

ARTICLE 17 (2)

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TEXT OF ARTICLE 17 (2)

The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly.

INTRODUCTORY NOTE

1. The structure of the present study follows that of the previous Repertory study of paragraph 2 of Article 17. A new section has been added on the apportionment of the expenses of the United Nations Emergency Force (UNEF).

I. GENERAL SURVEY

2. During the period under review, the original terms of reference of the Committee on Contributions have continued to apply. On account of the increase in membership in the United Nations, the General Assembly has, however, supplemented the existing terms of reference of the Committee by certain specific directives with regard to the assessment of new Member States and to the establishment of the scale of assessments for 1958 and future years.

3. The Committee on Contributions has submitted annual reports to the General Assembly. The reports to the eleventh, twelfth and thirteenth sessions were considered by the Fifth Committee of the General Assembly in accordance with the usual practice. The reports of the Fifth Committee and the draft resolution attached thereto were in turn considered and voted upon by the General Assembly in plenary session.

4. The Committee on Contributions in its report to the eleventh session of the General Assembly 1/ had recommended a revised scale of assessments for the years 1956, 1957 and 1958, in which the assessment for the sixteen States admitted to membership in the United Nations on 14 December 1955 had been incorporated. The General Assembly adopted the revised scale only for the years 1956 and 1957. 2/ Furthermore, the General Assembly, at its 662nd plenary meeting held on 27 February 1957, approved the recommendation of the Fifth Committee 3/ that consideration of two questions,

(a) The assessment of the States admitted to membership in the United Nations at the eleventh session of the General Assembly (Japan, Ghana, Morocco, Sudan and Tunisia); and

(b) The scale of assessments for 1958,

be postponed until its twelfth session, with the understanding that they would be considered at the beginning of that session.

1/ G A (XI), Suppl. No. 10 (A/3121).

2/ G A resolution 1087 (XI).

3/ G A (XI), Annexes, vol. I, a.i. 46, p. 3, A/3549, para. 48.

5. At a series of meetings held between 30 September and 9 October 1957, the Fifth Committee 4/ considered the above questions. On its recommendation, the General Assembly decided 5/ "that in principle, the maximum contribution of any one Member State to the ordinary expenses of the United Nations shall not exceed 30 per cent of the total". At the same time, the General Assembly gave the Committee on Contributions certain specific directives with regard to the steps to be taken (a) in preparing scales of assessments for 1958 and subsequent years; and (b) in reducing the share of the largest contributor. At its session held in October 1957, the Committee on Contributions prepared a scale of assessments for 1958, drawn up in compliance with the General Assembly's directives referred to above. The recommendations of the Committee, which are contained in its report to the twelfth session of the General Assembly, 6/ were approved by the General Assembly. 7/

6. In its report 8/ to the thirteenth session of the General Assembly, the Committee on Contributions recommended a scale of assessments for the years 1959, 1960 and 1961. The General Assembly approved the Committee's recommendation and decided 9/ that unless earlier review was called for in accordance with rule 161 of the rules of procedure of the General Assembly, the scale of assessments should be reviewed by the Committee on Contributions in 1961, and a report submitted to the General Assembly at its sixteenth session.

II. ANALYTICAL SUMMARY OF PRACTICE

** A. Basis for determining capacity to pay

B. Upper and lower limits on contributions

1. *Over-all maximum ceiling*

7. At its seventh session, the General Assembly had decided 10/ that "from 1 January 1954 the assessment of the largest contributor shall not exceed one third of total assessments against Members". 11/

8. At its twelfth session, the General Assembly, noting that "since 1 January 1954, twenty-two States have been admitted to membership in the United Nations", decided, in principle, that "the maximum contribution of any one Member State to the ordinary expenses of the United Nations shall not exceed 30 per cent of the total". 12/ At the same time, the General Assembly gave certain specific directives to the Committee on Contributions with regard to the steps to be taken to reduce the share of the largest contributor. In compliance with these directives, the assessment of the

4/ G A (XII), Annexes, a.i. 44, A/3698, para. 1.

5/ G A resolution 1137 (XII).

6/ G A (XII), Suppl. No. 10 (A/3714).

7/ G A (XII), Annexes, a.i. 44, p. 7, A/3798; G A resolution 1223 (XII).

8/ G A (XIII), Suppl. No. 10 (A/3890).

9/ G A (XIII), Annexes, a.i. 47, A/4042; G A resolution 1308 (XIII).

10/ G A resolution 665 (VII).

11/ The ceiling principle was laid down in G A resolution 238 A (III), in which the General Assembly recognized that "in normal times no one Member State should contribute more than one third of the ordinary expenses of the United Nations for any one year".

12/ G A resolution 1137 (XII).

largest contributor in the scale of assessments for 1958, as recommended by the Committee on Contributions and approved by the General Assembly, was reduced from 33.33 to 32.51 per cent, and was maintained at that level in the scale adopted by the General Assembly for the three financial years 1959, 1960 and 1961.

*** 2. Per capita ceiling*

3. Minimum assessment

9. At the twelfth session of the General Assembly, it was suggested during the discussions of the Fifth Committee^{13/} that the Committee on Contributions should examine the possibility of a reduction in the minimum assessment of 0.04 per cent. The Committee on Contributions made a detailed study of this question; in its report ^{14/} to the thirteenth session of the General Assembly, it reached the conclusion that, because of benefits derived by Member States from the available services, facilities and permanent installations of the Organization, and the reimbursement of certain travel expenses for attendance at sessions of the General Assembly, it could not recommend lowering the minimum assessment. The General Assembly endorsed this conclusion by adopting ^{15/} the scale of assessments for the three financial years 1959, 1960 and 1961, in which the minimum assessment of 0.04 per cent was maintained.

4. Minimum contribution for new Members for the year of admission

10. The General Assembly at its eleventh session, on the recommendation of the Committee on Contributions, ^{16/} decided that the sixteen States which became Members of the United Nations on 14 December 1955 should "contribute for the year of admission to membership an amount equal to one ninth of their percentage assessment for 1956, applied to the budget for 1955". ^{17/} Similar reductions in the prescribed minimum of one third ^{18/} were made by the decision of the General Assembly at its twelfth session ^{19/} in respect of contributions to be paid for the year of admission by new Member States.

*** C. Revision of scales of assessments*

*** D. Relative merits of the percentage system and the unit system of assessment*

E. Extent to which expenses have been shared by non-member States

11. The percentage rates at which non-member States that participate in various United Nations activities are called upon to contribute towards the annual expenses of

^{13/} G A (XII), Annexes, a.i. 44, p. 7, A/3798, para. 8.

^{14/} G A (XIII), Suppl. No. 10 (A/3890), para. 17.

^{15/} G A resolution 1308 (XIII).

^{16/} G A (XI), Suppl. No. 10 (A/3121), paras. 18-21.

^{17/} G A resolution 1087 (XI), para. 3.

^{18/} G A resolution 69 (I) provided 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".

^{19/} G A resolution 1223 (XII), paras. 4 and 5.

such activities are established by the Committee on Contributions in accordance with the same principles that govern the rates of assessment for Member States. At its session in October 1957, the Committee decided that, on account of the increase in membership in the United Nations, the reduction in the maximum contribution of the largest contributor and the full implementation of the per capita ceiling principle - all of which affect the rates of contributions of non-member States - it should adjust these rates in relation to the 1958 scale of assessments for Member States. The revised rates for non-member States recommended by the Committee in its report 20/ to the twelfth session of the General Assembly were approved 21/ by the General Assembly. In its report 22/ to the thirteenth session of the General Assembly, the Committee on Contributions recommended percentage rates at which non-member States may be called upon to contribute towards the 1959, 1960 and 1961 expenses of the activities in which they participate. This recommendation was also approved 23/ by the General Assembly.

F. The Working Capital Fund

12. The General Assembly at its eleventh session decided 24/ to establish the Working Capital Fund for the financial year 1957 in the amount of \$22 million, compared with the level of \$20 million at which it had been maintained for the year 1956. The Working Capital Fund remained at the level of \$22 million for the financial year 1958. 25/ For the financial year 1959, the General Assembly decided 26/ to increase the amount to \$23.5 million.

** G. Adjustment of accounts with Member States and non-member States

H. Membership of the Committee on Contributions

** 1. *Appointment of members*

2. *Substitute members*

13. The Committee on Contributions, in its reports to the General Assembly at its eleventh, twelfth and thirteenth sessions, indicated that at each session, two of the appointed members had designated substitutes to act in their places. The Committee continued its practice of accepting such designations on the understanding that the substitutes would remain in consultation with the members they represented. 27/

20/ G A (XII), Suppl. No. 10 (A/3714), paras. 20-23.

21/ G A resolution 1223 (XII).

22/ G A (XIII), Suppl. No. 10 (A/3890), paras. 20-23.

23/ G A resolution 1308 (XIII), para. 4.

24/ G A resolution 1085 (XI).

25/ G A resolution 1232 (XII).

26/ G A resolution 1341 (XIII).

27/ G A (XI), Suppl. No. 10 (A/3121); G A (XII), Suppl. No. 10 (A/3714); G A (XIII), Suppl. No. 10 (A/3890).

I. Apportionment of the expenses of the United Nations
Emergency Force

14. The General Assembly at its eleventh session authorized 28/ the Secretary-General to establish a United Nations Emergency Force (UNEF) Special Account in an initial amount of \$10 million. The General Assembly further decided 29/ "that the expenses of the United Nations Emergency Force, other than for such pay, equipment, supplies and services as may be furnished without charge by Governments of Member States, shall be borne by the United Nations and shall be apportioned among the Member States, to the extent of \$10 million, in accordance with the scale of assessments adopted by the General Assembly for contributions to the annual budget of the Organization for the financial year 1957". The General Assembly later in the session authorized 30/ the Secretary-General "to incur expenses for the United Nations Emergency Force up to a total of \$16.5 million" in respect of the period ending 31 December 1957, and invited Member States "to make voluntary contributions to meet the sum of \$6.5 million so as to ease the financial burden for 1957 on the membership as a whole". The General Assembly further decided that at its twelfth session it would "consider the basis for financing any costs of the Force in excess of \$10 million not covered by voluntary contributions".

15. At its twelfth session, the General Assembly authorized 31/ the Secretary-General "to expend an additional amount for the Force, for the period ending 31 December 1957, up to a maximum of \$13.5 million and, as necessary, an amount for the continuing operation of the Force beyond that date up to a maximum of \$25 million ...". The General Assembly further decided that the authorized expenses referred to should "be borne by the Members of the United Nations in accordance with the scales of assessments adopted by the General Assembly for the financial years 1957 and 1958 respectively, such other resources as may have become available for the purpose in question being applied to reduce the expenses before the apportionment for the period ending 31 December 1957".

16. In accordance with the above decisions of the General Assembly, at its eleventh and twelfth sessions, the expenses of the United Nations Emergency Force were apportioned as follows:

<u>For the financial period ending 31 December 1957</u>	(US dollars)
Total amount authorized for financing UNEF	30,000,000
Voluntary contributions	\$ 1,841,700 <u>32/</u>
Special assistance	<u>13,129,312</u> <u>33/</u> 14,971,012
Amount apportioned among Member States in accordance with the scale of assessments for 1957	<u>15,028,988</u>

28/ G A resolution 1122 (XI).

29/ G A resolution 1089 (XI).

30/ G A resolution 1090 (XI).

31/ G A resolution 1151 (XII).

32/ Contributed as follows: Dominican Republic, \$3,250; France \$370,500; Greece, \$6,500; New Zealand, \$27,950; Pakistan, \$5,000; United Kingdom, \$507,650; United States, \$920,850.

33/ Contributed as follows: Australia, \$50,000; Austria, \$1,000; Burma, \$3,250; Ceylon, \$5,000; Liberia, \$4,000; Mexico, \$10,000; Netherlands, \$56,062; United Kingdom, \$1 million; United States, \$12 million.

For the financial year 1958

(US dollars)

Amount authorized for financing UNEF 25,000,000

The total amount for 1958 was apportioned among
Member States in accordance with the 1958 scale
of assessments.

17. At its thirteenth session, the General Assembly confirmed 34/ its authorization to the Secretary-General "to expend up to a maximum of \$25 million for the operation of the United Nations Emergency Force during 1958". The General Assembly further authorized the Secretary-General "to expend up to a maximum of \$19 million for the continuing operation of the Force during 1959". It decided that these expenses, "less any amounts pledged or contributed by Governments of Member States as special assistance prior to 31 December 1958, shall be borne by the Members of the United Nations in accordance with the scale of assessments adopted by the General Assembly for the financial year 1959".

18. In accordance with the above decision, the expenses of UNEF for 1959 were apportioned as follows:

(US dollars)

Amount authorized for financing UNEF 19,000,000

Special assistance 35/ 3,795,000

Amount apportioned among Member States in
in accordance with the scale of

assessments for 1959 15,205,000

34/ G A resolution 1337 (XIII).

35/ Contributed as follows: Ireland, \$10,000; Japan, \$10,000; United Kingdom, \$275,000; United States, \$3.5 million.

