates at which non-member States should be called upon to contribute towards the 1974, 1975 and 1976 expenses of the United Nations activities in which they participated. It used for this purpose national income statistics for the years 1969-1971 adjusted by the application of the same allowance formula for low per capita income as for the assessment of Member States. In accordance with its usual practice, the percentage rates for non-member States were computed by relating the adjusted national income of each country to the combined adjusted income of those Members that are not subject to "ceiling", "floor" and "per capita ceiling" provisions. The percentage rates for non-member States are therefore calculated in accordance with the same basic principles as the assessment rates for Member States.

57. As a result of its review, the Committee recommends that the percentage rates at which non-member States may be called upon to contribute towards the 1974, 1975 and 1976 expenses of the activities in which they participate should be as follows:

Percentage rates
recommended for 1974-1976

Bangladesh	0.10
Democratic People's Republic of Korea	0.07
Holy See	0.02
Liechtenstein	0.02
Monaco	0.02
Republic of Korea	0.11
Republic of Viet-Nam	0.06
San Marino	0.02
Switzerland	0.82

58. The reduction of the percentage rate for Switzerland from its present level of 0.84 per cent to 0.82 per cent does not include the application of the per capita ceiling principle, which relates to the United Nations scale of assessments.

59. The United Nations activities, to the expenses of which the non-member States may be required to contribute for the years 1974, 1975 and 1976 on the basis of the rates recommended in paragraph 54 above, are the following:

(a) International Court of Justice:

Liechtenstein,
San Marino,
Switzerland;

(b) International control of narcotic drugs:

Liechtenstein,
Monaco,
Republic of Korea,
Republic of Viet-Nam,
Switzerland;

(c) Economic Commission for Asia and the Far East:

Bangladesh,
Republic of Korea,
Republic of Viet-Nam;

(d) Economic Commission for Europe:

Switzerland;

(e) United Nations Conference on Trade and Development:

Bangladesh,
Democratic People's Republic of Korea,
Holy See, ein,
Liechtenstein,
Monaco,
Republic of Korea,
Republic of Viet-Nam,
San Marino,
Switzerland;

(f) United Nations Industrial Development Organization:

Bangladesh,
Holy See,
Liechtenstein,
Monaco,
Republic of Korea,
Republic of Viet-Nam,
Switzerland.

60. In accordance with the procedure established by the General Assembly, the rates of assessment for non-member States are subject to consultation with the Governments concerned.

61. The Committee also draws the attention of the General Assembly to the possibility of using the rates specified in paragraph 57 above for any other United Nations activities in which non-member States might participate and to which they may be required to contribute.

X. OTHER MATTERS CONSIDERED BY THE COMMITTEE

A. Collection of contributions

62. Under the terms of reference, one of the functions of the Committee on Contributions is "to consider and report to the General Assembly on the action to be taken if Members fall into default with their contributions", and, in this connexion, "the Committee should advise the Assembly in regard to the application of Article 19 of the Charter", which provides as follows:

"A Member of the United Nations which is in arrears in the payment of its financial contributions to the Organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contribution due from it for the preceding two full years. The General Assembly may, nevertheless, permit such a Member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member."

63. The Committee took note of a report of the Secretary-General concerning the Member States that were in arrears in the payment of their contributions to the United Nations regular budget within the terms of Article 19 of the Charter.

64. The report of the Committee on this subject has been included in a separate communication of its Chairman to the Secretary-General.

B. Payment of contributions in currencies other than United States dollars

65. By resolution 2654 (XXV), the General Assembly authorized the Secretary-General, as in prior years, to accept, at his discretion and after consultation with the Chairman of the Committee on Contributions, a portion of the contribution of Member States for the financial years 1971, 1972 and 1973 in currencies other than United States dollars.

66. At its current session, the Committee on Contributions considered a report of the Secretary-General on the arrangements made for payment by Member States of the 1973 contributions in currencies other than United States dollars. This report showed that nine Member States availed themselves of the opportunity to pay in one or more of the non-United States currencies, in which payment was acceptable to the equivalent of \$12.2 million. The Committee noted that, in making the arrangements for payment of contributions in currencies other than United States dollars, the Secretary-General had, as recommended by the Fifth Committee, given absolute priority for payment in each currency to the country whose currency it was.

67. The Committee recommends that the Secretary-General should be authorized to make similar arrangement for the period 1974-1976 and that the arrangements should be made as comprehensive as possible.

C. Scale of contributions for specialized agencies

68. The General Assembly, in its resolution 311 B (IV) of 24 November 1949, authorized the Committee "to recommend or advise on the scale of contributions for a specialized agency if requested by that agency to do so".

69. At its session in 1950, the Committee on Contributions studied the procedure to be followed in implementing that resolution and, in its report to the General Assembly, 10/ explained in detail the procedures that it intended to follow. The main conclusion of the Committee, as stated in its report, was as follows:

"In making recommendations or tendering advice the Committee cannot, even in an indirect way, assume responsibility for the scale of contributions of a specialized agency. Nor does the Committee believe that it should, on behalf of any specialized agency, attempt to apply principles which are not similar to those on which the contributions of Members of the United Nations are based." 11/

The Committee also authorized the Secretariat to make available to the specialized agencies, upon their request, the basic statistical data used by the Committee for its review of the United Nations scale of assessments. Furthermore, the Committee has provided, at the request of specialized agencies, "theoretical probable percentage rates in the United Nations scale" for States that are not Members of the United Nations, but are members of such specialized agencies.

70. In considering the requests for advice received from the International Labour Organisation (ILO), the World Health Organization (WHO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Food and Agriculture Organization of the United Nations (FAO), the World Meteorological Organization (WMO) and the International Atomic Energy Agency (IAEA), the Committee decided to provide these agencies, as requested, with theoretical rates of assessments for States that are not Members of the United Nations, but are members of such agencies. The scale of assessments recommended by the Committee for the apportionment of the expenses of the United Nations among its Members for the years 1974, 1975 and 1976 reflects the implementation by the Committee of the directives given to it by the Assembly in those resolutions and may be used, if a specialized agency should so decide, in the establishment of the scale of such agency. The Committee decided that it should give no other advice on the interpretation and implementation of General Assembly resolutions 2961 B, C and D (XXVII) in relation to the scales of specialized agencies.

D. Statements requested by the Fifth Committee

71. In the Fifth Committee at the twenty-fifth session of the General Assembly, reference was made to the statements annexed to the 1969 report of the Committee on Contributions 12/ and it was suggested that arrangements be made for similar statements to be prepared for inclusion in future reports by the Committee.

10/ Ibid., Fifth Session, Supplement No. 13 (A/1330), paras. 22-26.

11/ Ibid., para. 22.

12/ Ibid., Twenty-fourth Session, Supplement No. 11 (A/7611 and Corr.1), annex II.

72. Accordingly, the Committee has arranged for such statements listing assessments and voluntary contributions paid by Member States in each of the years 1971 and 1972 to be issued as an addendum to the present report.

E. Date of the next session of the Committee

73. If a meeting is required in 1974, the Committee decided to open its next session on 30 April 1974.

XI. RECOMMENDATION OF THE COMMITTEE ON CONTRIBUTIONS

74. The Committee on Contributions recommends to the General Assembly the adoption of the following draft resolution:

Scale of assessments for the apportionment of the expenses of the United Nations

The General Assembly

Resolves that:

(a) The scale of assessments for Member States' contributions to the United Nations budget for the financial years 1974, 1975 and 1976 shall be as follows:

<u>Member State</u>	<u>Per cent</u>
Afghanistan	0.02
Albania	0.02
Algeria	0.08
Argentina	0.83
Australia	1.44
Austria	0.56
Bahamas	0.02
Bahrain	0.02
Barbados	0.02
Belgium	1.05
Bhutan	0.02
Bolivia	0.02
Botswana	0.02
Brazil	0.77
Bulgaria	0.14
Burma	0.03
Burundi	0.02
Byelorussian Soviet Socialist Republic	0.46
Cameroon	0.02
Canada	3.18
Central African Republic	0.02
Chad	0.02
Chile	0.14
China	5.50
Colombia	0.16
Congo	0.02
Costa Rica	0.02
Cuba	0.11
Cyprus	0.02
Czechoslovakia	0.89
Dahomey	0.02

Member StatePer cent

Democratic Yemen	0.02
Denmark	0.63
Dominican Republic	0.02
Ecuador	0.02
Egypt	0.12
El Salvador	0.02
Equatorial Guinea	0.02
Ethiopia	0.02
Fiji	0.02
Finland	0.42
France	5.86
Gabon	0.02
Gambia	0.02
German Democratic Republic	1.22
Germany, Federal Republic of	7.10
Ghana	0.04
Greece	0.32
Guatemala	0.03
Guinea	0.02
Guyana	0.02
Haiti	0.02
Honduras	0.02
Hungary	0.33
Iceland	0.02
India	1.20
Indonesia	0.19
Iran	0.20
Iraq	0.05
Ireland	0.15
Israel	0.21
Italy	3.60
Ivory Coast	0.02
Jamaica	0.02
Japan	7.15
Jordan	0.02
Kenya	0.02
Khmer Republic	0.02
Kuwait	0.09
Laos	0.02
Lebanon	0.03
Lesotho	0.02
Liberia	0.02
Libyan Arab Republic	0.11
Luxembourg	0.04

<u>Member State</u>	<u>Per cent</u>
Madagascar	0.02
Malawi	0.02
Malaysia	0.07
Maldives	0.02
Mali	0.02
Malta.	0.02
Mauritania	0.02
Mauritius	0.02
Mexico	0.86
Mongolia	0.02
Morocco.	0.06
Nepal.	0.02
Netherlands.	1.24
New Zealand	0.28
Nicaragua.	0.02
Niger.	0.02
Nigeria	0.10
Norway	0.43
Oman	0.02
Pakistan	0.14
Panama	0.02
Paraguay	0.02
Peru	0.07
Philippines.	0.18
Poland	1.26
Portugal	0.15
Qatar.	0.02
Romania.	0.30
Rwanda	0.02
Saudi Arabia	0.06
Senegal.	0.02
Sierra Leone	0.02
Singapore.	0.04
Somalia.	0.02
South Africa	0.50
Spain	0.99
Sri Lanka.	0.03
Sudan.	0.02
Swaziland.	0.02
Sweden	1.30
Syrian Arab Republic	0.02
Thailand	0.11
Togo	0.02
Trinidad and Tobago.	0.02
Tunisia.	0.02
Turkey	0.29

<u>Member State</u>	<u>Per cent</u>
Uganda	0.02
Ukrainian Soviet Socialist Republic.	1.71
Union of Soviet Socialist Republics.	12.97
United Arab Emirates	0.02
United Kingdom of Great Britain and Northern Ireland . .	5.31
United Republic of Tanzania.	0.02
United States of America	25.00
Upper Volta.	0.02
Uruguay.	0.06
Venezuela.	0.32
Yemen.	0.02
Yugoslavia	0.34
Zaire.	0.02
Zambia	0.02
	<hr/>
	100.00

(b) Subject to rule 161 of the rules of procedure of the General Assembly, the scale of assessments given in paragraph (a) above shall be reviewed by the Committee on Contributions in 1976, when a report shall be submitted for the consideration of the Assembly at its thirty-first session;

(c) Notwithstanding the terms of regulation 5.5 of the Financial Regulations of the United Nations, the Secretary-General shall be empowered to accept, at his discretion and after consultation with the Chairman of the Committee on Contributions, a portion of the contributions of Member States for the financial years 1974, 1975 and 1976 in currencies other than United States dollars;

(d) For the financial year 1973, the Bahamas, the German Democratic Republic and the Federal Republic of Germany, which became Members of the United Nations on 18 September 1973, shall contribute amounts equal to one third of 0.02 per cent, 1.22 per cent and 7.10 per cent, respectively, applied to the same basis of assessment for 1973 as for other Member States;

(e) Notwithstanding the provisions of resolution 2654 (XXV), paragraph (d), the amount that the Federal Republic of Germany is called upon to contribute towards the 1973 expenses of the United Nations activities in which it participated before admission to membership shall be reduced by one third;

(f) Subject to rule 161 of the rules of procedure of the General Assembly, States which are not Members of the United Nations but which participate in certain of its activities shall be called upon to contribute towards the 1974, 1975 and 1976 expenses of such activities on the basis of the following rates:

<u>Non-member State</u>	<u>Per cent</u>
Bangladesh	0.10
Democratic People's Republic of Korea. . .	0.07
Holy See	0.02
Liechtenstein.	0.02

<u>Non-member State</u>	<u>Per cent</u>
Monaco	0.02
Republic of Korea.	0.11
Republic of Viet-Nam	0.06
San Marino	0.02
Switzerland.	0.82

the following countries being called upon to contribute:

(i) To the International Court of Justice:

Liechtenstein,
San Marino,
Switzerland;

(ii) To the international control of narcotic drugs:

Liechtenstein,
Monaco,
Republic of Korea,
Republic of Viet-Nam,
Switzerland;

(iii) To the Economic Commission for Asia and the Far East:

Bangladesh,
Republic of Korea,
Republic of Viet-Nam;

(iv) To the Economic Commission for Europe:

Switzerland;

(v) To the United Nations Conference on Trade and Development:

Bangladesh,
Democratic People's Republic of Korea,
Holy See,
Liechtenstein,
Monaco,
Republic of Korea,
Republic of Viet-Nam,
San Marino,
Switzerland;

(vi) To the United Nations Industrial Development Organization:

Bangladesh,
Holy See,
Liechtenstein,
Monaco,
Republic of Korea,
Republic of Viet-Nam,
Switzerland;

(g) Bangladesh shall be called upon to contribute towards the 1973 expenses of the United Nations activities in which it has participated from the dates indicated below at the following rates:

	<u>Date of participation</u>	<u>Rate for 1973</u>
United Nations Conference on Trade and Development	21 May 1972	0.15 per cent
United Nations Industrial Development Organization	11 December 1972	0.15 per cent
Economic Commission for Asia and the Far East	19 April 1973	3/4 of 0.15 per cent

(h) The German Democratic Republic, which became a member of the Economic Commission for Europe on 4 January 1973 and has participated in the United Nations Conference on Trade and Development since 22 February 1973, shall be called upon to contribute towards the 1973 expenses of these United Nations activities at the rate 1.40 per cent, but the amount thus calculated shall be reduced by the fraction of one third established for its contribution to the United Nations budget for 1973 as a Member of the United Nations under paragraph (d) of the present resolution;

(i) The Democratic People's Republic of Korea, which became a member of the United Nations Conference on Trade and Development on 23 July 1973, shall be called upon to contribute towards the 1973 expenses of the Conference at the rate of half of 0.07 per cent;

(j) Notwithstanding the provision of General Assembly resolution 2654 (XXV), paragraph (a), the contribution of Pakistan for 1973 shall be reduced by the amounts that Bangladesh is called upon to contribute towards the 1973 expenses of the United Nations activities in which it participates as established under paragraph (g) of the present resolution.

ANNEX

TERMS OF REFERENCE OF THE COMMITTEE

A. Original terms of reference

The original terms of reference of the Committee on Contributions are contained in chapter IX, section 2, paragraphs 13 and 14, of the report of the Preparatory Commission of the United Nations a/ and in the report of the Fifth Committee of 11 February 1946, b/ and were adopted at the first part of the first session of the General Assembly on 13 February 1946 (resolution 14 (I) para. 3).

The relevant paragraphs of the report of the Preparatory Commission incorporating the amendments of the Fifth Committee are as follows:

"The apportionment of expenses

"...

"13. The expenses of the United Nations should be apportioned broadly according to capacity to pay. It is, however, difficult to measure such capacity merely by statistical means, and impossible to arrive at any definite formula. Comparative estimates of national income would appear prima facie to be the fairest guide. The main factors which should be taken into account in order to prevent anomalous assessments resulting from the use of comparative estimates of national income include:

"(a) Comparative income per head of population;

"(b) Temporary dislocation of national economies arising out of the Second World War;

"(c) The ability of Members to secure foreign currency.

"Two opposite tendencies should also be guarded against: some Members may desire unduly to minimize their contributions, whereas others may desire to increase them unduly for reasons of prestige. If a ceiling is imposed on contributions the ceiling should not be such as seriously to obscure the relation between a nation's contributions and its capacity to pay". The Committee should be given discretion to consider all data relevant to capacity to pay and all other pertinent factors in arriving at its

a/ Report of the Preparatory Commission of the United Nations (PC/20).

b/ Official Records of the General Assembly, First part of the First Session Plenary meetings, annex 19 (A/44).

recommendations. Once a scale has been fixed by the General Assembly it should not be subjected to a general revision for at least three years or unless it is clear that there have been substantial changes in relative capacities to pay.

"14. Other functions of the Committee would be:

"(a) To make recommendations to the General Assembly on the contributions to be paid by new Members;

"(b) To consider and report to the General Assembly on appeals by Members for a change of assessment; and

"(c) To consider and report to the General Assembly on the action to be taken if Members fall into default with their contributions.

"In connexion with the latter, the Committee should advise the Assembly in regard to the application of Article 19 of the Charter."

B. Resolution 238 A (III) adopted by the General Assembly
on 18 November 1948

"The General Assembly,

"Recognizing

"(a) That in normal times no one Member State should contribute more than one-third of the ordinary expenses of the United Nations for any one year,

"(b) That in normal times the per capita contribution of any Member should not exceed the per capita contribution of the Member which bears the highest assessment,

"(c) That the Committee on Contributions needs for its work more adequate statistical data,

"Accordingly

"1. Reaffirms the terms of reference of the Committee on Contributions accepted by the General Assembly in its resolution of 13 February 1946 (resolution 14 (I), A, paragraph 3);

"2. Calls upon Member States to assist the Committee on Contributions by providing the available statistics and other information essential to its work;

"3. Accepts the principle of a ceiling to be fixed on the percentage rate of contributions of the Member State bearing the highest assessment;

"4. Instructs the Committee on Contributions, until a more permanent scale is proposed for adoption, to recommend how additional contributions resulting from (a) admission of new Members, and (b) increases in the relative

capacity of Members to pay, can be used to remove existing maladjustments in the present scale or otherwise used to reduce the rates of contributions of present Members;

"5. Decides that when existing maladjustments in the present scale have been removed and a more permanent scale is proposed, as world economic conditions improve, the rate of contribution which shall be the ceiling for the highest assessment shall be fixed by the General Assembly."

C. Resolution 582 (VI) adopted by the General Assembly
on 21 December 1951

"The General Assembly,

"...

"Resolves:

"...

"3. That the review to be undertaken in 1952 by the Committee on Contributions shall be based on the General Assembly resolutions c/ relating to the criteria for determining the scale of assessments, on the views expressed by Members during the sixth session of the General Assembly, and on rule 159 of the rules of procedure of the General Assembly, with particular attention to countries with low per capita income which requires special consideration in this connexion;"

D. Resolution 665 (VII) adopted by the General Assembly
on 5 December 1952

"The General Assembly,

"...

"1. Notes with satisfaction the action taken by the Committee on Contributions to implement the recommendations of General Assembly resolution 582 (VI) of 21 December 1951 by giving additional recognition to countries with low per capita income, and urges the Committee to continue to do so in the future;

"2. Instructs the Committee on Contributions to defer further action on the per capita ceiling until new Members are admitted or substantial improvement in the economic capacity of existing Members permits the adjustments to be gradually absorbed in the scale;

"3. Decides that from 1 January 1954 the assessment of the largest contributor shall not exceed one-third of total assessments against Members;"

c/ See General Assembly resolutions 14 A (I), 69 (I) and 238 A (III).

E. Resolution 876 A (IX) adopted by the General Assembly
on 4 December 1954

"The General Assembly,

"1. Reaffirms the decision d/ of the General Assembly at its seventh session to defer further action on the per capita ceiling until new Members are admitted or substantial improvement in the economic capacity of existing Members permits the adjustments to be gradually absorbed in the scale of assessments:

"2. Reaffirms resolution 582 (VI) of 21 December 1951, by which the Committee on Contributions was requested to give additional recognition to countries with low per capita income, and instructs the Committee to continue to do so in the future;

"3. Instructs the Committee on Contributions to apply the decision referred to in paragraph 1. above to future scales of assessments, so that the percentage contributions of those Members subject to the per capita principle will be frozen against any increase over the level approved for the 1955 budget until they reach per capita parity with the highest contributor and that downward adjustments will occur when the conditions cited in resolution 665 (VII) of 5 December 1952 have been fulfilled or changes in relative national incomes warrant lower assessments."

F. Resolution 1137 (XII) adopted by the General Assembly
on 14 October 1957

"The General Assembly,

"Recalling its resolution 14 (I) of 13 February 1946, 238 (III) of 18 November 1948 and 665 (VII) of 5 December 1952, regarding the apportionment of the expenses of the United Nations among its Members and the fixing of the maximum contribution of any one Member State,

"Noting that, when the maximum contribution of any one Member State was fixed at 33.33 per cent effective 1 January 1954, the United Nations consisted of sixty Member States,

"Noting further that, since 1 January 1954, twenty-two States have been admitted to membership in the United Nations,

"Recalling its resolution 1087 (XI) of 21 December 1956, whereby the percentage contributions of the first sixteen new Member States admitted since 1 January 1954 were incorporated into the regular scale of assessments for 1956 and 1957 and were applied to reduce the percentage contributions of all Member States except that of the highest contributor and those of the Member States paying minimum assessments,

d/ Resolution 665 (VII).

"Noting that there are now six new Member States - Ghana, Japan, Malaya (Federation of), Morocco, Sudan and Tunisia - whose percentage contributions have not yet been fixed by the Committee on Contributions or incorporated into the 100 per cent scale of assessments,

"Decides that:

"1. In principle, the maximum contribution of any one Member State to the ordinary expenses of the United Nations shall not exceed 30 per cent of the total;

"...

"3. The Committee on Contributions shall take the following steps in preparing scales of assessment for 1958 and subsequent years:

"(a) The percentage contributions fixed by the Committee on Contributions for Ghana, Japan, Malaya (Federation of), Morocco, Sudan and Tunisia for 1958 shall be incorporated into the 100 per cent scale for 1958; this incorporation shall be accomplished by applying the total amount of the percentage contributions of the six Member States named above to a pro rata reduction of the percentage contributions of all Members except those assessed at the minimum rate, taking into account the per capita ceiling principle and any reductions which may be required as a result of a review by the Committee on Contributions, at its session commencing 15 October 1957, of appeals from recommendations made previously by that Committee;

"(b) During the three-year period of the next scale of assessments (1959-1961), further steps to reduce the share of the largest contributor shall be recommended by the Committee on Contributions when new Member States are admitted;

"(c) The Committee on Contributions shall thereafter recommend such additional steps as may be necessary and appropriate to complete the reduction;

"(d) The percentage contribution of Member States shall not in any case be increased as a consequence of the present resolution."

G. Resolution 1927 (XVIII) adopted by the General Assembly
on 11 December 1963

"The General Assembly,

"...

"2. Requests the Committee on Contributions, in calculating rates of assessment, to give due attention to the developing countries in view of their special economic and financial problems;"

11. Resolution 2116 (XX) adopted by the General Assembly
on 21 December 1965

"The General Assembly,

"...

"2. Notes with appreciation the action taken by the Committee on Contributions to meet the request made in General Assembly resolution 1927 (XVIII) with respect to the attention due to the developing countries, and requests the Committee, in calculating rates of assessments, to continue its efforts to give due attention to the situation of those countries in view of their special economic and financial problems."

I. Resolutions 2961 B (XXVII) adopted by the General Assembly
on 13 December 1972

"The General Assembly,

"Recalling its resolution 14 (I) of 13 February 1946, 238 (III) of 18 November 1948, 665 (VII) of 5 December 1952 and 1137 (XII) of 14 October 1957 relating to the apportionment of the expenses of the United Nations among its Members and the fixing of the maximum contribution of any one Member State,

"Affirming that the capacity of Member States to contribute towards the payment of the ordinary expenses of the United Nations is a fundamental criterion on which scales of assessment are based,

"Noting that, when it was decided by the General Assembly in 1957 that, in principle, the maximum contribution of any one Member State to the ordinary expenses of the United Nations should not exceed 30 per cent of the total, the United Nations consisted of eighty-two Member States.

"Noting further that, since the General Assembly decision of 1957, fifty States have been admitted to membership in the United Nations,

"Recalling that, since the General Assembly decision of 1957, there has been a reduction in the percentage contribution of the State paying the maximum contribution from 33.33 per cent to 31.52 per cent;

"Decides that:

"(a) As a matter of principle, the maximum contribution of any one Member State to the ordinary expenses of the United Nations shall not exceed 25 per cent of the total;

"(b) In preparing scales of assessment for future years, the Committee on Contributions shall implement subparagraph (a) above as soon as practicable so as to reduce to 25 per cent the percentage contribution of the Member State paying the maximum contribution, utilizing for this purpose to the extent necessary:

"(i) The percentage contributions of any newly admitted Member States immediately upon their admission;

"(ii) The normal triennial increase in the percentage contributions of Member States resulting from increases in their national incomes;

"(c) Notwithstanding subparagraph (b) above, the percentage contribution of Member States shall not in any case in the United Nations, the specialized agencies or the International Atomic Energy Agency be increased as a consequence of the present resolution."

J. Resolution 2961 C (XXVII) adopted by the General Assembly on 13 December 1972

"The General Assembly,

"Recalling its resolutions 582 (VI) of 21 December 1951, 665 (VII) of 5 December 1952, 876 A (IX) of 4 December 1954, 1927 (XVIII) of 11 December 1963 and 2118 (XX) of 21 December 1965 relating to the additional recognition to be given to low per capita income countries and to the attention to be given to the developing countries in the calculation of their rates of assessment,

"Having considered the report of the Committee on Contributions on its thirty-second session, e/

"Noting the views of the Committee on Contributions on the question of allowance for low per capita income, expressed in paragraph 21 of its report,

"1. Reaffirms its previous directives to the Committee on Contributions regarding the additional recognition to be given to the low per capita income countries and the attention to be given to the developing countries in the calculation of their rates of assessment;

"2. Requests the Committee on Contributions, at its next review of the scale of assessments, to change the elements of the low per capita income allowance formula so as to adjust it to the changing world economic conditions."

K. Resolution 2961 D (XXVII) adopted by the General Assembly on 13 December 1972

"The General Assembly,

"Recalling its resolutions 582 (VI) of 21 December 1951, 665 (VII) of 5 December 1952, 876 A (IX) of 4 December 1954, 1927 (XVIII) of 11 December 1963 and 2118 (XX) of 21 December 1965 relating to the attention and recognition

e/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 11 (A/8711 and Corr.1 and Add.1).

to be accorded by the Committee on Contributions to the countries with low per capita income when calculating the rates of their assessment, in view of their economic and financial problems,

"Noting that the ceiling for the highest contribution has been lowered twice and that the per capita ceiling principle has been fully implemented since 1956, but that the floor for minimum contribution set at 0.04 per cent has not been lowered since 1946, in spite of the increase in the membership of the United Nations and other factors,

"Taking into consideration that the allowance formula was benefiting mainly those developing countries with assessments higher than the floor and that the countries with the lowest per capita income, including the least developed among the developing countries, were not benefiting from any recommendations in favour of the developing countries in this respect, because of the rigidity of the fixed floor,

"1. Reaffirms that due regard should be accorded to the developing countries, especially those with the lowest per capita income, to help them meet their priorities at home and to help them offset the inflationary trends continuously affecting their payments in dollar terms;

"2. Requests the Committee on Contributions, in formulating the coming scale of assessment to lower the floor from 0.04 per cent to 0.02 per cent to allow the adjustments necessary for the developing countries, in particular those with the lowest per capita income."

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