

UNITED



NATIONS

**REPORT OF THE
COMMITTEE ON
CONTRIBUTIONS**

GENERAL ASSEMBLY
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NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

Report of the Committee on Contributions

I. MEMBERSHIP OF THE COMMITTEE

1. The eighteenth session of the Committee on Contributions was convened at the Headquarters of the United Nations from 25 to 28 May 1959. The following members were present:

Mr. G. P. ARKADEV
Mr. Raymond T. BOWMAN
Mr. René CHARRON
Mr. A. H. M. HILLIS
Mr. Arthur S. LALL
Mr. Jerzy MICHALOWSKI
Mr. José PAREJA
Mr. Sidney POLLOCK

2. Mr. Nouredin Kia, who is a member of the Committee, was unable to attend. He designated Mr. Bahman Ahaneen to represent him. The Committee accepted this designation on the understanding that the substitute would remain in consultation with Mr. Kia.

3. Mr. F. A. Galvão, one of the members, informed the Committee that he was prevented by urgent duties from attending the session.

4. The Committee elected Mr. Pollock as Chairman and Mr. Michalowski as Vice-Chairman.

II. TERMS OF REFERENCE

5. Under rule 161 of the rules of procedure of the General Assembly, the Committee shall "advise the General Assembly on the assessments to be fixed for new Members". The Committee therefore considered the rate to be recommended for the Republic of Guinea, which was admitted to membership in the United Nations on 12 December 1958 (resolution 1325 (XIII)), and the question of the inclusion of this rate in the scale of assessments approved by the General Assembly for the contributions of Member States (not including the Republic of Guinea) to the United Nations budgets for the financial years 1959, 1960 and 1961 (resolution 1308 A (XIII), paragraph 1).

6. At its eighteenth session, the Committee also considered the following resolution adopted by the General Assembly at its thirteenth session (resolution 1308 B (XIII)):

"The General Assembly,

Taking into account the views expressed that the consideration of the recommendations of the Committee on Contributions might be facilitated if Member States could have access to the statistical and other information at the Committee's disposal,

1. Requests the Committee on Contributions to consider an arrangement which would enable representatives of Member States, on request, to acquaint themselves with the statistical and other information at the Committee's disposal;

2. Requests the Committee on Contributions to submit its recommendations on this matter to the General Assembly at its fourteenth session."

III. ASSESSMENT OF THE REPUBLIC OF GUINEA

7. The Committee took note of a request addressed to it by the permanent representative of the Republic of Guinea asking that, in view of the unusually difficult situation of his country, the Committee consider the possibility of exempting it from making a contribution to the United Nations or assessing it for a token contribution only.

8. After reviewing the data available on the Republic of Guinea, the Committee reached the conclusion that it would be appropriate to recommend that the assessment for the new Member State should be the minimum of 0.04 per cent.

9. The Committee considered the incorporation of the assessment recommended for the Republic of Guinea in the existing scale of assessments, but reached the conclusion that in view of the small percentage involved it should not attempt at the present time to adjust the scale to include the new Member State. It recommends, rather than altering the three-year scale, that the assessment of Guinea should be additional to the scale of assessments approved by the General Assembly for Member States' contributions to the United Nations budget for the financial years 1959, 1960 and 1961, and that

Guinea's contribution for those years should represent miscellaneous income to the United Nations.

10. This recommendation is made subject to the reservation that, in case the Committee has to consider the assessment of additional new Members before the next review of the scale, which the Committee is required to undertake in 1961 under General Assembly resolution 1308 (XIII), paragraph 2, the question of the inclusion of the assessment for the Republic of Guinea in the scale may be re-examined.

Assessment of the new Member State
for the year of admission

11. With regard to the contribution to be paid by new Member States for the year of admission, the General Assembly decided at the second part of its first session (resolution 69 (I)) that new Members should be required to contribute to the annual budget of the year in which they are first admitted at least one third of their percentage assessment determined for the following year, applied to the budget for the year of their admission.

12. In connection however with the assessment of the sixteen States admitted to membership in the United Nations on 14 December 1955, a few days before the close of the tenth session, the Committee proposed, in its report to the General Assembly, ^{1/} that if the Assembly should favour some reduction in the prescribed minimum of one-third the reduced contribution should be no less than one-ninth. This proposal was endorsed by the General Assembly (resolution 1087 (XI)) and the sixteen new Members contributed for 1955 an amount equivalent to one-ninth of their percentage assessment for 1956, applied to the budget for 1955. An analogous decision was taken by the General Assembly for the six new Members admitted in 1956 and 1957.

13. In the light of the General Assembly's decisions in respect of the new Member States admitted in 1955, 1956 and 1957, the Committee recommends that the Republic of Guinea should contribute for the year 1958 one-ninth of the assessment for the full year.

^{1/} Official Records of the General Assembly, Eleventh Session, Supplement No. 10 (A/3121), paras. 18-21.

IV. ARRANGEMENTS FOR MAKING AVAILABLE TO MEMBER STATES THE STATISTICAL AND OTHER INFORMATION AT THE COMMITTEE'S DISPOSAL

14. In compliance with General Assembly resolution 1308 B (XIII) of 10 December 1958, the Committee gave careful consideration to the possibility of making an arrangement which would enable representatives of Member States, on request, to acquaint themselves with the statistical and other information at the Committee's disposal.

15. In its approach to this matter, the Committee made a fresh appraisal of its own responsibilities in terms of the relevant General Assembly resolutions and the rules of procedure of the Assembly.

16. The original terms of reference of the Committee adopted by the General Assembly on 13 February 1946 (resolution 14 A (I), paragraph 3), include the following clauses:

"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 Committee should be given discretion to consider all data relevant to capacity to pay and all other pertinent factors in arriving at its recommendations."

One of the main factors which the Committee should take into account in order to prevent anomalous assessment resulting from the use of comparative estimates of national income is "the ability of Members to secure foreign currency".

Thus, at the very outset, the General Assembly vested the Committee with discretionary powers on account of the very nature of its task. During the same session, the Assembly adopted its rules of procedure, the relevant one being rule 159, which reads as follows:

"The General Assembly shall appoint an expert Committee on Contributions, consisting of ten members."

17. These discretionary powers vested in the Committee are however subject to certain specific directives laid down by the General Assembly from time to time, the most important being:

(a) The ceiling on the contribution of the Member which pays the highest assessment;

(b) The limitation on the contributions of the Members with high per capita incomes to ensure that no State's per capita assessment exceeds that of the highest contributor;

(c) An accepted system of deductions for countries with low per capita income by which the basis of assessment is reduced by amounts which for countries with the very lowest incomes per inhabitant approach a maximum of 50 per cent, as explained in the Committee's 1952 report; ^{2/}

(d) The accepted floor contribution of 0.04 per cent; this principle involves looking at the cases of countries which are, or are likely to be, assessed at the floor.

^{2/} Ibid., Seventh Session, Supplement No. 10 (A/2161, paras. 11 and 12).

18. In implementing the directives of the General Assembly, some of which give the Committee wide discretionary powers while others prescribe certain limiting formulas, the Committee has to exercise its judgement on many factors. For example, the differences in the types of statistical series available for the estimation of national income and the differences in coverage and reliability of these series are often pronounced within countries from year to year. Moreover, these factors affect comparisons among countries even more strongly and necessitate the exercise of care and judgement in applying them.

19. The use of exchange rates for expressing estimates of national income in a common currency unit is subject to various difficulties of a theoretical and statistical character, which have been described in paragraphs 6, 7 and 8 of the Committee's report for 1958^{3/}. In view of these difficulties, the Committee is obliged, in the light of all the factors concerned, to arrive at the best approximations for a large number of countries before it can express national income figures in a common currency unit.

20. Presumably the General Assembly gave consideration to such factors when it vested the expert Committee, appointed under rule 159 of its rules of procedure, with discretionary powers in drawing up and recommending the scale of Member States, relative capacities to pay, and the Committee's recommendations on the scale of assessments have invariably been accepted by the General Assembly.

21. These considerations guided the Committee in its approach to the General Assembly resolution adopted in 1958. They will indicate the difficulty of conveying detailed information in a field in which judgement has to be used in dealing with statistics, data and other information which are not strictly comparable without the exercise of the discretion of the Committee in evaluating the factors mentioned above. Indeed there would be no practicable method of acquainting Member States with all the considerations which guide the Committee in the preparation of a comparative scale of assessments for over eighty countries.

22. The Committee has considered, nevertheless, whether it could make available to individual Member

States, on request, the factual material which it uses. This raises important considerations, however, to which the Committee feels it necessary to draw attention. In the first place, the factual material taken in isolation without reference to the other factors of judgement and interpretation mentioned above might often be misleading. In the second place, although some of the factual information supplied to the Committee by Member States is also available from published sources, some of it is provided at the request of the Committee for its own use. Lastly, in the case of some twenty Members, official estimates of national income do not at present exist and estimates have to be used or made on the basis of such material as may be available. There might be objection to a general disclosure of these types of information. In this connection, it will be recalled that in order to provide an adequate basis for the work of the Committee, the General Assembly has agreed that the Committee should address to all Member States before each of its sessions, a request for any information in addition to that already available in publications, which would be relevant to its work. Any arrangement for the general disclosure of information might discourage some countries from fully complying with this request.

23. These objections do not apply to the same extent to communicating to Member States as much information as possible regarding the basis on which their own assessments have been arrived at. The Committee therefore, in compliance with paragraph 2 of General Assembly resolution 1308 B (XIII), recommends that arrangements should be made to make available to any individual Member State, on its request, all the statistical and other factual information pertaining to the assessment of that Member. The material to be made available would include the population figure or estimate, the national income in national currency or the estimated income if no official figure is available, the conversion factor used to convert the estimates into the common currency, the per capita income expressed in the common currency, and the method used to adjust the figures of countries with low per capita incomes.

24. The Committee proposes that the Secretariat, in consultation with the Chairman or Vice-Chairman, be authorized to supply to Member States the statistical data and other information referred to in the preceding paragraph.

^{3/} Ibid., Thirteenth Session, Supplement No. 10 (A/3890).

V. OTHER MATTERS CONSIDERED BY THE COMMITTEE

Status of the Collections of contributions

25. Under its terms of reference, one of the functions of the Committee 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 connection, it shall "advise the Assembly on the action to be taken with regard to the application of Article 19 of the Charter". The Committee authorized the Chairman to issue at a later date, if necessary, an addendum to the present report regarding this question.

26. The Committee took note of a report by the Secretary-General on the status of the payment of contributions as at 20 May 1959. It viewed with concern the shortfall in the payment of contributions which, in respect of the Working Capital Fund and the United Nations budget for 1959 and prior years, amounted to \$52.8 million and, in respect of the assessments to the United Nations Emergency Force for the years 1957, 1958 and 1959, to \$27.6 million.

Collection of contributions in currencies other than
United States dollars

27. The General Assembly on 10 December 1958 resolved (resolution 1308 A (XIII)) that the Secretary-General, as in previous years, should be authorized 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 1959, 1960 and 1961 in currencies other than United States dollars.

28. Under this authority, the Secretary-General has informed Member States that it would be possible to

accept the equivalent of \$11.8 million in currencies other than United States dollars. This would represent a total of 32.45 per cent of the 1959 contributions (other than that of the United States) namely 11.60 per cent in pounds sterling, 14.85 per cent in Swiss francs and 6.00 per cent in a group of other currencies.

29. The Committee noted that under this arrangement fifteen Member States had availed themselves of these facilities to the extent of the equivalent of \$5.6 million, representing 30.45 per cent of the total of the participating Members' contributions.