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COMMITTEE ON CONTRIBUTIONS  
Thirty-seventh session  
New YorkSUMMARY OF SUGGESTIONS AND PROPOSALS FOR NEW CRITERIA  
AND PROCEDURES FOR THE FORMULATION OF FUTURE SCALES OF  
ASSESSMENTS, AS CONTAINED IN THE REPORT OF THE FIFTH  
COMMITTEE (A/31/427)Note by the Secretary-General

1. In adopting resolution 31/95 B of 14 December 1976, the General Assembly decided that in drawing up future scales of assessments, the Committee on Contributions should, inter alia, take into account "the debate under agenda item 100 in the Fifth Committee during the thirty-first session of the General Assembly, especially the concerns expressed regarding steep increases in the rates of individual assessments". 1/

2. A complete account of that debate is contained in the report of the Fifth Committee to the General Assembly (A/31/427). However, for ease of reference, there is reproduced below a summary of the principal suggestions and proposals advanced by representatives of those Member States opposing present criteria and procedures followed in the formulation of scales of assessments (A/31/427, para. 14):

"(a) As long as the gap between developed and developing countries, adequately documented by statistics, continued to increase, the total percentage of the budget borne by the developing countries should not be increased; or, as was also suggested, increased contributions of developing countries with rising national incomes should be devoted entirely to the needs of other developing countries; 2/

"(b) Increases between scales should not exceed a fixed percentage (proposals in this regard ranged from 10 to 20 per cent); 3/

1/ Para. (c) (v) of General Assembly resolution 31/95 B.

2/ See document A/CN.2/R.372 for classification of countries by groups.

3/ See document A/CN.2/R.371 for past practice of the Committee.

"(c) The concept of a minimum rate should be re-examined with a view to lowering the floor or to apportioning along the lines of the special scale established for peace-keeping operations (the representative of Nepal considered the principle of a minimum rate to be inequitable and proposed that his country, like any other, be assessed on the basis of its capacity to pay);

"(d) Recognition should be given to the special financial obligations of the permanent members of the Security Council, as in the case of peace-keeping operations, or, as the representative of Japan proposed, by imposing a lower limit to their rates of assessment or an upper limit to the rates of Member States not permanent members of the Council;

"(e) In the case of developing countries with commodity-oriented economies or non-renewable raw materials, account should be taken of the effect on their capacity to pay of sharp declines in export prices and of the increasing price of imports; 4/

"(f) The evaluation of a country's capacity to pay should not only be based on national income but also on other indices of national wealth and welfare (an approximate indicator of national wealth, it was suggested by the representative of Japan, might be the aggregate of the net national product, adjusted by the net national welfare, over the preceding 10 or 20 years); 4/

"(g) The per capita income formula, which was presently applied by way of granting relief to low per capita income countries, should be applied to all Member States, as was the case with systems of progressive income tax; or, as was also suggested, consideration should be given to establishing a high per capita income extra assessment in order to avoid large reductions in the assessments of developed countries;

"(h) In order to avoid sharp fluctuations in rates of assessment between triennial scales, new scales should be developed annually, possibly based on three-year reference periods (it was also suggested by two delegations that the scale should correspond with the budgetary cycle);

"(i) In addition to its net national product, the determination of a Member's capacity to pay should take account of its relative level or stage of development, its source of income (including the depletability of that income), its access to foreign exchange, its economic and social status, the wealth pattern of its people in relation to development, the extent of illiteracy, per capita production and consumption of energy, the value and amount of primary commodities produced and consumed, the value and amount of production of basic industries and funds allocated for technical and scientific research, cereal production and consumption and structure of foreign trade; 4/

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4/ See document A/CN.2/R.370.

"(j) Consideration should be given to the adverse effects of aggression and territorial occupation by foreign troops and to the damage suffered by newly independent countries during colonial rule;

"(k) In assessing Members' capacity to pay, account should be taken of their respective military expenditures; 4/

"(l) A study should be undertaken as to whether higher assessments in the new scale would affect voluntary contributions to international organizations as well as foreign aid by developing countries."

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