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

Information on the implementation of General Assembly resolutions 55/235 and 55/236

Report of the Secretary-General

I. Introduction

1. In its resolutions 55/235 and 55/236, the General Assembly took a number of decisions with regard to the financing of peacekeeping operations in 2001 and beyond; the text of the resolutions is reproduced in annex I. Since these resolutions introduce major changes to the system for apportioning the expenses of United Nations peacekeeping operations, the Secretariat has received numerous related queries from representatives of Member States. The present report is therefore designed to provide information to Member States on the implementation of General Assembly resolutions 55/235 and 55/236, based on the Secretariat's understanding of their provisions, as outlined below.

II. Implementation of resolutions 55/235 and 55/236 in 2001-2003

2. Assessments for peacekeeping operations for the period from 1 January to 30 June 2001 have been and will be based on the regular budget scale for 2001, as set out in General Assembly resolution 55/5 B, annex II, and the composition of groups set out in General Assembly resolution 43/232, paragraphs 3 and 4, as adjusted by subsequent General Assembly

resolutions, most recently resolutions 55/235 and 55/236.

3. Also pursuant to General Assembly resolutions 55/235 and 55/236, a new system of 10 levels will be implemented to determine rates of assessment for peacekeeping operations for mandate periods from 1 July 2001. The resolutions also provide for standard transitional phasing of two or three years for Member States moving up to levels B to E. For Hungary and the Republic of Korea, which are moving to level B notwithstanding their placement in levels I and D, respectively, in the annex to resolution 55/235, the resolutions provide for transition periods of five years, the details of which are specified. Estonia is also moving voluntarily from level I to level B and is foregoing its transition time. Israel is voluntarily foregoing its transition time to level B. Turkey is moving from level I to level H (with an assessment rate of 30 per cent of its regular budget rate) from the effective date of the new scale (i.e., 1 July 2001) until 2002, and from level H to level F for the remainder of the scale period (i.e., from 1 January 2002 to 31 December 2003).

4. General Assembly resolution 55/236 also provides for a number of other Member States to move voluntarily to higher levels. The annex to resolution 55/235 indicates the levels to which Member States

should be assigned for the purposes of peacekeeping assessments, prior to the application of phasing and voluntary movements. For this purpose, it is the Secretariat's understanding that, for Member States moving up to level E, the standard transitional phasing of two years involves equal annual instalments of 50 per cent of the change in the percentage of the respective regular budget rates payable for each Member State from 1 July 2001 to 30 June 2002, and a second 50 per cent from 1 July 2002 onwards. For Member States moving up to levels B through D, the standard transitional phasing of three years involves equal annual instalments of one third of the change in the respective regular budget rates payable from 1 July 2001 to 30 June 2002, an additional one third from 1 July 2002 to 30 June 2003, and a final one third from 1 July 2003 onwards.

5. Annex II tabulates the assignment of contribution levels, voluntary movements and transitional phasing for the period 1 July 2001 to 31 December 2003 provided for in General Assembly resolutions 55/235 and 55/236. It should be noted that, on 31 December 2003, Hungary and the Republic of Korea will still have further transitional phasing to complete before they reach level B.

6. Annex III sets out the effective rates of assessment for peacekeeping operations for the same period, based on the information contained in annex II and the regular budget scale of assessments for the period 2001-2003 set out in General Assembly resolution 55/5 B, annex II. Should any other Member States choose to make a voluntary commitment to pay at a rate higher than that indicated in annexes I and II to the present report, pursuant to the provisions of General Assembly resolution 55/236, paragraph 6, appropriate adjustments would be made to the rates indicated therein.

III. Implementation of resolutions 55/235 and 55/236 after 2003

7. In its resolution 55/235, paragraph 16, the General Assembly decided that the structure of contribution levels to be implemented from 1 July 2001 shall be reviewed after nine years. It is the understanding of the Secretariat that, under this provision, the structure of 10 levels outlined in the

resolution would be reviewed at the main part of the sixty-fourth session of the General Assembly, in 2009.

8. In the meantime, in paragraph 15 of the same resolution, the General Assembly requested the Secretary-General to update the composition of the ten levels set out in the resolution on a triennial basis, in conjunction with the reviews of the regular budget scale of assessments, in accordance with the criteria established in the resolution, and to report thereon to the General Assembly. It is the understanding of the Secretariat that this would involve the Secretary-General informing the General Assembly at the main part of its fifty-eighth and sixty-first sessions, in 2003 and 2006, respectively, of the composition of the 10 levels during the periods 2004-2006 and 2007-2009, respectively. Information relevant to the composition of levels after 2009 would presumably be considered in the context of the General Assembly's review of the structure of levels mandated by paragraph 16 of the resolution.

9. In its resolution 55/235, paragraph 9, the General Assembly decided that movement between categories would be based on Member States' per capita gross national product (GNP). In paragraph 8 of the same resolution, the Assembly decided that the statistical data used for this purpose should be the same as that used in preparing the regular budget scale of assessments, subject to the other provisions of the resolution.

10. In its resolution 55/5 B, the Assembly decided that the regular budget scale of assessments would be based, *inter alia*, on average statistical base periods of six and three years. It also decided that the elements of the scale of assessments outlined in paragraph 1 of the same resolution would be fixed until 2006, subject to the provisions of its resolution 55/5 C, in particular paragraph 2, and without prejudice to rule 160 of the rules of procedure of the General Assembly. The scale of assessments set out in General Assembly resolution 55/5 B, annex II, includes special transitional measures affecting a number of countries, but was initially based on the average of the results of machine scales using base periods of six (1993-1998) and three (1996-1998) years. It is the understanding of the Secretariat that, subject to the above provisos, the scale of assessments for the regular budget for the period 2004-2006 will likewise be based on the average of the results of machine scales using base periods of six (1996-2001) and three (1999-2001) years.

11. Since the basis of the regular budget scale of assessments is an average of two machine scales, there are in fact two average per capita GNP figures for each Member State and for the membership of the Organization as a whole. For 2001-2003, the General Assembly decided that the average used for determining the composition of the 10 levels outlined in its resolution 55/235 should be that for the six-year (1993-1998) base period. It is the understanding of the Secretariat that, in updating the composition of the levels used for peacekeeping assessments, average per capita GNP figures for the six year (1996-2001) base period for the regular budget scale of assessments for the period 2004-2006 should also be used.

12. In resolution 55/235, paragraph 14, the General Assembly decided that, after 2001-2003, transition periods of two years will apply to countries moving up by two levels, and that transition periods of three years will apply to countries moving up by three levels or more, without prejudice to paragraph 11 of the same resolution. In paragraph 13 of the same resolution, the Assembly decided that transitions specified for 2001-2003 will occur in equal increments over the transition period. It is the understanding of the Secretariat that any transitional measures applied for 2004-2006 would also occur in equal annual increments. Again, it is the Secretariat's understanding that changes involving a two-year transition would involve an increase of 50 per cent of the change in the percentage of the respective regular budget rates payable by each of the Member States concerned from 1 January to 31 December 2004, and a second 50 per cent from 1 January 2005 onwards. For those moving up by three levels or more, it is understood that the transitional phasing of three years would involve equal instalments of one third of the respective regular budget rates payable from 1 January to 31 December 2004, an additional one third from 1 January to 31 December 2005 and a final one third from 1 January 2006 onwards.

13. In its resolution 55/235, annex, the General Assembly listed the Member States assigned to level C for 2001-2003. In paragraph 10 of the same resolution, no parameters are specified for inclusion in level C. Since there are no criteria specified for inclusion in level C, it is the understanding of the Secretariat that, in updating the composition of the 10 levels used in 2001-2003 for 2004-2006 and for 2007-2009, the countries listed under level C in General Assembly resolution 55/235, annex, will remain in level C at least

until the review of the structure of levels at the main part of the sixty-fourth session of the General Assembly, in 2009. This would, of course, be subject to any subsequent decisions by the General Assembly or voluntary movements to level B by any of the countries concerned.

14. As noted in paragraph 3 above, the transition of Hungary and the Republic of Korea to level B, as provided for in General Assembly resolutions 55/235 and 55/236, extends beyond 2003. It is the understanding of the Secretariat that, notwithstanding whatever the average per capita GNP of these Member States for the six-year (1996-2001) base period used for the regular budget scale of assessments for 2004-2006 may be, the transitional periods specified in the resolutions will continue to 1 January 2005 in the case of the Republic of Korea, and to 1 July 2005 in the case of Hungary.

15. In addition to these upward movements, General Assembly resolution 55/236 provided for voluntary upward movements by a number of other countries. In the case of Turkey, the General Assembly welcomed its commitment to move to level H (paying 30 per cent of its regular budget rate of assessment) from 1 July 2001 until 2002, and to level F for the remainder of the scale period. By implication, it is the understanding of the Secretariat that, when the Secretary-General updates the composition of levels and informs the General Assembly thereon at its fifty-eighth session, Turkey will revert to the level corresponding to its average per capita GNP for the six-year (1996-2001) base period used for the regular budget scale of assessments for the period 2004-2006. This would, of course, be subject to any further voluntary decision by its Government to be assessed at a higher level. The position with regard to the assessment rates for 2007-2009 will depend on decisions made with respect to the period 2004-2006.

16. The upward movement of the Republic of Korea, provided for in General Assembly resolution 55/235, paragraph 22, and the voluntary upward movement of other Member States, provided for in General Assembly resolution 55/236, paragraph 5, are not similarly time-limited. Accordingly, it is the understanding of the Secretariat that, in updating the composition of the 10 levels in 2003 and 2006, the Secretary-General should include those countries at their voluntarily established levels for 2001-2003 unless their revised levels would otherwise be higher or unless they indicate a decision to revert to a lower level

for which they are eligible in the new scale period (2004-2006 or 2005-2007). As regards the current scale period (2001-2003), it is the understanding of the Secretariat that there is no provision in General Assembly resolution 55/235 for reversal of a voluntary upward movement during a scale period except by specific decision of the General Assembly.

17. In its resolution 55/236, the General Assembly also decided that a Member State may make a voluntary commitment to contribute at a rate higher than its current rate at any time during the scale period, by informing the General Assembly through the Secretary-General, and the General Assembly may take note of that decision. It is the understanding of the Secretariat that, unless any such new commitments are time-limited they will be open-ended in the same way as those referred to in paragraph 16 above.

18. Since General Assembly resolution 55/236 refers to such new voluntary commitments being made “during the scale period”, it is the understanding of the Secretariat that the provisions of General Assembly resolution 55/236, paragraph 6, relate specifically to the current scale period, that is, 2001-2003. It is also the understanding of the Secretariat, however, that voluntary movements may still be considered by the General Assembly in the context of the triennial updating of the composition of the levels, pursuant to the general provision of General Assembly resolution 55/235, paragraph 11, in which the General Assembly decided that Member States will be assigned to the lowest level of contribution with the highest level of discount for which they are eligible unless they indicate a decision to move to a higher level. The Assembly, of course, may also make additional decisions on changes in the level of specific Member States at any time.

IV. Conclusions

19. The General Assembly may wish to take note of the present report.

Annex I

Text of General Assembly resolutions 55/235 and 55/236

55/236. Voluntary movements in connection with the apportionment of the expenses of United Nations peacekeeping operations

The General Assembly,

Recalling its resolution 55/235 of 23 December 2000,

1. *Welcomes with appreciation* the commitment of certain Member States to undertake voluntarily to contribute to peacekeeping operations at a rate higher than required by their per capita income;

2. *Welcomes* the voluntary decision made by Estonia and Israel to be reclassified for the purpose of the apportionment of the expenses of United Nations peacekeeping operations;

3. *Decides* that, as an ad hoc arrangement until 30 June 2001, in respect of the composition of groups set out in paragraphs 3 and 4 of its resolution 43/232 of 1 March 1989, as adjusted by subsequent relevant resolutions and decisions, for the apportionment of peacekeeping appropriations, from 1 January 2001 Estonia should be included in the group of Member States set out in paragraph 3 (b) of resolution 43/232, and that its contributions to peacekeeping operations should be calculated in accordance with the provisions of the relevant resolutions adopted and to be adopted by the General Assembly regarding the scale of assessments;

4. *Decides also* that, as an ad hoc arrangement until 30 June 2001, in respect of the composition of groups set out in paragraphs 3 and 4 of its resolution 43/232, as adjusted by subsequent relevant resolutions and decisions, for the apportionment of peacekeeping appropriations, from 1 January 2001 Israel should be included in the group of Member States set out in paragraph 3 (b) of resolution 43/232, and that its contributions to peacekeeping operations should be calculated in accordance with the provisions of the relevant resolutions adopted and to be adopted by the General Assembly regarding the scale of assessments;

5. *Welcomes* the following voluntary commitments:

Bulgaria: from Level I to Level H;¹

Czech Republic: from Level I to Level H;¹

Estonia: to move to Level B immediately upon the effective date of the new scale, forgoing its transition time;

Hungary: from Level I to Level B, with a transition time of five years, starting from 1 July 2001 as follows: from Level I to Level H¹ from 1 July 2001; from Level H to Level F from 1 July 2002; from Level F to Level E from 1 July 2003; from Level E to Level D from 1 July 2004; and from Level D to Level B from 1 July 2005;

¹ Level H means 70 per cent discount for voluntary movement.

Israel: to move to Level B immediately upon the effective date of the new scale, forgoing its transition time;

Latvia: from Level I to Level H;¹

Lithuania: from Level I to Level H;¹

Malta: from Level E to Level B;

Philippines: from Level I to Level H;¹

Poland: from Level I to Level H;¹

Romania: from Level I to Level H;¹

Slovakia: from Level I to Level H;¹

Slovenia: from Level E to Level B immediately upon the effective date of the new scale, forgoing its transition time;

Turkey: from Level I to Level H¹ from the effective date of the new scale until 2002, and from Level H to Level F for the remainder of the scale period;

6. *Decides* that, at any time during the scale period, a Member State may make a voluntary commitment to contribute at a rate higher than its current rate by informing the General Assembly through the Secretary-General, and the Assembly may take note of that decision.

55/235. Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations

The General Assembly,

I

Reaffirming the principles set out in its resolutions 1874 (S-IV) of 27 June 1963 and 3101 (XXVIII) of 11 December 1973,

1. *Reaffirms* the following general principles underlying the financing of United Nations peacekeeping operations:

(a) The financing of such operations is the collective responsibility of all States Members of the United Nations and, accordingly, the costs of peacekeeping operations are expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations;

(b) In order to meet the expenditures caused by such operations, a different procedure is required from that applied to meet expenditures under the regular budget of the United Nations;

(c) Whereas the economically more developed countries are in a position to make relatively larger contributions to peacekeeping operations, the economically less developed countries have a relatively limited capacity to contribute towards peacekeeping operations involving heavy expenditures;

(d) The special responsibilities of the permanent members of the Security Council for the maintenance of peace and security should be borne in mind in connection with their contributions to the financing of peace and security operations;

(e) Where circumstances warrant, the General Assembly should give special consideration to the situation of any Member States which are victims of, and those which are otherwise involved in, the events or actions leading to a peacekeeping operation;

2. *Recognizes* the need to reform the current methodology for apportioning the expenses of peacekeeping operations;

3. *Notes with appreciation* voluntary contributions made to peacekeeping operations and, without prejudice to the principle of collective responsibility, invites Member States to consider making such contributions;

II

4. *Decides* that assessment rates for the financing of peacekeeping operations should be based on the scale of assessments for the regular budget of the United Nations, with an appropriate and transparent system of adjustments based on levels of Member States, consistent with the principles outlined above;

5. *Decides also* that the permanent members of the Security Council should form a separate level and that, consistent with their special responsibilities for the maintenance of peace and security, they should be assessed at a higher rate than for the regular budget;

6. *Decides further* that all discounts resulting from adjustments to the regular budget assessment rates of Member States in levels C through J shall be borne on a pro rata basis by the permanent members of the Security Council;

7. *Decides* that the least developed countries should be placed in a separate level and receive the highest rate of discount available under the scale;

8. *Decides also* that the statistical data used for setting the rates of assessment for peacekeeping should be the same as the data used in preparing the regular budget scale of assessments, subject to the provisions of the present resolution;

9. *Decides further* to create levels of discount to facilitate automatic, predictable movement between categories on the basis of the per capita gross national product of Member States;

10. *Decides* that, as from 1 July 2001, the rates of assessment for peacekeeping should be based on the ten levels of contribution and parameters set forth in the table below:

Peacekeeping scale levels based on average per capita gross national product (PCGNP) of all Member States

<i>Level</i>	<i>Threshold</i>	<i>Thresholds in United States dollars (2001-2003)</i>	<i>Target discount (Percentage)</i>	<i>Transition period for new contributors (2001-2003 scale)</i>
A	Permanent members of the Security Council		Premium	
B	All Member States (except level A contributors)	N/A	0	3 years
C	N/A	N/A	7.5	3 years
D	Below 2X average PCGNP of all Member States (except level A contributors)	Under 9 594	20	3 years
E	Below 1.8X average PCGNP of all Member States (except level A contributors)	Under 8 634	40	2 years
F	Below 1.6X average PCGNP of all Member States (except level A contributors)	Under 7 675	60	N/A
G	Below 1.4X average PCGNP of all Member States (except level A contributors)	Under 6 715	70	N/A
H	Below 1.2X average PCGNP of all Member States (except level A contributors)	Under 5 756	80 (or 70 on a voluntary basis)	N/A
I	Below average PCGNP of all Member States	Under 4 797	80	N/A
J	Least developed countries (except level A contributors)		90	N/A

11. *Decides also* that Member States will be assigned to the lowest level of contribution with the highest discount for which they are eligible, unless they indicate a decision to move to a higher level;

12. *Decides further* that for purposes of determining the eligibility of Member States for contribution in particular levels during the 2001-2003 scale period, the average per capita gross national product of all Member States will be 4,797 United States dollars and the per capita gross national product of Member States will be the average of 1993 to 1998 figures;

13. *Decides* that transitions as specified above will occur in equal increments over the transition period as designated above;

14. *Decides also* that after 2001-2003, transition periods of two years will apply to countries moving up by two levels, and that transition periods of three years will apply to countries moving up by three levels or more without prejudice to paragraph 11 above;

15. *Requests* the Secretary-General to update the composition of the levels described above on a triennial basis, in conjunction with the regular budget scale of assessment reviews, in accordance with the criteria established above, and to report thereon to the General Assembly;

16. *Decides* that the structure of levels to be implemented from 1 July 2001 shall be reviewed after nine years;

17. *Decides also* that Member States may agree upon adjustments to their assessment rates under the ad hoc scale in the light of the special transitional circumstances applying during the period 1 January to 30 June 2001;

III

18. *Decides* that, as an ad hoc arrangement until 30 June 2001, in respect of the composition of groups set out in paragraphs 3 and 4 of its resolution 43/232 of 1 March 1989, as adjusted by subsequent relevant resolutions and decisions, for the apportionment of peacekeeping appropriations, Tuvalu should be included in the group of Member States set out in paragraph 3 (d) of resolution 43/232 and that its contributions to peacekeeping operations should be calculated in accordance with the provisions of the relevant resolutions adopted and to be adopted by the General Assembly regarding the scale of assessments;

19. *Decides also* that, as an ad hoc arrangement until 30 June 2001, in respect of the composition of groups set out in paragraphs 3 and 4 of its resolution 43/232, as adjusted by subsequent relevant resolutions and decisions, for the apportionment of peacekeeping appropriations, the Federal Republic of Yugoslavia should be included in the group of Member States set out in paragraph 3 (c) of resolution 43/232 and that its contributions to peacekeeping operations should be calculated in accordance with the provisions of the relevant resolutions adopted and to be adopted by the General Assembly regarding the scale of assessments;

20. *Decides further* that, as an ad hoc arrangement until 30 June 2001, in respect of the composition of groups set out in paragraphs 3 and 4 of its resolution 43/232, as adjusted by subsequent relevant resolutions and decisions, for the apportionment of peacekeeping appropriations, as from 1 January 2001, South Africa should be included in the group of Member States set out in paragraph 3 (c) of resolution 43/232 and that its

contributions to peacekeeping operations should be calculated in accordance with the provisions of the relevant resolutions adopted and to be adopted by the General Assembly regarding the scale of assessments;

21. *Decides* that, as an ad hoc arrangement until 30 June 2001, in respect of the composition of groups set out in paragraphs 3 and 4 of its resolution 43/232, as adjusted by subsequent relevant resolutions and decisions, for the apportionment of peacekeeping appropriations, as from 1 January 2001, Cambodia should be included in the group of Member States set out in paragraph 3 (d) of resolution 43/232 and that its contributions to peacekeeping operations should be calculated in accordance with the provisions of the relevant resolutions adopted and to be adopted by the General Assembly regarding the scale of assessments;

22. *Decides also*, as an ad hoc arrangement, to assess the share of the Republic of Korea, which currently belongs to Group C, in the costs of peacekeeping operations in the following manner: 36 per cent of the regular budget assessment beginning on 1 July 2001, 52 per cent in 2002, 68 per cent in 2003, 84 per cent in 2004 and 100 per cent in 2005.

Annex

Assignment of contribution levels for 2001-2003

Level A

Permanent members of the Security Council: China, France, Russian Federation, United Kingdom of Great Britain and Northern Ireland, United States of America

Level B

Andorra, Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Liechtenstein, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Portugal, San Marino, Spain, Sweden

Level C

Brunei Darussalam, Kuwait, Qatar, Singapore, United Arab Emirates

Level D

Bahamas, Republic of Korea

Level E

Antigua and Barbuda, Bahrain, Malta, Slovenia

Level F

Argentina, Barbados, Seychelles

Level G

Oman, Palau, Saudi Arabia

Level H

Saint Kitts and Nevis, Uruguay

Level I

Albania, Algeria, Armenia, Azerbaijan, Belarus, Belize, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Cameroon, Chile, Colombia, Congo, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Czech Republic, Democratic People's Republic of Korea, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Fiji, Gabon, Georgia, Ghana, Grenada, Guatemala, Guyana, Honduras, Hungary, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kyrgyzstan, Latvia, Lebanon, Libyan Arab Jamahiriya, Lithuania, Malaysia, Marshall Islands, Mauritius, Mexico, Micronesia (Federated States of), Mongolia, Morocco, Namibia, Nauru, Nicaragua, Nigeria, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Republic of Moldova, Romania, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Slovakia, South Africa, Sri Lanka, Suriname, Swaziland, Syrian Arab Republic, Tajikistan, Thailand, the former Yugoslav Republic of Macedonia, Tonga, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Ukraine, Uzbekistan, Venezuela, Viet Nam, Yugoslavia, Zimbabwe

Level J

The least developed countries: Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Sierra Leone, Solomon Islands, Somalia, Sudan, Togo, Tuvalu, Uganda, United Republic of Tanzania, Vanuatu, Yemen, Zambia