



**REPORT  
OF THE COMMITTEE  
ON CONTRIBUTIONS**

**GENERAL ASSEMBLY**

**OFFICIAL RECORDS: TWENTY-SIXTH SESSION  
SUPPLEMENT No. 11 (A/8411)**

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**New York, 1971**

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## I. MEMBERSHIP OF THE COMMITTEE

1. The thirty-first session of the Committee on Contributions was convened at United Nations Headquarters from 20 to 30 April 1971. The following members were present:

Syed Amjad Ali  
Mr. Mohamed Fakhreddine  
Mr. Seymour M. Finger  
Mr. Théodore Idzumbuir  
Mr. Takeshi Naito  
Mr. Santiago Meyer Picó  
Mr. David Silveira da Mota  
Mr. Stanislaw Raczkowski  
Mr. Maurice Viaud  
Mr. Aleksei V. Zakharov  
Mr. Abele Zodda

2. Mr. John I.M. Rhodes, who is also a member of the Committee, was unable to attend the session. He designated Mr. James Gibson to represent him. The Committee accepted this designation on the understanding that the substitute would remain in consultation with the member he represented. The importance of the elected members attending the session in person whenever possible was emphasized.

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

## II. SUBJECTS CONSIDERED AT THE SESSION

4. Under rule 161 of the rules of procedure of the General Assembly, the Committee on Contributions shall "advise the General Assembly on the assessments to be fixed for new Members, on appeals by Members for a change of assessments, and on the action to be taken with regard to the application of Article 19 of the Charter".

5. The Committee therefore considered the rates of assessments to be recommended for Fiji, which was admitted to membership in the Organization on 13 October 1970 (General Assembly resolution 2622 (XXV)) and for Bhutan, which the Security Council in its resolution 292 (1971) of 10 February 1971 had recommended to the General Assembly for admission to membership in the United Nations.

6. The Committee also considered appeals for changes in assessments submitted by the Libyan Arab Republic, Pakistan and Romania and a communication received from the Netherlands.

7. Other subjects considered by the Committee were the methods for the establishment of the scale, the collection of contributions and a request for advice received from a specialized agency.

### III. SCALE OF ASSESSMENTS

#### Assessment of new members

8. The Committee examined the available statistical data for Fiji and Bhutan for the years 1966-1968, which is the base period for the establishment of the present United Nations scale adopted by the General Assembly for the years 1971, 1972 and 1973 (resolution 2654 (XXV)). The Committee decided to recommend that Fiji, which became a Member of the United Nations on 13 October 1970, should be assessed at the minimum rate of 0.04 per cent for the years 1971, 1972 and 1973. It also decided to recommend that Bhutan, if admitted to membership in the United Nations at the twenty-sixth session of the General Assembly, should be assessed at the minimum rate of 0.04 per cent for the years 1972 and 1973.

9. 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 became 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."

By General Assembly decisions, however, exceptions have been made to this rule and, from the year 1955 onwards, the prescribed minimum of one third has been reduced to one ninth for States admitted to membership in the Organization during the period September to December. In line with previous General Assembly decisions, the Committee decided to recommend that Fiji, admitted to the Organization in October 1970, should contribute at the rate of one ninth of 0.04 per cent for 1970 and that Bhutan, if admitted to the Organization at the twenty-sixth session of the General Assembly, should contribute at the rate of one ninth of 0.04 per cent for the year 1971.

#### Appeals for changes in assessments

10. During the discussion of the report of the Committee on Contributions 1/ in the Fifth Committee at the twenty-fifth session of the General Assembly certain delegations, in the course of their statements,

"drew attention to the serious floods and other national catastrophes that had severely affected their national economies and capacities to pay, events which had occurred after the Committee on Contributions had concluded its work and could therefore not have been taken into account in arriving at the recommended scale. They expressed the desire that the Committee on Contributions at its next session should review the assessment rates recommended for the years 1971-1973 in respect of their countries" 2/

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1/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 11 (A/8011 and Corr.1 and Add.1).

2/ Ibid., Twenty-fifth Session, Annexes, agenda item 77, document A/8183, para. 5.

11. In this connexion, the Committee on Contributions examined statistical and economic data submitted by the Government of Romania on the serious damage to its national economy caused by the catastrophic floods which occurred in May and June 1970. The Committee also considered statistical and economic data presented to the Committee by the Government of Pakistan on the destruction and damage to life and property resulting from the cyclone that struck the coastal areas of East Pakistan in November 1970. In both cases the data were submitted by the two Governments in support of their appeals for changes in assessments.

12. The information before the Committee on the destruction and the suffering caused by the natural disasters showed the magnitude of the calamities suffered by the two States. In this connexion the Committee shared the concern expressed by the General Assembly in its resolution 2717 (XXV) for the grave human and material losses suffered by countries which had recently been stricken by natural disasters. It also noted that the General Assembly, aware of the serious consequences of such disasters to the economic and social development of countries, had in that resolution suggested a number of measures for giving prompt and appropriate response to requests for aid by Member States that had suffered natural calamities. The Committee also had before it a report on the emergency aid that had already been extended by the United Nations Development Programme and other international organizations to countries recently stricken by major disasters.

13. The Committee recognized that in relation to the size of the disasters any adjustment in the scale could not offer any significant relief to the countries affected. It also recognized that the effects of the disasters would in any case be reflected in the triennial review of the scale in 1973 (which will be based on national income statistics for the years 1969-1971) on which occasion the Committee will also have the opportunity to give additional consideration to the special circumstances of the countries that had suffered major disasters.

14. The Committee reviewed the question in considerable detail. Some members felt that on account of the magnitude of the disasters and their immediate effect on the countries' capacity to pay, the Committee might respond at this time to their appeals by granting them small downward adjustments in their assessments. Owing to the admission of new Member States this could be done without entailing any change in the scale already approved by the General Assembly. Other members did not think it advisable to make adjustments even of a token nature in the scale already approved. Such adjustments would not constitute any real relief to the countries concerned, and as indicated in paragraph 12 above other sources were available within the United Nations system from which substantial and early assistance might be obtained. They also had in mind that circumstances could arise in the future in which the Committee, because of the absence of admissions of new Member States, could not extend any relief in assessments without re-opening the established scale.

15. In the circumstances the Committee was not able to recommend a revision in the scale adopted by the General Assembly, in response to the two appeals submitted to it.

16. The Committee also considered a request from the Government of the Libyan Arab Republic for a reduction in its rate of assessment based on certain considerations regarding economic and financial factors affecting its capacity to pay, which it felt the Committee had not taken sufficiently into account in

recommending an increase in its rate of assessment. The Committee concluded that it would not be justified in recommending a reduction in the rate of assessment as requested by the Libyan Government. The Committee noted, moreover, that the assessment for the Libyan Arab Republic as calculated from its national income statistics for 1966-1968 had already been substantially mitigated by the Committee in making its recommendations for the present scale.

17. The Government of the Netherlands submitted a representation in which it stated that "the increase in the assessment of the Netherlands to the extent that it was determined by differential price changes as compared with other Member States does not appear to have been justified". The Committee noted, however, that in recommending the assessment for the Netherlands it had in fact taken account of price changes in the Netherlands as compared with price changes in other countries. The Netherlands also requested the Committee to include in its report "an explanation of the methods it envisages in order to avoid treating price increases in the capacity to pay of Member States". This matter is dealt with in paragraph 20 below.

#### Methods for establishment of the scale

18. The Committee in its report to the General Assembly at its twenty-fifth session stated that it "intended to keep under review the practices and implementation of the principles governing its work and to study the possibility of further improving methods for the establishment of the scale". 3/

19. At its session this year the Committee had an exchange of views on the possibility of improving methods for the establishment of the scale in which it also took account of the views expressed in the Fifth Committee during the discussion of the scale of assessments at the twenty-fifth session of the General Assembly. The Committee decided to request the Secretary-General to prepare certain documentation for its continued examination of this question at its session next year, in advance of its triennial review of the scale in 1973.

20. The documentation requested included further data on the implications of changes in price levels and exchange rates for the determination of relative capacities to pay of Member States. In drawing up the present scale, the Committee continued to use national income statistics expressed in current prices, but took account of price changes whenever they were found to have a noticeable effect on the level of assessment. In order to give particular attention to the effect of noticeable differential changes in price levels in relation to exchange rates in individual cases, the Committee at its session last year used a study prepared by the Secretariat supplementing estimates showing national products in current prices with data on price changes and rates of exchange for all Member States for which statistics are available. Studies in this field are continuing and at its session next year the Committee will examine the possibilities of improving its methods as described in paragraphs 15, 16 and 17 of the report to the General Assembly at its twenty-fifth session.

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3/ Ibid., Twenty-fifth Session, Supplement No. 11 (A/8011), para. 39.



21. The Committee again addressed itself to the possibility of taking into account in a more systematic way the factor of the ability of Members to secure foreign currency. As in the past, the Committee recognized the difficulties of formulating a systematic and reliable method of making allowance for this factor. In its next review of the scale, the Committee will therefore continue its present practice of taking into account, as appropriate, available data on the servicing and amortization of the external debts of Member States in making small downward adjustments in individual assessments. To this end it requested the Secretariat to provide the Committee at its 1973 session with as comprehensive data as practicable on this question.

22. During the debate in the Fifth Committee at the twenty-fifth session of the General Assembly, several delegations urged the Committee on Contributions to revise the different elements of the low per capita income allowance formula so as to adjust it to the changing world economic situation. The Committee will at its next session again examine the possible effects on the scale of suggested variations in the allowance formula and requested the Secretariat to furnish statistical and other documentation for this purpose.

#### IV. OTHER MATTERS CONSIDERED BY THE COMMITTEE

##### Collection of contributions

23. The Committee took note of a report of the Secretary-General which showed that, at the time of the conclusion of its meetings, five Member States - Bolivia, the Dominican Republic, Haiti, Paraguay and Yemen - were in arrears in the payment of their contributions to the United Nations regular budget within the terms of Article 19 of the Charter. The Committee decided to authorize the Chairman to issue at a later date, if necessary, an addendum to the present report on this question.

##### Payment of contributions in currencies other than United States dollars

24. 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 contributions of Member States for the financial years 1971, 1972 and 1973 in currencies other than United States dollars. The Fifth Committee at the twenty-fifth session of the General Assembly also decided unanimously to include the following paragraph in its report to the Assembly on the item entitled "Scale of assessments for the apportionment of the expenses of the United Nations".

"In the context of the factor regarding the ability of Member States to secure foreign currency, and taking into account General Assembly resolution 2291 (XXII), the Committee recommends that the needs of the Organization in currencies other than the United States dollar should be met by giving priority for payments in non-United States currencies to the countries whose currencies they may be." 4/

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4/ Ibid., Twenty-fifth Session, Annexes, agenda item 77, document A/8183, para. 8.

The Committee received a report from the Secretary-General on the arrangements made for payment by Member States of part of the 1971 contributions in currencies other than United States dollars, in which he took into account the recommendation of the Fifth Committee to the General Assembly. The Committee took note of the arrangements made by the Secretary-General. With respect to such arrangements for payment of contributions in currencies other than United States dollars, some members were of the opinion that a Member State should be entitled to pay up to its total contribution in its own currency if the needs of the Organization in that currency as established by the Secretary-General so allowed. Other members suggested, while a Member State should be entitled to pay in its own currency a substantial portion of the amount required by the United Nations in that currency, the payment of contributions in currencies other than United States dollars was a special privilege which should also be available to other Member States; consequently, other Member States should also have the possibility of paying part of the amount required in the currency in question.

#### Scales of contributions for specialized agencies

25. 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".

26. Under this authority, the Committee supplied information to the Food and Agriculture Organization of the United Nations, at its request, on the theoretical probable percentage rate of assessment in the United Nations scale for one non-member State of the United Nations.

#### Statements requested by the Fifth Committee

27. 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 5/ and it was suggested that arrangements be made for similar statements to be prepared for inclusion in future reports by the Committee. Accordingly, the Committee has arranged for such statements listing assessments and voluntary contributions paid by Member States for the years 1969 and 1970 to be issued as an addendum to the present report.

#### Date of the next session of the Committee

28. The Committee decided to open its next session on 23 May 1972. Owing to exceptional circumstances arising from the calendar of conferences and the availability of its members at that time, the Committee decided to hold the session at Geneva.

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5/ Ibid., Twenty-fourth Session, Supplement No. 11 (A/7611), annex II.

V. RECOMMENDATION OF THE COMMITTEE ON CONTRIBUTIONS

29. 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 rates of assessment for the following States, which were admitted to membership in the United Nations at the twenty-fifth and twenty-sixth session of the General Assembly, shall be as follows:

	<u>Per cent</u>
Bhutan . . . . .	0.04
Fiji . . . . .	0.04

These rates shall be added to the scale of assessments for 1972 and 1973 contained in subparagraph (a) of General Assembly resolution 2654 (XXV) of 4 December 1970;

(b) For the financial year 1970, Fiji, which became a Member of the United Nations on 13 October 1970, shall contribute an amount equal to one ninth of 0.04 per cent applied to the same basis of assessment for 1970 as for other Member States;

(c) For the financial year 1971, Fiji shall contribute at the rate of 0.04 per cent and Bhutan, which became a Member of the United Nations on \_\_\_ September 1971, at the rate of one ninth of 0.04 per cent, these rates to be applied to the same basis of assessment for 1971 as for other Member States;

(d) The contributions payable by Fiji for 1970 and 1971 and by Bhutan for 1971 shall be used for the financing of the budget for 1972 under regulation 5.2 (c) of the Financial Regulations of the United Nations;

(e) The advances to the Working Capital Fund by Bhutan and Fiji under regulation 5.8 of the Financial Regulations of the United Nations shall for each of these States be 0.04 per cent of the total amount of the Fund, and these advances shall be carried as additional to the authorized level of the Fund.

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