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COMMITTEE ON CONTRIBUTIONS  
Thirty-third session

REQUESTS FOR ADVICE RECEIVED FROM SPECIALIZED AGENCIES

Report of the Secretary-General

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

2. 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 1/ 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." 2/

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 rate in the United Nations scale" for States that are not Members of the United Nations but members of such specialized agencies.

3. In line with the usual procedure, the specialized agencies have been informed of the dates fixed for the current session of the Committee on Contributions.

1/ Official Records of the General Assembly, Fifth Session, Supplement No. 13 (A/1330), paras. 22-26.

2/ Ibid., para. 22.

Requests for the advice of the Committee on various matters have been received from several of the specialized agencies as set out in the following paragraphs of the present report.

Theoretical probable percentage rates of assessment

4. The specialized agencies listed below have asked for the advice of the Committee on theoretical probable percentage rates of assessment for Bangladesh and the German Democratic Republic:

<u>Specialized agency</u>	<u>Bangladesh</u>	<u>German Democratic Republic</u>
	<u>Date of admission</u>	<u>Date of admission</u>
World Health Organization (WHO)	19 May 1972	8 May 1973
United Nations Educational, Scientific and Cultural Organization (UNESCO)	19 October 1972	21 November 1972
International Atomic Energy Agency (IAEA)	September 1972	(Expects application for membership)
Food and Agriculture Organization (FAO)	(Applied for membership)	-
World Meteorological Organization (WMO)	(Asked for prospective rate)	(Asked for prospective rate)

In connexion with a rate of assessment for Bangladesh, the requests received from WHO and IAEA contained the following information.

WHO (letter of 20 February 1973)

"Upon admission of Bangladesh to membership of WHO on 19 May 1972, the Twenty-fifth World Health Assembly decided, in resolution WHA25.52,III that Bangladesh shall be assessed for the year 1972 and future years at a rate to be fixed by the World Health Assembly as and when the theoretical probable percentage rate of assessment has been established by the United Nations Committee on Contributions."

IAEA (letter of 16 February 1973)

"As you will recall, during the past year we have exchanged several letters with respect to the Agency's need for an official indication of the scale to be used for Pakistan and Bangladesh as separate nations. Bangladesh became an official member of the Agency last September, and as you suggested in your letter of 30 August 1972 we have assessed Bangladesh on a provisional basis for 1972 and 1973 using a base rate of 0.04 per cent as was done by WHO under similar conditions. It would now be helpful if the Committee could provide us with the appropriate separate scale in order that we may reflect existing membership conditions in our next Scale of Assessment paper which we must prepare for issuance to the next General Conference for action in September 1973."

Implementation of General Assembly resolution 2961 (XXVII) of 13 December 1972

5. The communication of 20 February 1973 received from WHO also contained the following request for advice on the implementation of General Assembly resolution 2961 B, C and D (XXVII) of 13 December 1972.

"In WHO, it is not expected that it will be possible to reduce to 25 per cent the percentage contribution of the Member State paying the maximum contribution, by utilizing for this purpose, solely the percentage contributions of any newly admitted Member States immediately upon their admission. In addition, it will be necessary for WHO to utilize the normal triennial increase in the percentage contributions of Member States resulting from increases in their national incomes as provided for in subparagraph (ii) of paragraph B of resolution 2961 (XXVII).

"In order to avoid any need for interpretation on our part and, consequently, misunderstandings with our Member States that could arise from the application of subparagraph (ii) of paragraph B of resolution 2961 (XXVII) in the WHO scale, we would suggest that the Committee on Contributions should clearly indicate in its report, with regard to the next United Nations scale of assessments:

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

"(b) the normal triennial increase in the rates at which non-Member States are called upon to contribute to the expenses of the United Nations activities in which they participate, resulting from increases in their national incomes.

"Should the Committee not be in a position to follow our suggestion - although it would certainly be of interest to all the specialized agencies - we would request that the information be provided to us separately in due course.

"In future, the WHO maximum assessment percentage will no longer correspond to the United Nations maximum assessment percentage. As the per capita ceiling principle is at present fully applied in both the United Nations and WHO scales of assessment, the assessments of those countries benefiting from the application of the per capita ceiling principle will vary in both scales in accordance with the respective maximum assessment percentages. Therefore, we request that we also be informed of

"(a) the percentage adjustments made in the United Nations scale in application of the per capita ceiling principle, and

"(b) the percentage adjustments made in the rates at which non-Member States are called upon to contribute to the expenses of the United Nations activities in which they participate in application of the per capita ceiling principle."

6. A similar request has been received from FAO in a communication dated 4 May 1973, the text of which is annexed.

Annex I

RESOLUTION 311 B (IV) OF 24 NOVEMBER 1949

The General Assembly,

Believing that there is room for closer relationship between the assessments of Member States in the contributions both of the United Nations and of the specialized agencies,

1. Recognizes that, to the extent that the contributions of members of the specialized agencies are assessed in accordance with principles similar to those on which the contributions of Members of the United Nations are based, it is desirable that the same data should be utilized for the assessment of those contributions;

2. Authorizes the Committee on Contributions to recommend or advise on the scale of contributions for a specialized agency if requested by that agency to do so;

3. Requests the Secretary-General to inform each agency that the Committee is available to perform this service.

Annex IILETTER DATED 4 MAY 1973 FROM THE ASSISTANT-DIRECTOR-GENERAL  
OF FAO TO THE SECRETARY OF THE COMMITTEE ON CONTRIBUTIONS

As background information to the development of the FAO Scale of contributions I attach hereto a copy of document CL 60/8, 1/ which will be considered by the sixtieth session of the FAO Council, which meets from 11 to 22 June. The same document was presented to the FAO Finance Committee during the first two weeks of April. Because of the many unknowns at this stage, however, the Finance Committee was unable to make any recommendations to the Council concerning the new FAO Scale and therefore included the following paragraph in its report:

"Scale of Contributions 1974-75

"The Committee noted the matters contained in document CL 60/8 and concluded that since there were too many unknowns involved at this stage, it should defer making any recommendations on the Scale of Contributions to be adopted by the Conference for 1974-75 until its 30th Session. 2/ By that time further information might be available, including the Report of the United Nations Committee on Contributions, which was meeting in May/June to consider the United Nations Scale of Assessment for 1974-76."

If, as indicated at paragraph 11 of the attached document, the FAO conference decides to base the 1974-75 FAO Scale on the 1971-73 United Nations Scale, then adjustments to the 1972-73 FAO Scale would only have to be made for changes in FAO membership, since the present FAO Scale was based on the 1971-73 United Nations Scale.

As you well know, however, there is every possibility that the Conference will wish to consider using the 1974-76 United Nations Scale as the basis for the FAO Scale and at the same time consider adopting resolutions similar to General Assembly resolution 2961 (XXVII) parts B and D set out in appendices I and III to the attached document. I assume you would agree that the question of General Assembly resolution 2961 (XXVII) part C, appendix II to the attachment, does not seem to arise for FAO, since the results it produces in the new United Nations Scale will be inextricably and unidentifiably incorporated therein.

With regard to General Assembly resolution 2961 (XXVII) part B concerning the maximum assessment rate, I should first mention that the People's Republic of China has resumed its place in the organization as from 1 April 1973 and that Albania, Bangladesh and the United Arab Emirates have applied for membership.

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1/ Not reproduced here.

2/ To be held from 19 September to 2 October 1973.

We will of course need to know the United Nations rate or theoretical United Nations rate of assessment for these countries for 1974, and I would be grateful if you would inform me accordingly when they are available. (With this information and that contained in appendix IV of the attachment you can see our expected 1974-75 membership.)

Even with these additional assessment points, however, it may not be possible to reduce to 25 per cent the percentage contribution of the member nation paying the maximum contribution without utilizing "the normal triennial increase in the percentage contributions of Member States resulting from increases in their national incomes" as suggested in subparagraph (ii) of paragraph (b) of General Assembly resolution 2961 (XXVII) part B.

In order to be able to apply the latter it would be necessary for us to know

(a) the normal triennial increase in the percentage contributions of Member States resulting from increases in their national incomes, and

(b) the normal triennial increase in the rates at which non-member States are called upon to contribute to the expenses of the United Nations activities in which they participate, resulting from increases in their national incomes.

I would hope therefore that the Committee would be able to give this information in its report. If this is not possible, then I would request that this information be provided to us separately.

While the additional points that may be available to the United Nations through the admission of new Member States may in themselves be sufficient to reduce the rate of the largest contributor to 25 per cent, this may not hold true for FAO, as stated in paragraph 6 above, nor for some of the other specialized agencies adopting similar resolutions. Thus for our guidance and to ensure uniformity of approach between agencies, it would also be helpful if the Committee on Contributions would indicate in which order the various General Assembly resolutions are to be implemented. For example, is the present rate of the largest contributor to be increased by a portion of the points lost through decreasing the minimum rate of assessment from 0.04 per cent to 0.02 per cent (and if so what portion?) prior to reducing it to 25 per cent in accordance with resolution 2961 (XXVII) part B?

Clearly the order of applying the resolutions can affect the results especially if, and only for example, the FAO Conference were to decide that the contribution of the maximum contributor were to be reduced through the application of points arising from changes in membership only and not through the utilization of "normal triennial increases". Indeed, the use of "triennial increase" points could, because of differences in membership between the specialized agencies and the United Nations, cause difficulties for the governing bodies of the specialized agencies as explained hereafter.

If "triennial increase" points were used to achieve the reduction in FAO, for example, but not in the United Nations (due to there possibly being sufficient additional points arising from new Member States in the United Nations) the FAO rates of some Members which had experienced a relative economic decline would have to be held at a rate higher than they would have enjoyed had they, and not the largest contributor, received the benefit of the triennial increase points of other Members. Thus members in FAO would not be assessed in the same ratio, one to the other, that they would be assessed in the United Nations. It might be conceivable that this might not be acceptable to the FAO Conference.

I would now refer to the injunction contained in paragraph (c) of resolution 2961 (XXVII) part B that the contributions of Members shall not in any case be increased as a consequence of "the present resolution", I take it that the words "the present resolution" refer to part B only since clearly some assessments must rise in order to compensate for the reduction in the minimum assessment as provided for in part D, not to mention the impact of part C. (While these reductions could be met out of points arising from the admission of new Members, this would seem to be in conflict with (i) of part B which assigns such points to the largest contributor.) I do feel a clarification of how this should be handled needs to be obtained from the Committee on Contributions, including confirmation of what "the present resolution" refers to.

If, in fact, it refers to part B alone, then it would appear that we would also need to be informed of the percentage points each Member has absorbed as a consequence of parts C and D. The reason for this is that we would need to be able to determine the level to which the new assessment rates of each member can be increased in FAO without exceeding present assessment rates, i.e. if a Member presently in the United Nations Scale at 2.00 per cent ends up in the new United Nations Scale at 1.80 per cent but this 1.80 per cent includes say 0.05 per cent as a result of the reduction in the minimum assessment rate etc., we need to know that we can add back 0.25 per cent not just the apparent 0.20 per cent.

(Signed) C. F. PENNISON  
Assistant Director-General  
Administration and Finance Department

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