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 studies of Article 17(2) in the *Repertory* and its *Supplements Nos. 1, 2, 3, 4* and *5*. Three sub-headings have been added under Part II. A.4, so as to treat the issues therein separately.

I. GENERAL SURVEY

2. During the period under review, the General Assembly continued to reaffirm the principle of apportioning expenses of the United Nations to Member States broadly according to their capacity to pay. The Assembly consistently maintained[1] that the real capacity to pay of Member States was the fundamental criterion for determining the scale of assessments. To that end, the Committee on Contributions continued to use national income in the formulation of the scale of assessments, while agreeing in principle that national income should be supplemented by other indicators in deriving a measure of a Member State's capacity to pay.[2]

3. At its thirty-ninth session, the Committee on Contributions emphasized the importance for its work of having the most up-to-date and complete official data on national incomes of all Member States in national currency, exchange rates for converting them into United States dollars and population estimates. While noting an improvement in the response of Member States to the Committee's requests for data, the Secretariat informed the Committee that, in the absence of national sources of economic statistics in many cases, estimates of national income for a number of countries had to be prepared by the United Nations Statistical Office.[3] Between 1969 and 1980, the Committee received statistical data from two thirds of the Member States, while only one third of that was complete.[4] Moreover, even when data were available and where efforts were made to incorporate them for most countries for which values were available, the problem of non-comparability remained an obstacle.[5]

4. In addressing itself to this problem, the General Assembly, in its resolutions 36/231 A of 18 December 1981 and 37/125 B of 17 December 1982, requested the Committee on Contributions to prepare guidelines for submission by Member States of adequate data and statistical information on a uniform and comparable basis. In response to that request, the Committee in 1984 noted that the actual guidelines for the collection and presentation of data were contained in the System of National Accounts, to which it attached a technical note.[6]

5. When establishing the scale of assessments for the period 1980-1982, the Committee on Contributions had before it for the first time China's national income statistics. This confronted the Committee with the task of allocating the burden arising from the reduction of China's assessment from 5.5 to 1.62 per cent, without excessive increases in other individual rates of assessment. Some members of the Committee were of the view that the rate of China's contribution should be reduced gradually, although it was subsequently agreed that the Committee could not recommend discriminatory measures to the General Assembly. The Committee's task was made easier when China agreed to bear until 1982 a major portion of the increases on the assessment that were to be apportioned to developing countries.[7] Nonetheless, some members of the Committee expressed strong reservations about the fairness of the scale in its allocation of the additional increases resulting from the reduction of the Chinese assessment among all Member States.[8]

6. With respect to peacekeeping operations, as stated in the previous *Supplement*,[9] the system of special assessment rates adopted by the General Assembly in 1973 continued to be in use during the period under review. The system provided that permanent members of the Security Council (Group A) assumed greater financial responsibility, while the other economically more developed countries (Group B) agreed to make larger contributions than the economically less developed Member States (Groups C and D). Financing arrangements for the operations of the United Nations Emergency Force (UNEF), the United Nations Disengagement Observer Force (UNDOF) and the United Nations Interim Force in Lebanon (UNIFIL) were based on that arrangement.[10]

7. Eight new Members were admitted to the United Nations between 1979 and 1984. They were: Antigua and Barbuda (1981), Belize (1981), Brunei

Darussalam (1984), Saint Christopher and Nevis (1983), Saint Lucia (1979), Saint Vincent and the Grenadines (1980), Vanuatu (1981) and Zimbabwe (1980).[11] As from the date of their membership, the General Assembly, under resolutions 35/11 A, 36/231 B, 37/125 A, and 39/247 A, established rates of assessment for those countries for contributions to the regular budget and to the special accounts of UNDOF and UNIFIL. Their assessment rates were set at the floor rates for the scales for 1978-1979, 1980-1982 and/or 1984-1985, as appropriate, except for Brunei Darussalam and Zimbabwe, which were assessed for the regular budget at 0.03 and 0.02 per cent, respectively.

8. Seven of the eight new Member States were assessed at the rates applicable to Group D members, as classified under section II of General Assembly resolution 3101 (XXVIII), while Brunei Darussalam was placed in Group C. The assessment rates of the eight new Member States were calculated in proportion to the calendar year in which they joined the United Nations.[12]

II. ANALYTICAL SUMMARY OF PRACTICE

A. Basis for determining capacity to pay

1. TERMS OF REFERENCE

9. As stated in the previous *Supplement*,[13] the Committee on Contributions continued to be guided by its original terms of reference, as adopted by the General Assembly in 1946. However, from time to time the General Assembly provided the Committee with the necessary guidance in respect of issues raised and concerns expressed by Member States during the Fifth Committee's consideration of the report on the scale of assessments. While reaffirming the principle of capacity to pay, the Assembly directed the Committee to formulate the scale in accordance with criteria that the Assembly established, as necessary, in order to reflect more fully those conditions that affected the real capacity to pay of Member States.[14]

10. At its forty-second session, the Committee on Contributions sought a legal opinion as to whether the criteria set by the General Assembly in paragraph 4 of resolution 36/231 A (see para. 4 above) were binding. The Legal Counsel upheld the authority of the General Assembly by affirming that its resolutions were binding on the Committee.[15] The setting up of criteria, as needed, became a necessary practice born out of recognition that the methodology of the scale was still evolving and, as stated in resolution 36/231 A, to prevent anomalous assessments resulting from the sole use of estimates of national income.

11. Consequently, in addition to its original terms of reference, the Committee in its formulation of the scale of assessments followed the criteria defined by the General Assembly at its thirty-fourth, thirty-sixth, thirty-seventh and thirty-ninth sessions. The specific areas in which the Assembly requested a review by the Committee included: (a) methods to avoid excessive variations of individual rates of assessment between two successive scales, including ways of setting a percentage limit or a percentage point limit or a combination of the two; (b) ways of taking into account conditions or circumstances which adversely affected the capacity of Member States to pay and ways of setting objective criteria by which those conditions or circumstances could be taken into account in the elaboration of the scale of assessments; (c) how to take into account the particular situation of Member States whose earnings heavily depended on one or a few products; (d) the use of a per capita income allowance formula for low-income countries and the need to bring its values up to date, and the effects on the scale of assessments; (e) the need to take into account the existence of different methods of national accounting in Member State countries, including the level of different inflation rates, and their effects on the comparability of national income statistics; (f) how to take into account the concept of accumulated national wealth and how criteria could be developed to enable its application as a factor in setting the scale of assessments; (g) ways of ensuring that all countries were assessed on data covering the same period of time so that data used were comparable; (h) effects of altering the statistical base period in the scale of assessments; (i) how to take into account the special economic and financial problems of developing countries in general and those with the lowest per capita income, including the least developed countries in particular; (j) the continuing disparities between the economies of developed and developing countries; (k) the ability of Member States to secure foreign currency; and (l) the need to ensure that individual rates of assessment of the least developed countries did not exceed the level determined by the scale approved for the years 1983, 1984 and 1985.[16]

2. STATISTICAL INFORMATION

12. Pursuant to General Assembly resolution 34/6 B, the Committee on Contributions continued its search for better ways of taking into account the different methods of national accounting of Member

States, including the different inflation rates and their effects on the comparability of national income statistics. While the Committee had already determined that it was not possible to directly compare income aggregates of the national accounts of the market economies and those of the centrally planned economies, it continued its work on the basis of additional data received from those Member States. At the same time, the Secretariat continued to work on developing conversion methods aimed at reconciling the data received from centrally planned economies.[17]

13. In response to the request by the General Assembly for a study of ways and means of increasing the fairness and equity of the scale of assessments, the Committee, at most of its sessions during the period under review, considered the possibility of combining other indicators of an economic and social nature with national income data. Seven leading economic and social indicators used by the Committee for Development Planning in identifying the least developed countries were tested. The Committee's efforts in that direction did not, however, yield the desired results in view of the lack of data for certain countries or their non-comparability due to differences in statistical systems.[18]

14. The Committee recognized at an early stage that collecting data on socio-economic indicators would be difficult since estimates were not sufficiently developed and there were different views on concepts and techniques and evaluation. In addition, at its forty-fourth session, the Committee concluded that the indicators it was studying at that point, whether used alone or in combination with the low per capita income formula, would not benefit most developing countries. As a result, the Committee decided to keep the matter under review.[19]

15. In compliance with the objectives defined by the General Assembly, the Committee on Contributions decided to establish a seven-year base period for the scale of assessments for the period 1980-1982, with the upper limit of the low per capita income allowance formula set at $1,800 with a relief gradient of 75 per cent. The members of the Committee expressed two divergent views on the question of the length of the statistical base period that was used in preparing the 1980-1982 scale of assessments. Some members preferred longer base periods in the belief that that would provide greater stability between scales. They were of the view that a longer base period could do justice to economic realities, pending improvements in some areas of the methodology for formulating the scale of assessments. Other members contended that a shorter base period better reflected prevailing economic realities, such as a sharp deterioration in a country's economic situation, which might not otherwise be adequately reflected in a longer average of national income statistics.[20] Subsequently, the General Assembly, in its resolution 36/231 A, decided on a ten-year base period for the 1983-1985 scale. This was further reaffirmed by the Assembly when it decided, in its resolution 39/247 B, to maintain the 10-year base period for subsequent scales.

16. Pursuant to its mandate under General Assembly resolution 36/231 A to study alternative methods to assess the real capacity to pay of Member States, the Committee on Contributions, at its forty-third session, reviewed a number of alternative methodologies, bearing in mind its own experience and problems with inadequacy of data and their non-comparability between countries. Although the matter was still under review by the Committee during the thirty-eighth session of the Assembly, four alternative methodologies were presented to the General Assembly as possible directions of the Committee's work.[21] These were presented as Alternatives I to IV.

17. Under alternative I, countries were grouped as either OECD members, centrally planned economies or others. Each group was given a representative percentage range reflecting the actual individual contributions of a country to the budget of the Organization over the years. According to this approach, while the exact percentage of each group would be subject to political decisions, shares could be negotiated at the beginning of each scale period or after a longer period.[22]

18. In alternative II the scale of assessments was linked to the number of nationals of a Member State recruited by the United Nations (personnel factor) and to the membership of the Organization (the sovereignty factor), to which weights of 75 and 25 per cent were assigned respectively.[23] Alternative III focused on national wealth as a main indicator of the real capacity to pay, though it was recognized that sufficient progress had not been made in terms of the availability and comparability of national wealth statistics coverage and methodology as to warrant its use as an indicator.[24] Alternative IV represented variations of refinements aimed at enabling the methodology in use to take account of the conditions or circumstances that adversely affected the capacity to pay of a Member State. The particular emphasis of this alternative methodology was on the use of social and economic indicators as well as adjustments for inflation and changes in rates of exchange and other related elements.[25]

19. Severe objections were expressed concerning the first two alternatives during the Fifth Committee's consideration of the report of the Committee on Contributions. Alternative I was criticized as being divisive and having no legal or constitutional basis within the context of the Charter of the United Nations. Alternative II was also considered a deviation from the principle of capacity to pay.[26] Although the discussion seemed to favour a further study of Alternative III, subject to the agreement to be reached on the concept and definition of accumulated wealth, the General Assembly took note of the Committee's report in its resolution 38/33 as a work in progress. By the same resolution, it requested the Committee to carry out the mandate entrusted to it in resolution 37/125 B, bearing in mind the views expressed by Member States during the thirty-seventh and thirty-eighth sessions of the Assembly.

3. USE OF COMPARATIVE ESTIMATES OF NATIONAL INCOME

20. Pursuant to paragraph 2(*a*) of resolution 34/6 B, the Committee on Contributions considered ways of avoiding excessive variations of individual rates of assessment between two successive scales.[27] At its fortieth session, the Committee reviewed a number of alternative calculations based on the latest available national income data using various illustrative schedules of percentage limits and percentage point limits that were graduated according to the size of a Member State's official assessments. The Committee established that the application of limits, with various schedules of percentage limits and percentage point limits or a combination of the two, imposed increases as well as decreases between two successive scales. The Committee agreed to review the matter further.[28]

21. At its forty-first session, the Committee continued its review of the matter by examining the effects of applying a schedule of percentage point limits to the machine scale based on national income. However, some members felt that setting a percentage limit was too mechanistic and arbitrary. They pointed out that the imposition of any limit upward or downward would lead to a distortion of the capacity to pay, since increases or decreases resulted only from changes in national income, the principal measure of capacity to pay.[29]

22. At its forty-fourth session, the Committee examined the impact of average percentage increases or decreases in rates of assessment per scale period between 1974-1976 and 1983-1985 for 61 countries with rates of assessment above 0.03 per cent. The study included three schemes of limits. Scheme I consisted of both percentage limits and percentage point limits with five rate brackets, while Scheme II was based only on percentage limits with five rate brackets. Scheme III, which used both percentage and percentage point limits with eight rate brackets, resulted in smaller variations for rates of assessment below 2.5 per cent.[30]

23. It was thus established that the scheme of limits which combined both percentage and percentage point limits allowed relatively smaller differentiation for rates of assessment above 1.00 per cent, as well as rates between 0.25 and 0.50 per cent. Consequently, the Committee agreed that Scheme III, with a slight modification, should be made operational.[31] This was subsequently agreed to by the General Assembly in paragraph 1 (*f*) of its resolution 39/247 B, subject to some modifications, in order further to limit variations in individual rates of assessment between successive scales in respect of rates below the level of 1 per cent.

4. FACTORS TO BE TAKEN INTO ACCOUNT TO AVOID ANOMALOUS ASSESSMENTS

(a) *Comparative income per head of population*

24. Subsequent to its study of a wide range of alternatives and in the face of the current level of the low per capita income allowance formula, the Committee on Contributions in 1979 concluded that no upward adjustment was required in the $1,800 low per capita income allowance limit. It observed that neither the erosion in the value of the United States dollar nor the number of countries that had exceeded the $1,800 limit since 1976 justified any adjustment in the dollar limit of the formula.[32] Instead the scale of assessments recommended by the Committee provided for additional relief to those countries now fell below the $1,800 per capita income limit by increasing the gradient of relief from 70 to 75 per cent. It also provided for additional relief to those countries in the $1,500 to $1,799 per capita income category by distributing the cost of the allowance pro rata only to those countries whose per capita income was greater than or equal to the $1,800 limit. The allowance had previously been distributed to all Member States.[33]

25. This adjustment increased significantly the relief provided by the low per capita income allowance to Member States below the $1,800 per capita income level in the 1980-1982 scale and increased the number of Member States benefiting from the allowance.[34]

26. Inevitably this increased the assessment of those countries above the $1,800 per capita income limit. It was one of the factors contributing to some steep

increases in rates of assessment in the scale for the years 1980, 1981 and 1982. Although the relief provided to low per capita income countries was supported in the Fifth Committee, the consequential increases in the rates of assessment of other countries above the $1,800 limit remained a matter of concern to a number of Member States.[35]

27. In its resolution 36/231 A of 18 December 1981, the General Assembly decided that the upper limit of the low per capita income allowance formula should be revised to $2,100 and the gradient to 85 per cent.

28. At its forty-third session, the Committee on Contributions once again reviewed the per capita income allowance formula, with a test application of a percentage deduction from national income to reflect the real rate of growth, as compared to the rate of inflation in a given country. The Committee recognized that adjustment of the deduction formula could be achieved by changing either the per capita income limit or the gradient or both elements.[36] To that end, the Committee recommended, and the General Assembly in its resolution 39/247 B approved, the raising of the upper limit of the low per capita income allowance formula from its $2,100 limit to that of $2,200.

**(b) *Temporary dislocation of national economies arising out of the Second World War*

(c) *The ability of Members to secure foreign currency*

29. During its formulation of the scales for 1980-1982, the Committee examined the latest available statistics on the current account and the balance of payments as well as the international reserves of Member States as indicators of the ability of Member States to secure convertible currency. It also compared the ratio of debt servicing to export earnings, as a result of which ad hoc downward adjustments were made in some cases where the ratio of debt servicing was found to be excessively high. However, as in the case of socio-economic indicators, the Committee concluded that the question of the ability of a Member State to secure convertible currency should be reviewed further on the basis of appropriate statistical information compiled by the United Nations Secretariat.[37]

(d) *Situation of countries whose commodity export earnings are subject to sharp fluctuations*

30. At its fortieth session, the Committee on Contributions considered ways and means of taking into consideration the situation of countries whose commodity-oriented economies experienced a sharp decline in export prices and countries whose export earnings were subject to sharp fluctuations. In compliance with General Assembly resolution 34/6 B, the situation of developing countries whose national income depended to a large extent on the export of non-renewable natural resources was also examined. The Committee noted that any steep decline in export prices or steep increases in import prices might impair the relative capacity to pay, as a result of either higher domestic inflation or a reduction in international reserves. The Committee also noted that, insofar as such factors affected national income, they were automatically taken into account.[38] Furthermore, it was observed that such factors could distort the statistical measurement of a country's income and, hence, its capacity to pay.[39]

(e) *The problem of domestic inflation*

31. During its fortieth and forty-first sessions, the Committee on Contributions examined the problem of how domestic inflation set off by sharp movements in import and export prices could affect the national income of Member States. Basing itself on a survey of changes in prices and exchange rates and on the related development of national income for the period 1973-1979 relative to the base period, the Committee noted that no pattern of relationship could be assumed between domestic inflation rates and changes in exchange rates. At the same time, it was agreed that the data in the survey could be used as a basis for mitigating individual cases where large price movements occurred.[40]

32. The Committee continued to explore the adjustment of exchange rates in relation to inflation through market forces or government intervention, in order to determine the real picture of national income. Although its practice had been to base its conclusions on national income statistics in current prices, converted to United States dollars, the Committee made allowances for the impact of changes in prices when that factor had a significant impact on the level of assessment. At its forty-fourth session, the Committee considered a study in which purchasing power parities replaced the traditional exchange rate conversion. The Committee, however, concluded that the purchasing power parity conversion could not be used at that time, as it had to be studied further.[41]

With respect to inflation, the price-adjusted rate of exchange (PARE) was applied in extreme cases in order to make adjustments to national income figures in United States dollars.[42]

(f) *Accumulated national wealth*

33. In compliance with the request of the General Assembly in paragraph 2 (*f*) of its resolution 34/6 B, the Committee on Contributions in 1980 continued to examine the concept of accumulated national wealth. It noted that national wealth by definition was related to balance-sheet accounts, which provided a picture of a country's net worth, consisting of the total of the various kinds of net tangible and intangible non-financial assets by residents plus financial claims by non-residents. While the Committee recognized that data on national wealth and net national welfare could broaden the measurement for determining the capacity to pay, the limited amount of data available and the lack of uniformity in their compilation rendered their use impractical. In that connection it was noted that, of 151 Member States surveyed for the purpose, only one country was in a position to provide a full range of balance-sheet statistics, as called for in the United Nations guidelines. In the absence of a methodology to translate the data, the Committee decided to keep it under review.[43]

B. Upper and lower limits on contributions

1. Overall maximum ceiling

34. In its resolution 2961 B (XXVII), the General Assembly had decided that, as a matter of principle, the maximum contribution of any one Member State under the regular budget should not exceed 25 per cent of the total. Consequently, during the period under review, the United States of America had been assessed continuously at that ceiling rate. At the thirty-ninth session of the Committee on Contributions, some members of the Committee questioned the desirability of maintaining that principle. In their view, that approach not only prevented the equitable distribution of the burden, but also was inconsistent with the principle of the capacity to pay.[44]

**2. Per capita ceiling

3. Minimum assessment

35. The Committee on Contributions considered the question of a special floor rate for permanent members of the Security Council at the thirty-fourth session. Differing views were expressed and the Committee concluded that the matter was beyond its competence and outside its terms of reference.[45]

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

36. During the period under review, 10 new Member States (including Dominica and Solomon Islands, which became Members in 1978) were assessed under the scale of assessments for 1978-1979 and/or 1980-1982 and/or 1983-1985, depending on the date of their respective membership of the United Nations. In respect of initial minimum contributions, the practice of applying one-ninth of the assessment for the year of entry continued to be applied during the period.[46]

C. Revision of scales of assessment

37. The practice of establishing and approving the scale of assessments for a period of three years continued during the period. By its resolutions 34/6 A and 37/125 A, the General Assembly, upon the recommendation of the Fifth Committee, adopted two scales of assessment respectively for the years 1980-1982 and 1983-1985.

38. In the draft scale recommended by the Committee on Contributions for 1983-1985, 93 Member States were assessed at or below the rate of 0.03 per cent with 75 Members assessed at 0.01 per cent and 11 at 0.02 per cent. The draft scale provoked controversy in view of the rate increases proposed for a number of Member States, in particular the OECD members and some developing countries, especially the oil-exporting countries. Consequently, the Fifth Committee requested the Committee on Contributions to re-examine its recommended scale.[47] The Committee met in a two-day special session in November 1982 to reconsider the scale. Ten Member States that would have received decreases under the original new scale agreed to absorb a total of 58 points, which under the draft scale recommended by the Committee, had been apportioned among 25 Member States that had protested the increases.[48]

39. The Fifth Committee recommended to the General Assembly the modified scale, which was adopted by a vote of 110 to 26, with 7 abstentions. The modified scale included increases for 29 Member States and decreases for a similar number. Following its adoption, some delegations expressed serious reservations and criticized the manner in which the scale had been revised.[49] Those delegations viewed it as a scale resulting from political negotiations within the Fifth Committee, rather than a product of the Committee on Contributions. Others expressed the view that the situation should not constitute a precedent, while still others urged a return to the

practice of giving a broader mandate to the Committee on Contributions.[50]

**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

40. States which were not Members of the United Nations but participated in certain activities of the Organization continued to contribute towards the expenses of the United Nations, in accordance with regulation 5.9 of the Financial Regulations.[51] The recommended assessment rates for non-member States during the period under review were approved by the General Assembly in its resolutions 34/6 A and 37/125, along with the scale of assessments for the periods 1980-1982 and 1983-1985 respectively. In formulating the rate of assessments for non-member States, the Committee on Contributions reviewed national income data of each non-member State and applied the same allowance formula and criteria that were applicable to Member States.

41. In accordance with the procedure established by the General Assembly for the assessment of non-member States, assessments were subject to consultations with the Governments concerned. During the reporting period, the Committee on Contributions reviewed the positions of the Democratic People's Republic of Korea, the Holy See, Liechtenstein, Monaco, Nauru, the Republic of Korea, San Marino, Switzerland and Tonga in respect of their participation in the work of the different bodies and conferences of the United Nations and recommended to the General Assembly their respective assessments under the relevant scales and year of participation.[52]

F. Working Capital Fund

42. As indicated above in the study of Article 17(1),[53] in its resolutions 36/116 B and 36/242, the General Assembly decided to raise the level of the Working Capital Fund from $40 million to $100 million as from the biennium 1982-1983. The Fund remained at that level for the remainder of the period under review. The Assembly also authorized the Secretary-General to advance from the Working Capital Fund up to $200,000 to continue the revolving fund to finance miscellaneous self-liquidating purchases and activities. Any advances in excess of that amount were to be made with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions. In accordance with regulation 6.4 of the Financial Regulations, advances made from the Fund for unforeseen and extraordinary expenses or other authorized purposes were considered reimbursable through the submission of supplementary programme budget proposals.

**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

**3. ENLARGEMENT OF THE COMMITTEE ON CONTRIBUTIONS

I. Apportionment of the expenses of the United Nations Emergency Force and the United Nations Disengagement Observer Force

43. Following the expiration of the mandate of UNEF on 24 July 1979, the General Assembly, in paragraph 1, section I of its resolution 34/7 B, appropriated to the Special Account for UNEF $18,202,000 for its liquidation as from 25 July 1979. In paragraph 2 the Assembly, as an ad hoc arrangement, apportioned the cost thereof to be assessed against two scale periods, for 1978-1979 and 1980-1982. Of that amount, $10,590,255 was apportioned, in accordance with General Assembly resolution 3101 (XXVIII), among Member States under the 1978-1979 scale of assessments and the remaining $7,611,745 on the basis of the scale of assessments for the period 1980-1982.

44. During the period under review, the mandate of UNDOF was renewed every six months by the Security Council and funds appropriated by the General Assembly under resolutions 33/13, 34/7, 35/45, 36/66, 37/38, 38/35 and 39/28. The apportionment of the amounts appropriated, as mentioned above, continued to be made in accordance with the special scheme for the apportionment of peacekeeping expenses in use since 1973, pursuant to General Assembly resolution 3101 (XXVIII). UNDOF continued to face financial difficulties due to the withholding by certain Member States of their contributions to the Force. Pursuant to General Assembly resolution 36/116 A, China's share of contributions for the period between 25 October 1971 and 31 December 1981 was transferred to a special account. The shortfall in the Special Account for UNDOF reached $82.2 million by 30 September 1984 and, for the period between 25 October 1979 and 30 November 1984 was put at $5.2 million.[54]

45. In view of the difficulties faced by the Secretary-General in meeting the obligations of

UNDOF on a current basis, particularly the reimbursement due to troop-contributing Governments, the General Assembly at its thirty-fourth to thirty-ninth sessions decided to suspend the provisions of regulations 5. 2 (b), 5.2 (d), 4.3 and 4.4 of the Financial Regulations of the United Nations so that the surplus would not be considered a credit to Member States, but instead was put in a suspense account, pending further action by the General Assembly.

J. Apportionment of the expenses of the United Nations Interim Force in Lebanon

46. Following the renewal of the mandate of UNIFIL during the period under review, the General Assembly, by its resolutions 34/9, 35/115 A, 36/138 A, 37/127 A, 38/38 A and 39/71 A, appropriated funds on a six-monthly basis to the Special Account for the operation of the Force. The Special Account for UNIFIL experienced an accumulated deficit, with the Organization unable to pay troop-contributing Governments on a current basis the amounts that were due to them. The General Assembly responded by suspending the provisions of regulations 5.2 (b), 5.2 (d), 4.3 and 4.4 in respect of surplus amounts that were recorded throughout the period. These amounts were placed in a suspense account, pending further decision by the General Assembly.

47. Concerned by the fact that approximately one quarter of the assessed contributions for UNIFIL appeared uncollectible, the General Assembly by its resolution 34/9 D decided to establish a suspense account to supplement the Special Account. The funds so mobilized were to be used to reimburse Governments contributing troops to the Interim Force. The resources of the suspense account were to consist entirely of voluntary contributions from Governments and private sources which would be considered as cash advances, to be credited or paid back to the donor State or parties when a sufficient number of assessed contributions to the regular Special Account had been received.

**K. United Nations bonds

**L. The question of whether expenditures authorized by the General Assembly constitute "expenses of the Organization" within the meaning of Article 17(2)

M. Financing of United Nations peacekeeping operations

48. The Special Committee on Peacekeeping Operations, which was established by the General Assembly in 1965, had as its main task "a comprehensive review of the whole question of peacekeeping operations in all their aspects, including ways of overcoming the present financial difficulties of the Organization".[55] The Committee met regularly during the period under review, except in 1984, in order to formulate guidelines governing the conduct of United Nations peacekeeping operations, as requested by the General Assembly in a number of its resolutions.[56] Although the mandate of the Committee continued to be renewed annually, the General Assembly was concerned by the lack of progress. Consequently, it repeatedly appealed to Member States to provide information on experience gained in peacekeeping operations and reiterated its request to the Committee to renew its efforts towards completing the guidelines.[57]

49. Discussion within the Committee reflected conceptual differences that became an obstacle to the Committee's work. In addition, a number of Member States at the session of the Committee in 1981 expressed the view that the financing of peacekeeping operations was a collective responsibility which must be borne by all Member States as part of the expenses of the United Nations. Others held the view that the operation and financing of peacekeeping operations must be decided on by the Security Council. Hence, the Committee was unable to carry out its mandate fully and deliver the guidelines on peacekeeping operations of the United Nations during the period under review. [58]

NOTES

[1] See resolutions 37/125 B and 39/247.
[2] G A (35), Suppl. No. 11, para. 16.
[3] Ibid., paras. 6-9.
[4] G A (37), 5th Comm., 4th mtg., para. 17.
[5] G A (39), Suppl. No. 11, para. 16.
[6] Ibid., paras. 55-57.
[7] G A (34), Suppl. No. 11, para. 38.
[8] Ibid., paras. 30-42.
[9] *Repertory, Supplement No .5*, vol. I, under Article 17(2), para. 3.
[10] G A resolution 3101 (XXVIII).
[11] Dominica and Solomon Islands joined the United Nations in 1978, but their first full assessments were calculated in the 1980-1982 scale of assessments, pursuant to General Assembly resolution 34/6 A.
[12] G A (34), Suppl. No. 11, paras. 54-55; G A resolutions 36/231 B, para. 1 and 39/247 B, para. 11.
[13] See *Repertory, Supplement No. 5*, vol. I, under Article 17(2), para. 5.
[14] G A (34), Suppl. No. 11, para. 4; G A (35), Suppl. No. 11, para. 4; G A (36), Suppl. No. 11, para. 3; G A (38), Suppl. No. 11, paras. 3-6; and G A (39), Suppl. No. 11, paras. 3-6.
[15] G A (37), 5th Comm., 4th mtg., para. 15.

[16] G A resolutions: 34/6 B, para. 2; 36/231 A; 37/125 B; 38/233 and 39/247 B.
[17] G A (35), Suppl. No. 11, paras. 43-46.
[18] G A (36), Suppl. No. 11, paras. 17-23.
[19] G A (39), Suppl. No. 11, para. 26.
[20] G A (36), Suppl. No. 11, paras. 42-46.
[21] G A (38), Suppl. No. 11, paras. 7-58.
[22] Ibid., paras. 7-14.
[23] Ibid., paras. 15-18.
[24] Ibid., paras. 19-20.
[25] Ibid., paras. 21-58.
[26] Ibid., 5th Comm., 9th-11th mtgs.
[27] G A (35), Suppl. No. 11, paras. 7-12.
[28] Ibid., paras. 7-8.
[29] G A (36), Suppl. No. 11, paras. 5-16.
[30] G A (39), Suppl. No. 11, para. 46.
[31] Ibid., paras. 44-49.
[32] G A (34), Suppl. No. 11, para. 22.
[33] Ibid., paras. 26-28.
[34] Ibid., paras. 48-49.
[35] Ibid., 5th Comm., 3rd-9th and 16th mtgs.
[36] G A (38), Suppl. No. 11, paras. 45-48.
[37] G A (35), Suppl. No. 11, A/35/11, paras. 21-25.
[38] Ibid., paras. 26-37.
[39] Ibid., para. 36.
[40] G A (36), Suppl. No. 11, paras. 34-37.
[41] G A (39), Suppl. No. 11, paras. 27-33.
[42] Ibid., para. 31.
[43] G A (35), Suppl. No. 11, paras. 53-62.
[44] G A (34), Suppl. No. 11, para. 32.
[45] Ibid., para. 36.
[46] G A (34), Suppl. No. 11, para. 55, and G A (39), Suppl. No. 11, para. 60.
[47] A/37/617; see also G A (37), 5th Comm., 32nd mtg.
[48] G A (37), 5th Comm., 32nd mtg., A/37/11/Add.1 and Corr.1; G A resolution 37/125 B and A/C.5/37/L.23.
[49] G A (37), 5th Comm., 54th mtg., para. 34.
[50] Ibid., 7th-16th, 32nd-34th, 54th and 55th mtgs.
[51] Regulation 5.9 of the Financial Regulations reads:

> "States which are not Members of the United Nations but which become parties to the Statute of the International Court of Justice or treaty bodies financed from United Nations appropriations shall contribute to the expenses of such bodies at rates to be determined by the General Assembly. States which are not Members of the United Nations but which participate in organs or conferences financed from United Nations appropriations shall contribute to the expenses of such organs or conferences at rates to be determined by the General Assembly, unless the Assembly decides with respect to any such State to exempt it from the requirement of so contributing. Such contributions shall be taken into account as miscellaneous income."

[52] G A (34), Suppl. No. 11, para. 59, and G A (35), Suppl. No. 11, para. 74, G A resolutions 34/6 A and 37/125 B.
[53] See the present *Supplement*, under Article 17(1), para. 11.
[54] A/39/468.
[55] G A resolution 2006 (XIX).
[56] G A resolutions 34/53, 35/121, 36/37, 37/93, 38/81 and 39/97.
[57] G A resolutions 35/121, 36/37 and 38/81.
[58] A/34/678.