United Nations

Report of the Committee on Contributions

Sixty-sixth session (5-30 June 2006)

General Assembly

Official Records
Sixty-first Session
Supplement No. 11 (A/61/11)

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United Nations • New York, 2006

Note

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ISSN 0251-8430

Summary

At its sixty-sixth session, with regard to the methodology for the scale of assessments for the period 2007-2009, the Committee:

(a) Decided to review the scale for the period 2007-2009 pursuant to rule 160 of the rules of procedure of the General Assembly and General Assembly resolution 58/1 B;

(b) Recalled and reaffirmed its recommendation that the scale should be based on gross national income (GNI) data;

(c) Recalled and reaffirmed its recommendation that market exchange rates (MERs) should be used in preparing the scale except where that caused excessive fluctuations and distortions in income;

(d) Decided to consider further at future sessions the questions of the base period, the debt burden adjustment and the low per capita income adjustment;

(e) Decided to study further the question of automatic annual recalculation on the basis of any guidance thereon by the General Assembly;

(f) Decided to adjust MERs for Afghanistan, Angola, Turkmenistan and Zimbabwe and use United Nations operational rates for Myanmar and the Syrian Arab Republic and official rates for the Democratic Republic of Korea;

(g) Considered the application of the new data to the methodology used in preparing the current scale and included the results for information.

With regard to multi-year payment plans (chap. IV), the Committee noted the completion by Iraq of payments under its plan and considered:

(a) The new payment plan submitted by Liberia;

(b) The positive results from payment plans.

With regard to the application of Article 19 of the Charter (chap. V), the Committee:

(a) Encouraged all Member States requesting an exemption under Article 19 that are in a position to do so to consider presenting a multi-year payment plan;

(b) Recommended that the following Member States be permitted to vote in the General Assembly until the end of the sixty-first session of the Assembly: the Central African Republic, the Comoros, Georgia, Guinea-Bissau, Liberia, the Niger, Somalia and Tajikistan;

(c) Observed that the request from Tajikistan to have its peacekeeping arrears written off went beyond the competence of the Committee on Contributions as a technical advisory body.

Under other matters (chap. VI), the Committee:

(a) Recommended a rate of assessment of 0.001 per cent for Montenegro, as a new Member State, in 2006;

(b) Recommended a notional rate of assessment of 0.001 per cent for the Holy See, as a non-member State, for the period 2007-2009;

(c) Decided to hold its sixty-seventh session from 11 to 27 June 2007.

[27 June 2006]

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Chapter I
Attendance

1. The sixty-sixth session of the Committee on Contributions was held at United Nations Headquarters from 5 to 30 June 2006. The following members were present: Kenshiro Akimoto, Meshal Al-Mansour, Petru Dumitriu, Gordon Eckersley, Paul Ekorong à Dong, Haile Selassie Getachew, Sujata Ghorai, Bernardo Greiver, Hassan M. Hassan, Ihor V. Humenny, Eduardo Iglesias, David A. Leis, Vyacheslav A. Logutov, Richard Moon, Hae-yun Park, Eduardo Ramos, Henrique da Silveira Sardinha Pinto and Wu Gang.

2. The Committee observed a moment of silence in honour of the late Alvaro Gurgel de Alencar. Members paid tribute to his long and distinguished service with the Committee.

3. The Committee elected Mr. Greiver as Chairman and Mr. Ramos as Vice-Chairman.

4. The Committee expressed its appreciation to its former Chairman, Ugo Sessi, for his invaluable contribution, both as member and as Chairman.

Chapter II
Terms of reference

5. The Committee conducted its work on the basis of its general mandate, as contained in rule 160 of the rules of procedure of the General Assembly; the original terms of reference of the Committee contained in chapter IX, section 2, paragraphs 13 and 14, of the report of the Preparatory Commission (PC/20) and in the report of the Fifth Committee (A/44), adopted during the first part of the first session of the General Assembly on 13 February 1946 (resolution 14 (I) A, para. 3); and the mandate contained in Assembly resolutions 46/221 B of 20 December 1991, 48/223 C of 23 December 1993, 53/36 D of 18 December 1998, 54/237 C of 23 December 1999, 54/237 D of 7 April 2000, 55/5 B and D of 23 December 2000, 57/4 B of 20 December 2002, 58/1 A of 16 October 2003, 58/1 B of 23 December 2003, 59/1 A of 11 October 2004, 59/1 B of 23 December 2004 and 60/237 of 23 December 2005.

6. The Committee had before it the summary records of the Fifth Committee at the sixtieth session of the General Assembly relating to agenda item 128, entitled "Scale of assessments for the apportionment of the expenses of the United Nations" (A/C.5/60/SR.6, 7 and 36) and the verbatim record of the 69th plenary meeting of the General Assembly at its sixtieth session (A/60/PV.69), and had available the relevant report of the Fifth Committee to the Assembly (A/60/602).

Chapter III
Scale of assessments for the period 2007-2009

7. The Committee recalled that, in its resolution 55/5 B, the General Assembly had established the elements of the methodology used in preparing the scale of assessments for the period 2001-2003. The General Assembly had also decided, inter alia, that the elements of the methodology should remain fixed until 2006, subject to the provisions of its resolution 55/5 C, in particular paragraph 2 of that resolution, and without prejudice to rule 160 of the rules of procedure of the General Assembly. Pursuant to that decision, the Committee on Contributions had used the same methodology in preparing the scale of assessments for the period 2004-2006.

8. The Committee also recalled that, in its resolution 58/1 B, the General Assembly had requested the Committee on Contributions, in accordance with its mandate and the rules of procedure of the General Assembly, to continue to review the methodology of future scales of assessments based on the principle that the expenses of the Organization should be apportioned broadly according to capacity to pay. The Assembly had reaffirmed that the Committee as a technical advisory body was required to prepare the scale of assessments strictly on the basis of reliable, verifiable and comparable data. The Assembly had also noted that the application of the current methodology led to substantial increases in the rate of assessment of some Member States, including developing countries. On the basis of those mandates, the Committee on Contributions had reviewed the elements of the scale methodology at its sixty-fourth and sixty-fifth sessions and the results of that review were reflected in its reports.[1] At its sixty-fifth session, the Committee reached conclusions concerning the income measure and conversion rates and decided to consider further at its sixty-sixth session the question of the base period used in preparing the scale and the low per capita income adjustment.

9. Having considered the summary records of the Fifth Committee at the sixtieth session of the General Assembly relating to agenda item 128, the Committee noted that the General Assembly had not provided it with any further guidance on the preparation of the scale of assessments for the period 2007-2009.

10. The Committee recalled its general mandate, under rule 160 of the rules of procedure of the General Assembly, to the effect that it should advise the General Assembly on the apportionment of the expenses of the Organization among Member States broadly according to capacity to pay, as well as the requests in resolution 58/1 B and the results of its earlier reviews.

11. **On this basis, the Committee decided to review the scale of assessments for the period 2007-2009.**

A. Representations by Member States

12. The Committee had before it the text of a letter dated 28 April 2006 from the Permanent Representative of Mexico to the United Nations addressed to the Secretary of the Committee on Contributions. It also had before it the text of a letter dated 6 June 2006 from the President of the General Assembly to the Chairman of

[1] *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 11* (A/59/11); ibid., *Sixtieth Session, Supplement No. 11* (A/60/11).

the Committee on Contributions, transmitting a letter dated 3 May 2006 from the Permanent Representative of Mexico to the United Nations. Both letters from the Permanent Representative related to a proposal by Mexico for a methodology for the preparation of the scale of assessments for the period 2007-2009.

13. The Committee also had before it the text of a letter dated 23 May 2006 from the President of the General Assembly addressed to the Acting Chairman of the Committee on Contributions, transmitting a letter dated 22 May 2006 from the Permanent Representative of Japan to the United Nations regarding a proposal by Japan for the scale of assessments for the period 2007-2009. This proposal was circulated as document A/60/859.

14. Some members questioned whether the Committee had a mandate to consider proposals for the scale directly from individual Member States without a mandate from the General Assembly and pointed out that, if such requests proliferated in future, they could impede the Committee's review of future scales and strain the capacity of the Statistics Division to provide technical support. Other members saw no difficulty in acceding to the requests made by Japan and Mexico and doubted that such requests would proliferate in future. Some members felt that the Committee should seek the guidance of the General Assembly on how to handle such requests in future. Some other members considered that the proposal by Japan was of a political nature and contradicted the principle of capacity to pay and was therefore outside the mandate of the Committee on Contributions. Other members considered that all proposals on the scale methodology were of a political nature and that the Committee, under rule 160 of the rules of procedure of the General Assembly, had a mandate to review any proposal regarding the apportionment of the expenses of the Organization.

15. **On the basis of this discussion, the Committee took note of the representations.**

16. The Committee also had before it the text of a letter dated 19 May 2006 from the President of the General Assembly addressed to the Acting Chairman of the Committee on Contributions, transmitting a letter dated 15 May 2006 from the Permanent Representative of Ecuador to the United Nations addressed to the President of the General Assembly concerning the economic situation of Ecuador.

17. The Committee had before it the text of a letter dated 2 June 2006 from the Deputy Permanent Representative of the Bolivarian Republic of Venezuela to the United Nations addressed to the Acting Chairman of the Committee on Contributions regarding the situation of his country in the context of the preparation of the next scale of assessments. The Committee also had before it the text of a letter dated 5 June 2006 from the Permanent Representative of the Bolivarian Republic of Venezuela to the United Nations addressed to the Acting Chairman of the Committee on Contributions on the same subject.

18. The Committee considered these representations following the related information meetings referred to in chapter III.B below.

B. Information meetings for Member States

19. Pursuant to paragraph 1 of General Assembly resolution 46/221 C, the Committee met with representatives of Ecuador, Mexico and Venezuela.

20. Ecuador pointed out that since the financial crisis in 2000, its gross domestic product (GDP) had fallen by over 7 per cent. In addition to the recession, it had faced high levels of inflation and external debt. To tackle inflation and stabilize the economy, the country had replaced its currency with the United States dollar. While this had helped to stabilize the situation, domestic inflation had substantially exceeded that in the United States for some time and Ecuador was concerned that this would lead to an unrealistic increase in its rate of assessment.

21. Mexico presented its proposals for the methodology to be used in preparing the scale of assessments for the period 2007-2009. That methodology would follow the current methodology except that the base periods used would be two and six years, rather than three and six years, and that points transferred from Member States whose per capita gross national income (GNI) was below the threshold of the low per capita income adjustment would only be absorbed by the top 20 per cent of Member States based on per capita GNI. The proposed change for the low per capita income adjustment would address the problem faced by Mexico with the current scale when the increase in its rate of assessment greatly exceeded the real growth in its economy — partly due to the discontinuity that it had experienced when it passed through the threshold of the adjustment.

22. Venezuela recalled that, in preparing the current scale of assessments, the Committee on Contributions had decided to use price-adjusted rates of exchange (PAREs) in calculating Venezuela's rate of assessment. It also recalled that it had experienced major economic and political problems in 2002 and 2003, owing to the coup d'état on 11 April 2002 and the oil industry stoppage from December 2002 until February 2003. As a result, the economy had suffered and GDP figures in United States dollars did not accurately reflect the real economic situation. Venezuela therefore suggested that continued use of PAREs would produce a more stable result.

23. **The Committee took note of the information provided.**

C. Methodology for the preparation of the scale of assessments

24. The Committee recalled that the methodology used in preparing the scale of assessments for the period 2001-2003 had been fixed by the Assembly until 2006. That methodology had therefore been used in preparing the scale of assessments for the period 2004-2006. A detailed description of the methodology used in preparing the current scale is attached in annex I. In the absence of any further guidance from the General Assembly, the Committee reviewed the elements of the current methodology further. It also considered alternative approaches suggested by members of the Committee and other possible elements for the scale methodology.

1. Income measure

25. **The Committee recalled and reaffirmed its recommendation that the scale of assessments for the period 2007-2009 should be based on the most current, comprehensive and comparable data available for GNI. It noted in that context that data up to 2004 would be used in preparing the next scale.**

2. Conversion rates

26. The Committee recalled that previous scales had used market exchange rates (MERs) except where that would cause excessive fluctuations and distortions in the income of some Member States, when PAREs or other appropriate conversion rates were used.

27. In considering this matter further, the Committee met with a representative of the World Bank, who provided information on purchasing power parity (PPP) and the World Bank Atlas method. The Atlas method is a three-year moving average, incorporating some price adjustment. A new PPP survey for 147 countries in 2005 was under way. Current figures were mostly extrapolated from 1993-1996 surveys, although for some countries, including China and India, the figures were based on surveys from the 1980s. Figures for non-benchmark countries were also extrapolations and some figures were estimates.

28. The Committee noted that, while the Atlas method smoothed exchange rate fluctuations to some degree, it did not address problems such as the situation of countries whose exchange rate was fixed for many years. Regarding PPP, some members felt that it could be a useful approach to measuring capacity to pay, as the cost of living in different countries using MERs was so different. Those members were of the view that data collection had improved markedly and the outcome of the 2005 survey would be interesting. Other members expressed serious reservations about the use of PPP in preparing the scale of assessments. In their view, PPP did not measure capacity to pay in United States dollars, as it included goods and services that were not tradable internationally. They also had serious concerns about the variable quality of the data, given that PPP was not available for many countries and where available was based on extrapolations and estimates based on surveys, some of which dated back to the 1980s. The choice of weights in fixing PPPs could also have a major impact on the result. In view of those and other concerns, they considered that the use of PPP would not meet the criterion that data used in the scale should be reliable, verifiable and comparable.

29. The Committee recalled that, at its sixty-fifth session, it had decided to use the relative PARE method outlined in chapter III.A.2 of its report.[2] The results of this approach are reflected in section E below.

30. **The Committee recalled and reaffirmed its recommendation that conversion rates based on MERs should be used for the scale of assessments for the period 2007-2009, except where that would cause excessive fluctuations and distortions in the GNI of some Member States expressed in United States dollars, in which case PAREs or other appropriate conversion rates should be employed.**

3. Base period

31. The Committee recalled that the methodology used in preparing the current scale of assessments was based on the average of the results of machine scales using base periods of three and six years.

32. Some members considered that it would be sounder technically to use a single base period and members suggested a variety of periods, including three, four and

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[2] *Official Records of the General Assembly, Sixtieth Session, Supplement No. 11* (A/60/11).

six years. Those favouring a short base period considered that it would better reflect Member States' actual capacity to pay. Other members considered that a long base period was more appropriate, as it tended to promote greater stability and predictability in the scale. Some members felt that the current method had been a reasonable compromise by the General Assembly between those favouring short and long base periods. Some members were of the view that the base period, once established, should not be subject to constant change.

33. **The Committee decided to consider the question of the base period further at future sessions in the light of any guidance from the General Assembly.**

4. Debt-burden adjustment

34. Members of the Committee had divergent views about the debt-burden adjustment. Some considered that the adjustment was an essential part of the methodology, reflecting an important factor in the capacity to pay of Member States. Other members pointed out that the adjustment was technically unsound, as it mixed income and capital concepts, and considered that it should be eliminated.

35. With regard to the application of the adjustment, some members felt that data on the actual repayment of debt principal, the debt flow approach, should be used rather than the current debt stock approach, which was based on the theoretical assumption that external debt was repaid over eight years. Other members considered that the overall level of a country's debt itself constituted a burden.

36. **The Committee decided to consider the question of the debt-burden adjustment further at future sessions in the light of any guidance from the General Assembly.**

5. Low per capita income adjustment

37. The Committee noted that this was one of the major elements of the scale methodology and had been part of the methodology since the earliest days of the United Nations. The Committee recalled the problem of the discontinuity faced by Member States that moved up through the threshold of the adjustment between scale periods. Such Member States not only ceased to benefit from the adjustment but also helped to pay for it.

38. Some members considered that the increase for Member States affected by the discontinuity should be phased in gradually during the scale period. Others suggested that the problem could be addressed by the introduction of sliding gradients. Other members doubted that that would solve the problem and considered that it would unnecessarily complicate the scale methodology.

39. **The Committee decided to consider the question of the low per capita income adjustment further at future sessions in the light of any guidance from the General Assembly.**

6. Floor

40. The Committee recalled that the General Assembly had reduced the minimum assessment rate, or floor, from 0.01 per cent to 0.001 per cent from 1998. It noted that this exceeded the share of total membership income in the case of five Member States.

7. Ceilings

41. The Committee recalled that the current methodology included a maximum assessment rate, or ceiling, of 22 per cent and a maximum assessment rate for the least developed countries, or LDC ceiling, of 0.010 per cent.

8. Other suggestions and other possible elements for the scale methodology

42. Several members of the Committee made other suggestions for the scale. The Committee also considered other possible elements for the scale methodology.

43. One member suggested an approach to the scale involving GNI based on PPP, or MERs where that was not available; a base period of three years; a floor of 0.001 per cent; an LDC ceiling of 0.01 per cent and a ceiling of 22 per cent. Other members questioned the justification for making a machine scale based on PPP and noted that that approach would lead to extremely large changes for many Member States, which would be contrary to the principle of capacity to pay.

44. Another member suggested using the methodology for the current scale, but with a gradient of 85 per cent for the low per capita income adjustment.

45. Another member suggested using the methodology for the current scale, but with a six-year base period; a debt burden adjustment using the debt flow approach; sliding gradients for the low per capita income adjustment of between 70 per cent and 85 per cent based on per capita GNI in relation to the world average; and ceilings of 22 or 25 per cent.

46. Another member suggested using the methodology for the current scale, but with a three-year base period, with annual recalculation, and a minimum assessment rate of 3 or 5 per cent for the permanent members of the Security Council. Some members considered that that proposal was of a political nature and contrary to the principle of capacity to pay fixed in the rules of procedure of the General Assembly and was therefore outside the mandate of the Committee on Contributions. Other members considered that the Committee on Contributions had the mandate, under rule 160 of the rules of procedure of the General Assembly, to discuss any proposal regarding the apportionment of the expenses of the Organization made by the members of the Committee and that therefore the proposal was not outside its mandate.

47. Some members noted that several Member States were facing substantial increases in their rates of assessment, including those passing through the threshold of the low per capita income adjustment. They suggested that such increases should be phased in during the scale period so as not to impose an excessive burden on those Member States. Other members pointed out that such measures would impose an additional burden on other Member States and that all the large increases in question were explainable by the relevant economic data. They also pointed out that the rates of Member States with very low rates of assessment could only increase by a large percentage. They further suggested that any measures to phase in large-scale increases should be applied symmetrically to Member States whose rates of assessment were being reduced substantially.

48. The Committee recalled its previous consideration of the proposal for automatic annual recalculation. Some members considered that annual recalculation of the scale would bring it closer to actual capacity to pay and could be treated as a

straightforward technical exercise. It was also suggested that annual recalculation could contribute to a solution of the problem of discontinuity in the application of the low per capita income adjustment by avoiding large triennial increases or decreases in rates of assessment. Other members considered that it would lead to an annual renegotiation of the scale and noted that that might involve additional costs, including for travel of members, conference services and Secretariat support. They also noted that it would inevitably make the scale less stable and predictable and considered that the shortening of the base period in recent scales made annual recalculation less necessary. One member noted that automatic annual recalculation was not allowed by rule 160 of the rules of procedure of the General Assembly.

49. **The Committee decided to study the question of automatic annual recalculation of the scale further at a future session, on the basis of any guidance from the General Assembly.**

D. Statistical information

50. The Committee had before it a comprehensive database for the period 1999-2004 for all Member States and the participating non-member State on various measures of income in local currencies, population, exchange rates and total external debt stocks, repayments of principal and total and per capita income measures in United States dollars. The primary source for income data in local currencies was the national accounts questionnaire completed for the United Nations by the countries concerned. For those countries for which full replies to the questionnaire had not been received, data had been collected or estimates prepared by the Statistics Division of the United Nations based on information from other national and international sources, notably the United Nations regional commissions, the International Monetary Fund (IMF) and the World Bank.

51. In reviewing the statistical information provided, the Committee paid due attention to the data provided in the representations and information meetings referred to above. It also reviewed the data for all countries, paying particular attention to those countries whose data had been adjusted in the context of preparation of the scale of assessments for the period 2004-2006, or whose results, in United States dollars, suggested that there might be anomalies or distortions in the data. In all cases, the Committee was guided by the mandate given in General Assembly resolution 48/223 C to base the scale on reliable, verifiable and comparable data and to use the most recent figures available.

1. Population

52. Mid-year population estimates are generally drawn from *World Population Prospects: The 2004 Revision*, prepared by the Population Division of the Department of Economic and Social Affairs of the United Nations, and are supplemented, as required, by national estimates for countries and areas not included.

2. External debt

53. Information on total external debt and repayments of principal were extracted in most cases from the World Bank database on external debt, as published in the

World Bank serial publication *Global Development Finance*. In those tables, the World Bank includes only those countries with a per capita GNI of $10,065 or less.

54. Total debt stocks include public and publicly guaranteed long-term debt, private non-guaranteed long-term debt, the use of IMF credit and estimated public and private short-term debt. Principal repayments are part of total debt flows, which also include disbursements, net flows and transfers on debt and interest payments, and consist of the amounts of principal repaid in foreign currency in the year specified.

55. The Committee recalled that changes in coverage by the World Bank and the Organization for Economic Cooperation and Development meant that debt data were not available for several countries after 2002. These countries were contacted directly and requested to provide the necessary data. For those that did not do so, the Committee noted that the rates of several of them were at the floor, so that the lack of debt data made no practical difference. For the other Member States that did not provide the additional information, the Committee used the debt data that were available earlier and had been used in the preparation of the scale of assessments for the period 2004-2006.

3. Gross national income

56. The Committee recalled that Member States were in the process of moving from the System of National Accounts, 1968 (1968 SNA) to the System of National Accounts, 1993 (1993 SNA). The Committee recalled that the concept of gross national product (GNP) in the 1968 SNA has been renamed gross national income (GNI) in the 1993 SNA. The renaming of GNP as GNI was a refinement of product and income concepts and did not entail a change in the actual coverage of the concept. The Committee noted that 102 countries and territories, comprising 92.3 per cent of world GDP, had implemented the 1993 SNA by May 2005.

57. The Committee noted that, as compared to the data used for the current scale of assessments, the data that it had reviewed included not only information for the period 2002-2004 but, in a number of cases, revised information for the period 1999-2001. This included revisions of official statistics received earlier, as well as the substitution of newly available official data for estimates used in preparing the current scale of assessments.

4. Conversion rates

58. For conversion of local currency data to United States dollars, annual averages of MERs, communicated to IMF by national monetary authorities and used by IMF and published in *International Financial Statistics*, were used in most cases when they were available. The Committee recalled that, as indicated in earlier reports, the publication included three types of rates that IMF used, referred to as MERs for the purposes of the scale: (a) market rates, determined largely by market forces; (b) official rates, determined by government authorities; and (c) principal rates, where appropriate, including for countries maintaining multiple exchange rate arrangements. Where MERs were not available from *International Financial Statistics* or from the IMF Economic Information System, United Nations operational rates of exchange or other information were used in the initial database.

59. Previous scales of assessments have used MERs, except where that would cause excessive fluctuations and distortions in the income of some Member States, in which case PAREs or other appropriate conversion rates were used. At its sixty-fifth session, the Committee decided that, in reviewing the scale of assessments for the period 2007-2009, it would use the new relative PARE approach outlined in its report to identify which MERs should be replaced. This aimed to identify cases where data in United States dollars were out of line with economic reality or where the movements of the exchange rate did not adequately reflect domestic inflation in relation to inflation in the United States. A brief explanation is attached in annex II.

60. In considering which MERs should be replaced, the Committee reviewed the cases of those countries for which per capita GNI had increased by over 50 per cent or decreased by over 33 per cent. In doing so, it looked in particular at cases where the MER valuation index (MVI) was greater than 1.2 or less than 0.8 — reflecting an overvaluation or undervaluation, respectively, of more than 20 per cent. It also considered the situation of those countries whose MERs were replaced in the preparation of the current scale, as well as the countries which had provided additional information to the Committee. **Following its review, the Committee decided that a better basis for recommendations would be to focus its attention on countries whose MVIs reflected overvaluation or undervaluation of over 50 per cent, although basing the adjustment on the MVI figure of 1.2 to 0.8. The Committee decided to adjust the conversion rates of Afghanistan, Angola, Turkmenistan and Zimbabwe. It also decided to use United Nations operational rates of exchange for Myanmar and the Syrian Arab Republic and official rates for the Democratic People's Republic of Korea.**

61. The Committee was of the view that the level of the threshold figures of plus 50 per cent or minus 33 per cent in changes in per capita GNI in United States dollars and MER valuation index figures of 1.2 and 0.8 were low. **It decided to consider this question further at future sessions of the Committee.**

62. In the case of Argentina, a number of members considered that the reduction in per capita GNI following the devaluation of its currency was excessive and that its rate should be adjusted. Other members pointed out that the exchange rate of Argentina was determined by market forces and that there was no reason to replace MERs. **The Committee decided to apply MERs for Argentina.**

63. One member of the Committee expressed reservations and argued that a 64 per cent reduction in Argentina's assessment was not justified by the economic performance of that country during the base period defined in the current methodology. In that member's view, according to the indicative guidelines of the Committee and on the basis of Secretariat information presented to the Committee, relative PARE should be applied for the period 2002-2004. That would establish an assessment for Argentina of 0.687 per cent for the period 2007-2009 based on the current methodology.

E. Scale of assessments for the period 2007-2009

64. In order to be able to identify the impact of the inclusion of new GNI data in calculations for the 2007-2009 scale, including the decisions on data and conversion rates outlined above but excluding the effects of any methodological changes, the Committee considered the application of the new data to the methodology used in preparing the current scale of assessments. The results are shown below for information.

Step-by-step adjustments based on the methodology used in the scale of assessments for the period 2004-2006

Parameters	**6 years**	**3 years**	**Average of 6 and 3 years**
Statistical base period:	1999-2004	2002-2004	
Income measure:	Gross national income	Gross national income	
Debt adjustment:	Debt stock	Debt stock	Scale figures are derived by averaging the results of the scale methodology with base periods of 6 and 3 years
Low per capita income:			
Threshold:	5517.84	5849.11	
Gradient:	80%	80%	
Floor rate (%):	0.001%	0.001%	
Maximum rate for LDC (%):	0.01%	0.010%	
Ceiling rate (%):	22%	22%	

Least developed country	Member State		Scale approved by Assembly for 2004-2006 (1)	Machine scale in 2003 report (2)	Total gross national income share (3)	Debt burden adjustment (4)	Low per capita income adjustment (5)	Floor rate (6)	Least developed country ceiling (7)	Ceiling (8)
*	Afghanistan	3 years	0.002	0.002	0.010	0.009	0.002	0.002	0.002	0.002
		6 years	0.002	0.002	0.009	0.007	0.002	0.002	0.002	0.002
		Average of 3 and 6 years	0.002	0.002	0.009	0.008	0.002	0.002	0.002	0.002
	Albania	3 years	0.005	0.005	0.017	0.016	0.008	0.008	0.008	0.008
		6 years	0.005	0.005	0.015	0.014	0.006	0.006	0.006	0.007
		Average of 3 and 6 years	0.005	0.005	0.016	0.015	0.007	0.007	0.007	0.008
	Algeria	3 years	0.076	0.076	0.183	0.177	0.084	0.084	0.084	0.094
		6 years	0.076	0.076	0.173	0.166	0.076	0.076	0.076	0.086
		Average of 3 and 6 years	0.076	0.076	0.178	0.171	0.080	0.080	0.080	0.090
	Andorra	3 years	0.005	0.005	0.006	0.006	0.007	0.007	0.007	0.008
		6 years	0.005	0.005	0.005	0.006	0.006	0.006	0.006	0.007
		Average of 3 and 6 years	0.005	0.005	0.006	0.006	0.007	0.007	0.007	0.008
*	Angola	3 years	0.001	0.001	0.031	0.028	0.008	0.008	0.008	0.009
		6 years	0.001	0.001	0.026	0.023	0.006	0.006	0.006	0.007
		Average of 3 and 6 years	0.001	0.001	0.028	0.025	0.007	0.007	0.007	0.008
	Antigua and Barbuda	3 years	0.003	0.003	0.002	0.002	0.002	0.002	0.002	0.002
		6 years	0.003	0.003	0.002	0.002	0.002	0.002	0.002	0.003
		Average of 3 and 6 years	0.003	0.003	0.002	0.002	0.002	0.002	0.002	0.002
	Argentina	3 years	0.956	0.964	0.327	0.275	0.154	0.154	0.154	0.172
		6 years	0.956	0.964	0.574	0.522	0.461	0.461	0.461	0.519
		Average of 3 and 6 years	0.956	0.964	0.450	0.398	0.308	0.308	0.308	0.346
	Armenia	3 years	0.002	0.002	0.008	0.007	0.002	0.002	0.002	0.003
		6 years	0.002	0.002	0.007	0.007	0.002	0.002	0.002	0.002
		Average of 3 and 6 years	0.002	0.002	0.007	0.007	0.002	0.002	0.002	0.003
	Australia	3 years	1.592	1.606	1.382	1.394	1.553	1.553	1.554	1.839
		6 years	1.592	1.606	1.296	1.308	1.453	1.453	1.453	1.736
		Average of 3 and 6 years	1.592	1.606	1.339	1.351	1.503	1.503	1.504	1.787

Least developed country	Member State		Scale approved by Assembly for 2004-2006 (1)	Machine scale in 2003 report (2)	Total gross national income share (3)	Debt burden adjustment (4)	Low per capita income adjustment (5)	Floor rate (6)	Least developed country ceiling (7)	Ceiling (8)
	Austria	3 years	0.859	0.867	0.677	0.683	0.762	0.761	0.762	0.901
		6 years	0.859	0.867	0.652	0.658	0.731	0.731	0.732	0.874
		Average of 3 and 6 years	0.859	0.867	0.665	0.671	0.747	0.746	0.747	0.887
	Azerbaijan	3 years	0.005	0.005	0.019	0.018	0.006	0.006	0.006	0.006
		6 years	0.005	0.005	0.017	0.017	0.005	0.005	0.005	0.006
		Average of 3 and 6 years	0.005	0.005	0.018	0.018	0.005	0.005	0.005	0.006
	Bahamas	3 years	0.013	0.013	0.015	0.015	0.016	0.016	0.016	0.019
		6 years	0.013	0.013	0.015	0.015	0.017	0.017	0.017	0.020
		Average of 3 and 6 years	0.013	0.013	0.015	0.015	0.017	0.017	0.017	0.020
	Bahrain	3 years	0.030	0.030	0.025	0.025	0.028	0.028	0.028	0.033
		6 years	0.030	0.030	0.024	0.024	0.027	0.027	0.027	0.032
		Average of 3 and 6 years	0.030	0.030	0.024	0.025	0.027	0.027	0.027	0.033
*	Bangladesh	3 years	0.010	0.010	0.155	0.150	0.038	0.038	0.010	0.010
		6 years	0.010	0.010	0.155	0.150	0.038	0.038	0.010	0.010
		Average of 3 and 6 years	0.010	0.010	0.155	0.150	0.038	0.038	0.010	0.010
	Barbados	3 years	0.010	0.010	0.007	0.007	0.008	0.008	0.008	0.009
		6 years	0.010	0.010	0.007	0.007	0.008	0.008	0.008	0.010
		Average of 3 and 6 years	0.010	0.010	0.007	0.007	0.008	0.008	0.008	0.009
	Belarus	3 years	0.018	0.018	0.050	0.050	0.022	0.022	0.022	0.025
		6 years	0.018	0.018	0.044	0.044	0.018	0.018	0.018	0.020
		Average of 3 and 6 years	0.018	0.018	0.047	0.047	0.020	0.020	0.020	0.023
	Belgium	3 years	1.069	1.078	0.841	0.848	0.945	0.945	0.945	1.119
		6 years	1.069	1.078	0.811	0.818	0.909	0.909	0.909	1.086
		Average of 3 and 6 years	1.069	1.078	0.826	0.833	0.927	0.927	0.927	1.102
	Belize	3 years	0.001	0.001	0.002	0.002	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.002	0.002	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.002	0.002	0.001	0.001	0.001	0.001
*	Benin	3 years	0.002	0.002	0.009	0.009	0.002	0.002	0.002	0.003
		6 years	0.002	0.002	0.009	0.008	0.002	0.002	0.002	0.002
		Average of 3 and 6 years	0.002	0.002	0.009	0.008	0.002	0.002	0.002	0.002
*	Bhutan	3 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
	Bolivia	3 years	0.009	0.009	0.022	0.020	0.006	0.006	0.006	0.007
		6 years	0.009	0.009	0.023	0.022	0.007	0.007	0.007	0.008
		Average of 3 and 6 years	0.009	0.009	0.023	0.021	0.007	0.007	0.007	0.007
	Bosnia and Herzegovina	3 years	0.003	0.003	0.020	0.019	0.009	0.009	0.009	0.010
		6 years	0.003	0.003	0.018	0.017	0.007	0.007	0.007	0.008
		Average of 3 and 6 years	0.003	0.003	0.019	0.018	0.008	0.008	0.008	0.009
	Botswana	3 years	0.012	0.012	0.019	0.019	0.014	0.014	0.014	0.016
		6 years	0.012	0.012	0.018	0.018	0.012	0.012	0.012	0.014
		Average of 3 and 6 years	0.012	0.012	0.018	0.018	0.013	0.013	0.013	0.015
	Brazil	3 years	1.523	1.534	1.370	1.303	0.728	0.728	0.728	0.813
		6 years	1.523	1.534	1.516	1.443	0.863	0.863	0.863	0.973
		Average of 3 and 6 years	1.523	1.534	1.443	1.373	0.796	0.796	0.796	0.893

Least developed country	Member State		Scale approved by Assembly for 2004-2006 (1)	Machine scale in 2003 report (2)	Total gross national income share (3)	Debt burden adjustment (4)	Low per capita income adjustment (5)	Floor rate (6)	Least developed country ceiling (7)	Ceiling (8)
	Brunei Darussalam	3 years	0.034	0.034	0.020	0.020	0.022	0.022	0.022	0.026
		6 years	0.034	0.034	0.020	0.020	0.022	0.022	0.022	0.026
		Average of 3 and 6 years	0.034	0.034	0.020	0.020	0.022	0.022	0.022	0.026
	Bulgaria	3 years	0.017	0.017	0.053	0.049	0.025	0.025	0.025	0.028
		6 years	0.017	0.017	0.047	0.043	0.020	0.020	0.020	0.023
		Average of 3 and 6 years	0.017	0.017	0.050	0.046	0.022	0.022	0.022	0.025
*	Burkina Faso	3 years	0.002	0.002	0.011	0.011	0.003	0.003	0.003	0.003
		6 years	0.002	0.002	0.010	0.010	0.002	0.002	0.002	0.003
		Average of 3 and 6 years	0.002	0.002	0.011	0.010	0.003	0.003	0.002	0.003
*	Burundi	3 years	0.001	0.001	0.002	0.001	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.002	0.002	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.002	0.001	0.000	0.001	0.001	0.001
*	Cambodia	3 years	0.002	0.002	0.010	0.009	0.002	0.002	0.002	0.002
		6 years	0.002	0.002	0.010	0.009	0.002	0.002	0.002	0.002
		Average of 3 and 6 years	0.002	0.002	0.010	0.009	0.002	0.002	0.002	0.002
	Cameroon	3 years	0.008	0.008	0.034	0.031	0.009	0.009	0.009	0.010
		6 years	0.008	0.008	0.031	0.027	0.008	0.008	0.008	0.009
		Average of 3 and 6 years	0.008	0.008	0.032	0.029	0.009	0.009	0.009	0.010
	Canada	3 years	2.813	2.837	2.259	2.279	2.540	2.539	2.540	3.006
		6 years	2.813	2.837	2.201	2.221	2.468	2.467	2.468	2.947
		Average of 3 and 6 years	2.813	2.837	2.230	2.250	2.504	2.503	2.504	2.977
*	Cape Verde	3 years	0.001	0.002	0.002	0.002	0.001	0.001	0.001	0.001
		6 years	0.001	0.002	0.002	0.002	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.002	0.002	0.002	0.001	0.001	0.001	0.001
*	Central African Republic	3 years	0.001	0.001	0.003	0.003	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.003	0.003	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.003	0.003	0.001	0.001	0.001	0.001
*	Chad	3 years	0.001	0.001	0.005	0.005	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.005	0.005	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.005	0.005	0.001	0.001	0.001	0.001
	Chile	3 years	0.223	0.225	0.198	0.185	0.145	0.145	0.145	0.162
		6 years	0.223	0.225	0.209	0.196	0.160	0.160	0.160	0.180
		Average of 3 and 6 years	0.223	0.225	0.204	0.191	0.152	0.152	0.152	0.171
	China, Total	3 years	2.053	2.070	5.897	5.876	2.495	2.495	2.495	2.787
		6 years	2.053	2.070	5.679	5.661	2.348	2.347	2.348	2.646
		Average of 3 and 6 years	2.053	2.070	5.788	5.768	2.421	2.421	2.422	2.716
	Colombia	3 years	0.155	0.156	0.223	0.213	0.094	0.094	0.094	0.105
		6 years	0.155	0.156	0.240	0.230	0.106	0.106	0.106	0.119
		Average of 3 and 6 years	0.155	0.156	0.232	0.221	0.100	0.100	0.100	0.112
*	Comoros	3 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
	Congo	3 years	0.001	0.001	0.008	0.006	0.002	0.002	0.002	0.002
		6 years	0.001	0.001	0.007	0.005	0.001	0.001	0.001	0.002
		Average of 3 and 6 years	0.001	0.001	0.007	0.006	0.002	0.002	0.002	0.002

Least developed country	Member State		Scale approved by Assembly for 2004-2006 (1)	Machine scale in 2003 report (2)	Total gross national income share (3)	Debt burden adjustment (4)	Low per capita income adjustment (5)	Floor rate (6)	Least developed country ceiling (7)	Ceiling (8)
	Costa Rica	3 years	0.030	0.039	0.046	0.045	0.033	0.033	0.033	0.036
		6 years	0.030	0.039	0.046	0.045	0.034	0.034	0.034	0.038
		Average of 3 and 6 years	0.030	0.039	0.046	0.045	0.033	0.033	0.033	0.037
	Côte d'Ivoire	3 years	0.010	0.010	0.035	0.031	0.009	0.009	0.009	0.010
		6 years	0.010	0.010	0.034	0.030	0.009	0.009	0.009	0.010
		Average of 3 and 6 years	0.010	0.010	0.035	0.031	0.009	0.009	0.009	0.010
	Croatia	3 years	0.037	0.038	0.075	0.068	0.064	0.064	0.064	0.072
		6 years	0.037	0.038	0.068	0.062	0.055	0.055	0.055	0.062
		Average of 3 and 6 years	0.037	0.038	0.072	0.065	0.059	0.059	0.059	0.067
	Cuba	3 years	0.043	0.043	0.102	0.101	0.065	0.065	0.065	0.073
		6 years	0.043	0.043	0.102	0.097	0.060	0.060	0.060	0.068
		Average of 3 and 6 years	0.043	0.043	0.102	0.099	0.063	0.063	0.063	0.070
	Cyprus	3 years	0.039	0.039	0.034	0.034	0.038	0.038	0.038	0.045
		6 years	0.039	0.039	0.031	0.032	0.035	0.035	0.035	0.042
		Average of 3 and 6 years	0.039	0.039	0.033	0.033	0.037	0.037	0.037	0.044
	Czech Republic	3 years	0.183	0.184	0.234	0.224	0.250	0.250	0.250	0.296
		6 years	0.183	0.184	0.210	0.201	0.223	0.223	0.223	0.267
		Average of 3 and 6 years	0.183	0.184	0.222	0.212	0.237	0.237	0.237	0.281
	Democratic People's Republic of Korea	3 years	0.010	0.010	0.030	0.026	0.007	0.007	0.007	0.007
		6 years	0.010	0.010	0.032	0.028	0.007	0.007	0.007	0.008
		Average of 3 and 6 years	0.010	0.010	0.031	0.027	0.007	0.007	0.007	0.008
*	Democratic Republic of the Congo	3 years	0.003	0.003	0.015	0.012	0.002	0.002	0.002	0.003
		6 years	0.003	0.003	0.024	0.020	0.004	0.004	0.004	0.005
		Average of 3 and 6 years	0.003	0.003	0.019	0.016	0.003	0.003	0.003	0.004
	Denmark	3 years	0.718	0.724	0.565	0.570	0.635	0.635	0.635	0.752
		6 years	0.718	0.724	0.543	0.548	0.609	0.609	0.609	0.727
		Average of 3 and 6 years	0.718	0.724	0.554	0.559	0.622	0.622	0.622	0.739
*	Djibouti	3 years	0.001	0.001	0.002	0.002	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.002	0.002	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.002	0.002	0.001	0.001	0.001	0.001
	Dominica	3 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
	Dominican Republic	3 years	0.035	0.035	0.047	0.046	0.021	0.021	0.021	0.024
		6 years	0.035	0.035	0.053	0.051	0.025	0.025	0.025	0.029
		Average of 3 and 6 years	0.035	0.035	0.050	0.048	0.023	0.023	0.023	0.026
	Ecuador	3 years	0.019	0.019	0.071	0.066	0.030	0.030	0.030	0.034
		6 years	0.019	0.019	0.062	0.057	0.024	0.024	0.024	0.027
		Average of 3 and 6 years	0.019	0.019	0.067	0.062	0.027	0.027	0.027	0.030
	Egypt	3 years	0.120	0.120	0.219	0.211	0.073	0.073	0.073	0.082
		6 years	0.120	0.120	0.259	0.251	0.095	0.095	0.095	0.107
		Average of 3 and 6 years	0.120	0.120	0.239	0.231	0.084	0.084	0.084	0.094
	El Salvador	3 years	0.022	0.022	0.040	0.038	0.018	0.018	0.018	0.020
		6 years	0.022	0.022	0.040	0.039	0.019	0.019	0.019	0.021
		Average of 3 and 6 years	0.022	0.022	0.040	0.038	0.019	0.019	0.019	0.021

Least developed country	Member State		Scale approved by Assembly for 2004-2006	Machine scale in 2003 report	Total gross national income share	Debt burden adjustment	Low per capita income adjustment	Floor rate	Least developed country ceiling	Ceiling
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
*	Equatorial Guinea	3 years	0.002	0.002	0.004	0.004	0.003	0.003	0.003	0.003
		6 years	0.002	0.002	0.003	0.003	0.002	0.002	0.002	0.002
		Average of 3 and 6 years	0.002	0.002	0.004	0.004	0.002	0.002	0.002	0.003
*	Eritrea	3 years	0.001	0.001	0.002	0.002	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.002	0.002	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.002	0.002	0.001	0.001	0.001	0.001
	Estonia	3 years	0.012	0.012	0.023	0.021	0.021	0.021	0.021	0.023
		6 years	0.012	0.012	0.021	0.019	0.017	0.017	0.017	0.019
		Average of 3 and 6 years	0.012	0.012	0.022	0.020	0.019	0.019	0.019	0.021
*	Ethiopia	3 years	0.004	0.004	0.020	0.018	0.004	0.004	0.004	0.004
		6 years	0.004	0.004	0.020	0.018	0.004	0.004	0.004	0.004
		Average of 3 and 6 years	0.004	0.004	0.020	0.018	0.004	0.004	0.004	0.004
	Fiji	3 years	0.004	0.004	0.006	0.006	0.003	0.003	0.003	0.004
		6 years	0.004	0.004	0.006	0.006	0.003	0.003	0.003	0.003
		Average of 3 and 6 years	0.004	0.004	0.006	0.006	0.003	0.003	0.003	0.004
	Finland	3 years	0.533	0.535	0.432	0.436	0.486	0.486	0.486	0.575
		6 years	0.533	0.535	0.413	0.417	0.463	0.463	0.463	0.553
		Average of 3 and 6 years	0.533	0.535	0.423	0.426	0.475	0.474	0.474	0.564
	France	3 years	6.030	6.080	4.806	4.849	5.404	5.402	5.404	6.395
		6 years	6.030	6.080	4.634	4.677	5.197	5.196	5.198	6.207
		Average of 3 and 6 years	6.030	6.080	4.720	4.763	5.300	5.299	5.301	6.301
	Gabon	3 years	0.009	0.009	0.013	0.012	0.008	0.008	0.008	0.009
		6 years	0.009	0.009	0.013	0.011	0.007	0.007	0.007	0.008
		Average of 3 and 6 years	0.009	0.009	0.013	0.012	0.008	0.008	0.008	0.009
*	Gambia	3 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
	Georgia	3 years	0.003	0.003	0.012	0.011	0.004	0.004	0.003	0.004
		6 years	0.003	0.003	0.011	0.010	0.003	0.003	0.003	0.004
		Average of 3 and 6 years	0.003	0.003	0.011	0.011	0.003	0.003	0.003	0.004
	Germany	3 years	8.662	8.733	6.483	6.541	7.289	7.287	7.289	8.626
		6 years	8.662	8.733	6.367	6.425	7.140	7.139	7.141	8.527
		Average of 3 and 6 years	8.662	8.733	6.425	6.483	7.214	7.213	7.215	8.577
	Ghana	3 years	0.004	0.004	0.020	0.018	0.004	0.004	0.004	0.005
		6 years	0.004	0.004	0.019	0.017	0.004	0.004	0.004	0.005
		Average of 3 and 6 years	0.004	0.004	0.020	0.017	0.004	0.004	0.004	0.005
	Greece	3 years	0.530	0.534	0.466	0.470	0.524	0.524	0.524	0.620
		6 years	0.530	0.534	0.427	0.431	0.479	0.479	0.479	0.572
		Average of 3 and 6 years	0.530	0.534	0.447	0.451	0.502	0.502	0.502	0.596
	Grenada	3 years	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
	Guatemala	3 years	0.030	0.030	0.067	0.066	0.031	0.031	0.031	0.035
		6 years	0.030	0.030	0.065	0.064	0.030	0.030	0.030	0.034
		Average of 3 and 6 years	0.030	0.030	0.066	0.065	0.031	0.031	0.031	0.034

Least developed country	Member State		Scale approved by Assembly for 2004-2006 (1)	Machine scale in 2003 report (2)	Total gross national income share (3)	Debt burden adjustment (4)	Low per capita income adjustment (5)	Floor rate (6)	Least developed country ceiling (7)	Ceiling (8)
*	Guinea	3 years	0.003	0.003	0.009	0.008	0.002	0.002	0.002	0.002
		6 years	0.003	0.003	0.010	0.008	0.002	0.002	0.002	0.002
		Average of 3 and 6 years	0.003	0.003	0.009	0.008	0.002	0.002	0.002	0.002
*	Guinea-Bissau	3 years	0.001	0.001	0.001	0.000	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.000	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.000	0.000	0.001	0.001	0.001
	Guyana	3 years	0.001	0.001	0.002	0.001	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.002	0.001	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.002	0.001	0.000	0.001	0.001	0.001
*	Haiti	3 years	0.003	0.003	0.009	0.008	0.002	0.002	0.002	0.002
		6 years	0.003	0.003	0.010	0.010	0.003	0.003	0.003	0.003
		Average of 3 and 6 years	0.003	0.003	0.009	0.009	0.002	0.002	0.002	0.003
	Honduras	3 years	0.005	0.005	0.018	0.016	0.005	0.005	0.005	0.006
		6 years	0.005	0.005	0.018	0.016	0.005	0.005	0.005	0.006
		Average of 3 and 6 years	0.005	0.005	0.018	0.016	0.005	0.005	0.005	0.006
	Hungary	3 years	0.126	0.127	0.213	0.199	0.222	0.221	0.222	0.262
		6 years	0.126	0.127	0.183	0.170	0.189	0.189	0.189	0.226
		Average of 3 and 6 years	0.126	0.127	0.198	0.185	0.205	0.205	0.205	0.244
	Iceland	3 years	0.034	0.034	0.028	0.028	0.032	0.032	0.032	0.038
		6 years	0.034	0.034	0.027	0.027	0.030	0.030	0.030	0.036
		Average of 3 and 6 years	0.034	0.034	0.028	0.028	0.031	0.031	0.031	0.037
	India	3 years	0.421	0.424	1.567	1.542	0.420	0.419	0.420	0.469
		6 years	0.421	0.424	1.508	1.482	0.400	0.400	0.400	0.450
		Average of 3 and 6 years	0.421	0.424	1.537	1.512	0.410	0.410	0.410	0.459
	Indonesia	3 years	0.142	0.143	0.603	0.562	0.185	0.185	0.185	0.206
		6 years	0.142	0.143	0.548	0.501	0.158	0.158	0.158	0.178
		Average of 3 and 6 years	0.142	0.143	0.575	0.531	0.171	0.171	0.171	0.192
	Iran (Islamic Republic of)	3 years	0.157	0.158	0.377	0.377	0.179	0.179	0.179	0.200
		6 years	0.157	0.158	0.353	0.353	0.161	0.161	0.161	0.182
		Average of 3 and 6 years	0.157	0.158	0.365	0.365	0.170	0.170	0.170	0.191
	Iraq	3 years	0.016	0.016	0.048	0.049	0.014	0.014	0.014	0.016
		6 years	0.016	0.016	0.051	0.048	0.014	0.014	0.014	0.016
		Average of 3 and 6 years	0.016	0.016	0.050	0.049	0.014	0.014	0.014	0.016
	Ireland	3 years	0.350	0.353	0.353	0.356	0.397	0.397	0.397	0.470
		6 years	0.350	0.353	0.314	0.317	0.353	0.353	0.353	0.421
		Average of 3 and 6 years	0.350	0.353	0.334	0.337	0.375	0.375	0.375	0.445
	Israel	3 years	0.467	0.471	0.302	0.305	0.340	0.339	0.340	0.402
		6 years	0.467	0.471	0.325	0.328	0.365	0.365	0.365	0.436
		Average of 3 and 6 years	0.467	0.471	0.314	0.316	0.352	0.352	0.352	0.419
	Italy	3 years	4.885	4.926	3.889	3.924	4.372	4.372	4.373	5.175
		6 years	4.885	4.926	3.720	3.754	4.172	4.171	4.172	4.983
		Average of 3 and 6 years	4.885	4.926	3.805	3.839	4.272	4.271	4.273	5.079
	Jamaica	3 years	0.008	0.015	0.022	0.020	0.011	0.011	0.011	0.013
		6 years	0.008	0.015	0.023	0.021	0.013	0.013	0.013	0.014
		Average of 3 and 6 years	0.008	0.015	0.022	0.020	0.012	0.012	0.012	0.013

Least developed country	Member State		Scale approved by Assembly for 2004-2006 (1)	Machine scale in 2003 report (2)	Total gross national income share (3)	Debt burden adjustment (4)	Low per capita income adjustment (5)	Floor rate (6)	Least developed country ceiling (7)	Ceiling (8)
	Japan	3 years	19.468	19.629	11.880	11.985	13.355	13.353	13.357	15.806
		6 years	19.468	19.629	13.023	13.142	14.605	14.602	14.606	17.442
		Average of 3 and 6 years	19.468	19.629	12.451	12.563	13.980	13.977	13.981	16.624
	Jordan	3 years	0.011	0.011	0.029	0.026	0.011	0.011	0.011	0.013
		6 years	0.011	0.011	0.028	0.025	0.011	0.011	0.011	0.013
		Average of 3 and 6 years	0.011	0.011	0.028	0.026	0.011	0.011	0.011	0.013
	Kazakhstan	3 years	0.025	0.025	0.085	0.078	0.036	0.036	0.036	0.040
		6 years	0.025	0.025	0.073	0.067	0.028	0.028	0.028	0.032
		Average of 3 and 6 years	0.025	0.025	0.079	0.072	0.032	0.032	0.032	0.036
	Kenya	3 years	0.009	0.009	0.040	0.038	0.010	0.010	0.010	0.011
		6 years	0.009	0.009	0.040	0.038	0.010	0.010	0.010	0.011
		Average of 3 and 6 years	0.009	0.009	0.040	0.038	0.010	0.010	0.010	0.011
*	Kiribati	3 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
	Kuwait	3 years	0.162	0.163	0.139	0.140	0.156	0.156	0.156	0.185
		6 years	0.162	0.163	0.133	0.135	0.150	0.149	0.150	0.179
		Average of 3 and 6 years	0.162	0.163	0.136	0.137	0.153	0.153	0.153	0.182
	Kyrgyzstan	3 years	0.001	0.001	0.005	0.004	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.005	0.004	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.005	0.004	0.001	0.001	0.001	0.001
*	Lao People's Democratic Republic	3 years	0.001	0.001	0.006	0.005	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.005	0.005	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.005	0.005	0.001	0.001	0.001	0.001
	Latvia	3 years	0.015	0.015	0.030	0.027	0.022	0.022	0.022	0.024
		6 years	0.015	0.015	0.028	0.025	0.019	0.019	0.019	0.021
		Average of 3 and 6 years	0.015	0.015	0.029	0.026	0.020	0.020	0.020	0.023
	Lebanon	3 years	0.024	0.044	0.053	0.047	0.040	0.040	0.040	0.045
		6 years	0.024	0.044	0.054	0.049	0.044	0.044	0.044	0.050
		Average of 3 and 6 years	0.024	0.044	0.053	0.048	0.042	0.042	0.042	0.047
*	Lesotho	3 years	0.001	0.001	0.003	0.003	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.003	0.003	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.003	0.003	0.001	0.001	0.001	0.001
*	Liberia	3 years	0.001	0.001	0.001	0.000	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.000	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.000	0.000	0.001	0.001	0.001
	Libyan Arab Jamahiriya	3 years	0.132	0.133	0.061	0.061	0.046	0.046	0.046	0.051
		6 years	0.132	0.133	0.079	0.079	0.071	0.071	0.071	0.080
		Average of 3 and 6 years	0.132	0.133	0.070	0.070	0.058	0.058	0.058	0.066
	Liechtenstein	3 years	0.005	0.006	0.008	0.008	0.009	0.009	0.009	0.010
		6 years	0.005	0.006	0.008	0.008	0.009	0.009	0.009	0.010
		Average of 3 and 6 years	0.005	0.006	0.008	0.008	0.009	0.009	0.009	0.010
	Lithuania	3 years	0.024	0.024	0.049	0.047	0.041	0.041	0.041	0.045
		6 years	0.024	0.024	0.043	0.041	0.032	0.032	0.032	0.036
		Average of 3 and 6 years	0.024	0.024	0.046	0.044	0.036	0.036	0.036	0.041

Least developed country	Member State		Scale approved by Assembly for 2004-2006 (1)	Machine scale in 2003 report (2)	Total gross national income share (3)	Debt burden adjustment (4)	Low per capita income adjustment (5)	Floor rate (6)	Least developed country ceiling (7)	Ceiling (8)
	Luxembourg	3 years	0.077	0.078	0.065	0.065	0.073	0.073	0.073	0.086
		6 years	0.077	0.078	0.062	0.063	0.070	0.070	0.070	0.083
		Average of 3 and 6 years	0.077	0.078	0.063	0.064	0.071	0.071	0.071	0.085
*	Madagascar	3 years	0.003	0.003	0.013	0.011	0.003	0.003	0.003	0.003
		6 years	0.003	0.003	0.013	0.011	0.003	0.003	0.003	0.003
		Average of 3 and 6 years	0.003	0.003	0.013	0.011	0.003	0.003	0.003	0.003
*	Malawi	3 years	0.001	0.001	0.005	0.004	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.005	0.004	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.005	0.004	0.001	0.001	0.001	0.001
	Malaysia	3 years	0.203	0.205	0.270	0.255	0.184	0.184	0.184	0.206
		6 years	0.203	0.205	0.262	0.247	0.176	0.176	0.176	0.198
		Average of 3 and 6 years	0.203	0.205	0.266	0.251	0.180	0.180	0.180	0.202
*	Maldives	3 years	0.001	0.001	0.002	0.002	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.002	0.002	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.002	0.002	0.001	0.001	0.001	0.001
*	Mali	3 years	0.002	0.002	0.011	0.010	0.002	0.002	0.002	0.003
		6 years	0.002	0.002	0.010	0.009	0.002	0.002	0.002	0.002
		Average of 3 and 6 years	0.002	0.002	0.010	0.009	0.002	0.002	0.002	0.002
	Malta	3 years	0.014	0.014	0.013	0.013	0.014	0.014	0.014	0.017
		6 years	0.014	0.014	0.012	0.012	0.014	0.014	0.014	0.017
		Average of 3 and 6 years	0.014	0.014	0.013	0.013	0.014	0.014	0.014	0.017
	Marshall Islands	3 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
*	Mauritania	3 years	0.001	0.001	0.003	0.002	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.003	0.002	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.003	0.002	0.001	0.001	0.001	0.001
	Mauritius	3 years	0.011	0.011	0.015	0.014	0.011	0.011	0.011	0.013
		6 years	0.011	0.011	0.015	0.014	0.011	0.011	0.011	0.012
		Average of 3 and 6 years	0.011	0.011	0.015	0.014	0.011	0.011	0.011	0.012
	Mexico	3 years	1.883	1.899	1.741	1.709	1.904	1.904	1.904	2.254
		6 years	1.883	1.899	1.742	1.703	1.893	1.893	1.893	2.261
		Average of 3 and 6 years	1.883	1.899	1.742	1.706	1.899	1.898	1.899	2.257
	Micronesia (Federated States of)	3 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
	Monaco	3 years	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.004
		6 years	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003
		Average of 3 and 6 years	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003
	Mongolia	3 years	0.001	0.001	0.004	0.003	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.003	0.003	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.004	0.003	0.001	0.001	0.001	0.001
	Montenegro	3 years	...	...	0.003	0.003	0.002	0.002	0.002	0.002
		6 years	...	...	0.003	0.003	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	...	...	0.003	0.003	0.002	0.002	0.001	0.002
	Morocco	3 years	0.047	0.047	0.115	0.110	0.042	0.042	0.042	0.047
		6 years	0.047	0.047	0.111	0.105	0.039	0.039	0.039	0.044
		Average of 3 and 6 years	0.047	0.047	0.113	0.107	0.040	0.040	0.040	0.045

Least developed country	Member State		Scale approved by Assembly for 2004-2006 (1)	Machine scale in 2003 report (2)	Total gross national income share (3)	Debt burden adjustment (4)	Low per capita income adjustment (5)	Floor rate (6)	Least developed country ceiling (7)	Ceiling (8)
*	Mozambique	3 years	0.001	0.002	0.012	0.011	0.003	0.003	0.002	0.003
		6 years	0.001	0.002	0.012	0.010	0.002	0.002	0.002	0.003
		Average of 3 and 6 years	0.001	0.002	0.012	0.011	0.002	0.002	0.002	0.003
*	Myanmar	3 years	0.010	0.010	0.026	0.024	0.005	0.005	0.005	0.006
		6 years	0.010	0.010	0.024	0.022	0.005	0.005	0.005	0.005
		Average of 3 and 6 years	0.010	0.010	0.025	0.023	0.005	0.005	0.005	0.006
	Namibia	3 years	0.006	0.006	0.012	0.012	0.006	0.006	0.006	0.007
		6 years	0.006	0.006	0.012	0.011	0.006	0.006	0.006	0.006
		Average of 3 and 6 years	0.006	0.006	0.012	0.012	0.006	0.006	0.006	0.007
	Nauru	3 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
*	Nepal	3 years	0.004	0.004	0.017	0.017	0.004	0.004	0.004	0.004
		6 years	0.004	0.004	0.018	0.017	0.004	0.004	0.004	0.004
		Average of 3 and 6 years	0.004	0.004	0.018	0.017	0.004	0.004	0.004	0.004
	Netherlands	3 years	1.690	1.695	1.436	1.449	1.615	1.614	1.615	1.911
		6 years	1.690	1.695	1.371	1.383	1.537	1.537	1.537	1.836
		Average of 3 and 6 years	1.690	1.695	1.403	1.416	1.576	1.576	1.576	1.873
	New Zealand	3 years	0.221	0.223	0.201	0.203	0.226	0.226	0.226	0.268
		6 years	0.221	0.223	0.182	0.184	0.205	0.205	0.205	0.244
		Average of 3 and 6 years	0.221	0.223	0.192	0.194	0.216	0.215	0.215	0.256
	Nicaragua	3 years	0.001	0.001	0.011	0.009	0.003	0.003	0.003	0.003
		6 years	0.001	0.001	0.011	0.009	0.003	0.003	0.003	0.003
		Average of 3 and 6 years	0.001	0.001	0.011	0.009	0.003	0.003	0.003	0.003
*	Niger	3 years	0.001	0.001	0.007	0.006	0.001	0.001	0.001	0.002
		6 years	0.001	0.001	0.006	0.006	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.006	0.006	0.001	0.001	0.001	0.001
	Nigeria	3 years	0.042	0.043	0.201	0.191	0.053	0.053	0.053	0.059
		6 years	0.042	0.043	0.193	0.183	0.050	0.050	0.050	0.057
		Average of 3 and 6 years	0.042	0.043	0.197	0.187	0.052	0.052	0.052	0.058
	Norway	3 years	0.679	0.685	0.606	0.611	0.681	0.681	0.681	0.806
		6 years	0.679	0.685	0.566	0.571	0.635	0.635	0.635	0.758
		Average of 3 and 6 years	0.679	0.685	0.586	0.591	0.658	0.658	0.658	0.782
	Oman	3 years	0.070	0.071	0.057	0.056	0.062	0.062	0.062	0.074
		6 years	0.070	0.071	0.057	0.055	0.061	0.061	0.061	0.073
		Average of 3 and 6 years	0.070	0.071	0.057	0.055	0.062	0.062	0.062	0.073
	Pakistan	3 years	0.055	0.056	0.221	0.211	0.057	0.057	0.057	0.063
		6 years	0.055	0.056	0.216	0.205	0.055	0.055	0.055	0.062
		Average of 3 and 6 years	0.055	0.056	0.218	0.208	0.056	0.056	0.056	0.063
	Palau	3 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
	Panama	3 years	0.019	0.019	0.033	0.030	0.021	0.021	0.021	0.023
		6 years	0.019	0.019	0.033	0.031	0.022	0.022	0.022	0.024
		Average of 3 and 6 years	0.019	0.019	0.033	0.031	0.021	0.021	0.021	0.024

Least developed country	Member State		Scale approved by Assembly for 2004-2006 (1)	Machine scale in 2003 report (2)	Total gross national income share (3)	Debt burden adjustment (4)	Low per capita income adjustment (5)	Floor rate (6)	Least developed country ceiling (7)	Ceiling (8)
	Papua New Guinea	3 years	0.003	0.003	0.010	0.009	0.003	0.003	0.003	0.003
		6 years	0.003	0.003	0.010	0.009	0.003	0.003	0.003	0.003
		Average of 3 and 6 years	0.003	0.003	0.010	0.009	0.003	0.003	0.003	0.003
	Paraguay	3 years	0.012	0.012	0.016	0.015	0.005	0.005	0.005	0.005
		6 years	0.012	0.012	0.019	0.018	0.006	0.006	0.006	0.007
		Average of 3 and 6 years	0.012	0.012	0.017	0.016	0.006	0.006	0.006	0.006
	Peru	3 years	0.092	0.093	0.162	0.153	0.074	0.074	0.074	0.082
		6 years	0.092	0.093	0.163	0.153	0.074	0.074	0.074	0.084
		Average of 3 and 6 years	0.092	0.093	0.162	0.153	0.074	0.074	0.074	0.083
	Philippines	3 years	0.095	0.096	0.234	0.215	0.072	0.072	0.072	0.080
		6 years	0.095	0.096	0.241	0.222	0.075	0.075	0.075	0.085
		Average of 3 and 6 years	0.095	0.096	0.238	0.218	0.074	0.074	0.074	0.083
	Poland	3 years	0.461	0.464	0.566	0.540	0.485	0.485	0.485	0.542
		6 years	0.461	0.464	0.556	0.532	0.466	0.465	0.466	0.525
		Average of 3 and 6 years	0.461	0.464	0.561	0.536	0.475	0.475	0.475	0.533
	Portugal	3 years	0.470	0.474	0.405	0.409	0.456	0.456	0.456	0.540
		6 years	0.470	0.474	0.384	0.387	0.430	0.430	0.430	0.514
		Average of 3 and 6 years	0.470	0.474	0.395	0.398	0.443	0.443	0.443	0.527
	Qatar	3 years	0.064	0.064	0.067	0.067	0.075	0.075	0.075	0.089
		6 years	0.064	0.064	0.060	0.061	0.067	0.067	0.067	0.081
		Average of 3 and 6 years	0.064	0.064	0.064	0.064	0.071	0.071	0.071	0.085
	Republic of Korea	3 years	1.796	1.808	1.661	1.675	1.867	1.867	1.867	2.210
		6 years	1.796	1.808	1.595	1.609	1.788	1.788	1.789	2.136
		Average of 3 and 6 years	1.796	1.808	1.628	1.642	1.828	1.827	1.828	2.173
	Republic of Moldova	3 years	0.001	0.001	0.006	0.006	0.002	0.002	0.002	0.002
		6 years	0.001	0.001	0.005	0.005	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.006	0.005	0.001	0.001	0.001	0.002
	Romania	3 years	0.060	0.061	0.159	0.152	0.084	0.084	0.084	0.093
		6 years	0.060	0.061	0.140	0.135	0.068	0.068	0.068	0.077
		Average of 3 and 6 years	0.060	0.061	0.150	0.144	0.076	0.076	0.076	0.085
	Russian Federation	3 years	1.100	0.466	1.207	1.158	0.695	0.695	0.695	0.776
		6 years	1.100	0.466	1.014	0.961	0.504	0.504	0.504	0.568
		Average of 3 and 6 years	1.100	0.466	1.110	1.060	0.600	0.599	0.600	0.672
*	Rwanda	3 years	0.001	0.001	0.005	0.004	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.005	0.005	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.005	0.004	0.001	0.001	0.001	0.001
	Saint Kitts and Nevis	3 years	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
	Saint Lucia	3 years	0.002	0.002	0.002	0.002	0.001	0.001	0.001	0.002
		6 years	0.002	0.002	0.002	0.002	0.002	0.002	0.001	0.002
		Average of 3 and 6 years	0.002	0.002	0.002	0.002	0.001	0.001	0.001	0.002
	Saint Vincent and the Grenadines	3 years	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001

Least developed country	Member State		Scale approved by Assembly for 2004-2006	Machine scale in 2003 report	Total gross national income share	Debt burden adjustment	Low per capita income adjustment	Floor rate	Least developed country ceiling	Ceiling
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
*	Samoa	3 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
	San Marino	3 years	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003
		6 years	0.003	0.003	0.002	0.002	0.003	0.003	0.003	0.003
		Average of 3 and 6 years	0.003	0.003	0.002	0.002	0.003	0.003	0.003	0.003
*	Sao Tome and Principe	3 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
	Saudi Arabia	3 years	0.713	0.719	0.563	0.568	0.634	0.633	0.634	0.750
		6 years	0.713	0.719	0.557	0.562	0.625	0.625	0.625	0.746
		Average of 3 and 6 years	0.713	0.719	0.560	0.565	0.629	0.629	0.629	0.748
*	Senegal	3 years	0.005	0.005	0.017	0.016	0.004	0.004	0.004	0.005
		6 years	0.005	0.005	0.016	0.015	0.004	0.004	0.004	0.004
		Average of 3 and 6 years	0.005	0.005	0.016	0.015	0.004	0.004	0.004	0.005
	Serbia	3 years	0.019	0.019	0.050	0.046	0.023	0.023	0.023	0.026
		6 years	0.019	0.019	0.041	0.036	0.016	0.016	0.016	0.018
		Average of 3 and 6 years	0.019	0.019	0.046	0.041	0.020	0.020	0.020	0.022
	Seychelles	3 years	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
		6 years	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
		Average of 3 and 6 years	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
*	Sierra Leone	3 years	0.001	0.001	0.003	0.002	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.002	0.002	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.003	0.002	0.000	0.001	0.001	0.001
	Singapore	3 years	0.388	0.391	0.255	0.257	0.287	0.286	0.287	0.339
		6 years	0.388	0.391	0.265	0.268	0.298	0.298	0.298	0.356
		Average of 3 and 6 years	0.388	0.391	0.260	0.262	0.292	0.292	0.292	0.347
	Slovakia	3 years	0.051	0.051	0.088	0.083	0.080	0.080	0.080	0.090
		6 years	0.051	0.051	0.078	0.073	0.063	0.063	0.063	0.071
		Average of 3 and 6 years	0.051	0.051	0.083	0.078	0.071	0.071	0.071	0.080
	Slovenia	3 years	0.082	0.083	0.074	0.075	0.084	0.084	0.084	0.099
		6 years	0.082	0.083	0.070	0.070	0.078	0.078	0.078	0.094
		Average of 3 and 6 years	0.082	0.083	0.072	0.073	0.081	0.081	0.081	0.096
*	Solomon Islands	3 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
*	Somalia	3 years	0.001	0.001	0.006	0.005	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.006	0.005	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.006	0.005	0.001	0.001	0.001	0.001
	South Africa	3 years	0.292	0.294	0.434	0.428	0.281	0.281	0.281	0.314
		6 years	0.292	0.294	0.417	0.411	0.262	0.262	0.262	0.295
		Average of 3 and 6 years	0.292	0.294	0.425	0.420	0.272	0.272	0.272	0.305

Least developed country	Member State		Scale approved by Assembly for 2004-2006 (1)	Machine scale in 2003 report (2)	Total gross national income share (3)	Debt burden adjustment (4)	Low per capita income adjustment (5)	Floor rate (6)	Least developed country ceiling (7)	Ceiling (8)
	Spain	3 years	2.520	2.520	2.321	2.341	2.609	2.609	2.609	3.088
		6 years	2.520	2.520	2.127	2.146	2.385	2.385	2.386	2.849
		Average of 3 and 6 years	2.520	2.520	2.224	2.244	2.497	2.497	2.498	2.968
	Sri Lanka	3 years	0.017	0.017	0.050	0.047	0.015	0.015	0.015	0.016
		6 years	0.017	0.017	0.050	0.047	0.015	0.015	0.015	0.017
		Average of 3 and 6 years	0.017	0.017	0.050	0.047	0.015	0.015	0.015	0.017
*	Sudan	3 years	0.008	0.008	0.044	0.038	0.010	0.010	0.010	0.010
		6 years	0.008	0.008	0.040	0.034	0.008	0.008	0.008	0.009
		Average of 3 and 6 years	0.008	0.008	0.042	0.036	0.009	0.009	0.009	0.010
	Suriname	3 years	0.001	0.001	0.003	0.002	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.002	0.002	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.003	0.002	0.001	0.001	0.001	0.001
	Swaziland	3 years	0.002	0.002	0.005	0.005	0.002	0.002	0.002	0.003
		6 years	0.002	0.002	0.005	0.005	0.002	0.002	0.002	0.002
		Average of 3 and 6 years	0.002	0.002	0.005	0.005	0.002	0.002	0.002	0.003
	Sweden	3 years	0.998	1.001	0.817	0.824	0.918	0.918	0.918	1.087
		6 years	0.998	1.001	0.788	0.795	0.883	0.883	0.883	1.055
		Average of 3 and 6 years	0.998	1.001	0.802	0.809	0.901	0.901	0.901	1.071
	Switzerland	3 years	1.197	1.207	0.925	0.933	1.040	1.039	1.040	1.230
		6 years	1.197	1.207	0.897	0.905	1.006	1.005	1.006	1.201
		Average of 3 and 6 years	1.197	1.207	0.911	0.919	1.023	1.022	1.023	1.216
	Syrian Arab Republic	3 years	0.038	0.038	0.053	0.046	0.015	0.015	0.015	0.017
		6 years	0.038	0.038	0.054	0.047	0.016	0.016	0.016	0.018
		Average of 3 and 6 years	0.038	0.038	0.053	0.046	0.015	0.015	0.015	0.017
	Tajikistan	3 years	0.001	0.001	0.004	0.004	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.004	0.003	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.004	0.004	0.001	0.001	0.001	0.001
	Thailand	3 years	0.209	0.211	0.383	0.368	0.181	0.181	0.181	0.202
		6 years	0.209	0.211	0.379	0.358	0.172	0.172	0.172	0.194
		Average of 3 and 6 years	0.209	0.211	0.381	0.363	0.177	0.177	0.177	0.198
	The former Yugoslav Republic of Macedonia	3 years	0.006	0.006	0.012	0.012	0.006	0.006	0.006	0.007
		6 years	0.006	0.006	0.012	0.011	0.005	0.005	0.005	0.006
		Average of 3 and 6 years	0.006	0.006	0.012	0.012	0.006	0.006	0.006	0.006
*	Timor-Leste	3 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
*	Togo	3 years	0.001	0.001	0.005	0.004	0.001	0.001	0.001	0.001
		6 years	0.001	0.001	0.005	0.004	0.001	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.005	0.004	0.001	0.001	0.001	0.001
	Tonga	3 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
	Trinidad and Tobago	3 years	0.022	0.027	0.027	0.027	0.030	0.030	0.030	0.035
		6 years	0.022	0.027	0.026	0.025	0.028	0.028	0.028	0.033
		Average of 3 and 6 years	0.022	0.027	0.027	0.026	0.029	0.029	0.029	0.034

Least developed country	Member State		Scale approved by Assembly for 2004-2006 (1)	Machine scale in 2003 report (2)	Total gross national income share (3)	Debt burden adjustment (4)	Low per capita income adjustment (5)	Floor rate (6)	Least developed country ceiling (7)	Ceiling (8)
	Tunisia	3 years	0.032	0.032	0.064	0.059	0.029	0.029	0.029	0.033
		6 years	0.032	0.032	0.063	0.058	0.029	0.029	0.029	0.032
		Average of 3 and 6 years	0.032	0.032	0.063	0.059	0.029	0.029	0.029	0.033
	Turkey	3 years	0.372	0.376	0.652	0.608	0.381	0.381	0.381	0.425
		6 years	0.372	0.376	0.611	0.570	0.342	0.342	0.342	0.386
		Average of 3 and 6 years	0.372	0.376	0.632	0.589	0.361	0.361	0.361	0.405
	Turkmenistan	3 years	0.005	0.005	0.019	0.019	0.008	0.008	0.008	0.009
		6 years	0.005	0.005	0.018	0.018	0.007	0.007	0.007	0.008
		Average of 3 and 6 years	0.005	0.005	0.018	0.019	0.007	0.007	0.007	0.008
*	Tuvalu	3 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.001
*	Uganda	3 years	0.006	0.006	0.018	0.017	0.004	0.004	0.004	0.004
		6 years	0.006	0.006	0.018	0.017	0.004	0.004	0.004	0.004
		Average of 3 and 6 years	0.006	0.006	0.018	0.017	0.004	0.004	0.004	0.004
	Ukraine	3 years	0.039	0.040	0.141	0.136	0.047	0.047	0.047	0.052
		6 years	0.039	0.040	0.124	0.120	0.038	0.038	0.038	0.043
		Average of 3 and 6 years	0.039	0.040	0.132	0.128	0.043	0.043	0.043	0.048
	United Arab Emirates	3 years	0.235	0.237	0.231	0.233	0.260	0.260	0.260	0.308
		6 years	0.235	0.237	0.222	0.224	0.249	0.249	0.249	0.297
		Average of 3 and 6 years	0.235	0.237	0.227	0.229	0.254	0.254	0.254	0.302
	United Kingdom of Great Britain and	3 years	6.127	6.178	5.085	5.130	5.716	5.715	5.717	6.765
	Northern Ireland	6 years	6.127	6.178	4.867	4.911	5.458	5.457	5.458	6.518
		Average of 3 and 6 years	6.127	6.178	4.976	5.020	5.587	5.586	5.588	6.642
*	United Republic of Tanzania	3 years	0.006	0.006	0.029	0.026	0.006	0.006	0.006	0.007
		6 years	0.006	0.006	0.029	0.027	0.006	0.006	0.006	0.007
		Average of 3 and 6 years	0.006	0.006	0.029	0.026	0.006	0.006	0.006	0.007
	United States	3 years	22.000	22.000	29.894	30.159	33.608	33.601	33.611	22.000
		6 years	22.000	22.000	30.496	30.775	34.201	34.194	34.204	22.000
		Average of 3 and 6 years	22.000	22.000	30.195	30.467	33.904	33.898	33.907	22.000
	Uruguay	3 years	0.048	0.048	0.032	0.028	0.018	0.018	0.017	0.020
		6 years	0.048	0.048	0.046	0.043	0.035	0.035	0.035	0.039
		Average of 3 and 6 years	0.048	0.048	0.039	0.036	0.026	0.026	0.026	0.029
	Uzbekistan	3 years	0.014	0.014	0.029	0.027	0.007	0.007	0.007	0.008
		6 years	0.014	0.014	0.034	0.032	0.009	0.008	0.008	0.010
		Average of 3 and 6 years	0.014	0.014	0.031	0.030	0.008	0.008	0.008	0.009
*	Vanuatu	3 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
		Average of 3 and 6 years	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
	Venezuela (Bolivarian Republic of)	3 years	0.171	0.173	0.250	0.241	0.160	0.160	0.160	0.179
		6 years	0.171	0.173	0.298	0.287	0.219	0.218	0.219	0.246
		Average of 3 and 6 years	0.171	0.173	0.274	0.264	0.189	0.189	0.189	0.213
	Viet Nam	3 years	0.021	0.021	0.107	0.103	0.027	0.027	0.027	0.030
		6 years	0.021	0.021	0.102	0.097	0.025	0.025	0.025	0.028
		Average of 3 and 6 years	0.021	0.021	0.105	0.100	0.026	0.026	0.026	0.029

Least developed country	Member State		Scale approved by Assembly for 2004-2006	Machine scale in 2003 report	Total gross national income share	Debt burden adjustment	Low per capita income adjustment	Floor rate	Least developed country ceiling	Ceiling
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
*	Yemen	3 years	0.006	0.006	0.030	0.029	0.008	0.008	0.008	0.009
		6 years	0.006	0.006	0.029	0.027	0.007	0.007	0.007	0.008
		Average of 3 and 6 years	0.006	0.006	0.030	0.028	0.008	0.008	0.008	0.009
*	Zambia	3 years	0.002	0.002	0.012	0.009	0.002	0.002	0.002	0.003
		6 years	0.002	0.002	0.011	0.009	0.002	0.002	0.002	0.002
		Average of 3 and 6 years	0.002	0.002	0.011	0.009	0.002	0.002	0.002	0.002
	Zimbabwe	3 years	0.007	0.007	0.027	0.025	0.008	0.008	0.008	0.008
		6 years	0.007	0.007	0.027	0.026	0.008	0.008	0.008	0.009
		Average of 3 and 6 years	0.007	0.007	0.027	0.026	0.008	0.008	0.008	0.009
	TOTAL …………..		100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000

65. On the basis of these results and the application of the methodology used for the current scale, the Committee identified 21 Member States whose rates of assessment for the period 2007-2009 would increase or decrease by more than 50 per cent, compared to the rates recommended by the Committee on Contributions for the period 2004-2006. In a number of cases, underlying data were subject to significant revision, either by the Member States concerned or when official data replaced earlier estimates by the Statistics Division. In the case of countries at or near the floor, any increases in assessment rates are high in percentage terms. In some cases, high real growth is combined with currency appreciation, but not to an extent requiring adjustment of the MER. In a number of cases, countries are also moving through the threshold of the low per capita income adjustment, both up and down. Having reviewed these cases, the Committee did not consider that any of them necessitated any further adjustments. Summary details are attached in annex III.

Chapter IV
Multi-year payment plans

66. In paragraph 1 of its resolution 57/4 B, the General Assembly endorsed the conclusions and recommendations of the Committee on Contributions concerning multi-year payment plans.[3] These provided that:

(a) Member States should be encouraged to submit multi-year payment plans, which constitute a useful tool for reducing unpaid assessed contributions and a way to demonstrate commitment to meeting financial obligations to the United Nations;

(b) Due consideration should be given to the economic position of Member States, as not all of them might be in a position to submit such plans;

(c) Multi-year payment plans should remain voluntary and should not be automatically linked to other measures;

(d) Member States considering a multi-year payment plan should submit the plan to the Secretary-General for the information of other Member States and should be encouraged to consult the Secretariat for advice in its preparation, in which context it was suggested that the plans should provide for payment each year of the Member State's current year assessments and a part of its arrears and that, where possible, the plans should generally provide for elimination of a Member State's arrears within a period of up to six years;

(e) The Secretary-General should be requested to provide information on the submission of such plans to the Assembly, through the Committee;

(f) The Secretary-General should be requested to submit an annual report to the Assembly, through the Committee, on the status of Member States' payment plans as at 31 December each year;

(g) For those Member States that are in a position to submit a payment plan, the Committee and the Assembly should take the submission of a plan and its status of implementation into account as one factor when they consider requests for exemption under Article 19 of the Charter.

In its resolutions 58/1 B, 59/1 B and 60/237, the Assembly reaffirmed paragraph 1 of its resolution 57/4 B.

67. In considering this matter, the Committee had before it the report of the Secretary-General on multi-year payment plans (A/61/68) prepared pursuant to the Committee's recommendations. It was also provided with updated information with regard to the status of payment plans.

A. New payment plans

68. In considering this question, the Committee had before it the text of a letter dated 9 August 2005 from the Permanent Representative of Liberia to the United Nations addressed to the Chairman of the Committee on Contributions, transmitting

[3] *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 11* (A/57/11), paras. 17-23.

a letter dated 12 July 2005 from the Minister for Foreign Affairs of Liberia. It also had before it the text of a letter dated 19 May 2006 from the Chargé d'affaires a.i. of the Permanent Mission of Liberia to the United Nations, transmitting a letter dated 19 May 2006 from the Minister for Foreign Affairs of Liberia addressed to the Chairman of the Committee on Contributions.

69. The Committee took note of the payment plans submitted by Liberia in the two letters to the Chairman of the Committee on Contributions. These are reflected in the table below.

	Schedule proposed in	
	2005	*2006*
	(United States dollars)	
2005	100 000	—
2006	[a]	150 000
2007	[a]	[b]

[a] Payment of $50,000 every two months beginning in October 2005.
[b] Payment proposals to be submitted annually.

70. The Committee recalled that the Central African Republic had indicated in 2003 its plans to submit a schedule of payments of arrears at a later date. The Committee also recalled that, in the context of its request for exemption under Article 19 of the Charter in 2004, the Central African Republic had indicated that its Finance and Budget Ministry was in the process of drawing up a long-term calendar of debt payments that it intended to announce very soon. No further information had been received since then, although, in the context of its request for exemption under Article 19, the representative of the Central African Republic indicated that the issue of the payment of arrears to the United Nations was under consideration by his Government.

71. The Committee also recalled that, in the context of its request for exemption under Article 19 in 2004, Guinea-Bissau had indicated that it would keep the issue of multi-year payment plans under continuous consideration and, as the country's situation normalized, would establish such a plan as a matter of priority. In the context of its request for exemption under Article 19 in 2005, Guinea-Bissau indicated that it would keep the issue of multi-year payment plans under continuous consideration and, as the country's situation normalized, would establish such a plan as a matter of priority and inform the General Assembly accordingly. In the context of its current request for exemption under Article 19, Guinea-Bissau indicated that, if its efforts at debt relief are successful and if a donor round-table conference is held as scheduled in November 2006, it would be in a position to submit a multi-year payment plan as previously envisaged.

72. The Committee was informed that the Secretariat had included in the *Journal of the United Nations* an announcement that the Committee on Contributions would be considering multi-year payment plans at its sixty-sixth session and inviting any Member States intending to submit such a plan to contact the Secretariat for further information. As indicated above, a new payment plan was submitted by Liberia.

B. Status of payment plans

73. The table in paragraph 23 of the Secretary-General's report (A/61/68) summarizes the status of the six payment plans reported on as at 31 December 2005, submitted by Georgia in 2003 (its fourth), Iraq in 2005 (its first), the Niger in 2004 (its first), the Republic of Moldova in 2001 (its third), Sao Tome and Principe in 2002 (its first) and Tajikistan in 2000 (its first). The Committee was also provided with updated information, as at 30 June 2006, including the plan proposed by Liberia, as shown in the table on the status of payment plans but excluding the plans proposed by Iraq and the Republic of Moldova, as those Member States had made the payments envisaged in their payment plans and did not fall under the provisions of Article 19 in 2006.

Status of payment plans at 30 June 2006

(United States dollars)

	Georgia				*Liberia*			
	Most recent plans	*Assessments at 31 December*	*Payments/ credits*	*Outstanding at 31 December*	*Payment plan*	*Assessments at 31 December*	*Payments/ credits*	*Outstanding at 31 December*
1999				7 205 324				1 147 524
2000		116 120	184 443	7 188 001		31 506	106 192	1 072 838
2001		87 686	302 218	6 973 469		16 166	630	1 088 374
2002		114 552	70 298	7 019 723		17 137	2 635	1 102 876
2003		97 200	14 759	7 102 164		17 124	1 636	1 118 364
2004	776 229	79 750	899 929	6 281 985		20 932	2 899	1 136 397
2005	776 229	87 328	777 744	5 591 569		24 264	169	1 160 492
2006[a]	776 229	63 269	784 636	4 870 202	150 000	19 891	50 000	1 130 383
2007	776 229							
2008	776 229							
2009	776 229							
2010	776 229							
2011	776 229							
2012	776 229							
2013	776 229							

	Niger				Sao Tome and Principe			
	Payment plan	*Assessments at 31 December*	*Payments/ credits*	*Outstanding at 31 December*	*Payment plan*	*Assessments at 31 December*	*Payments/ credits*	*Outstanding at 31 December*
1999				334 149				570 783
2000		27 082	95	361 136		13 543	48	584 278
2001		14 483	318	375 301		14 254	157	598 375
2002		15 723	3 233	387 791	27 237	15 723	29 146	584 952
2003		17 124	950	403 965	42 237	17 124	929	601 147
2004	18 000	20 932	28 296	395 971	59 237	20 932	1 559	620 520
2005	40 000	24 264	41 436	378 799	74 237	24 264	202	644 582
2006[a]	45 000	19 891	0	398 690	89 237	19 891	0	664 473
2007	50 000				114 237			
2008	70 000				134 237			
2009	98 000				153 752			
2010	98 000							
2011	98 000							
2012	30 000							
2013								

	Tajikistan			
	Payment plan	*Assessments at 31 December*	*Payments/credits*	*Outstanding at 31 December*
1999				2 436 208
2000	65 251	63 507	205 389	2 294 326
2001	67 822	18 727	296 251	2 046 802
2002	67 822	22 205	306 961	1 765 046
2003	67 822	19 439	296 628	1 487 857
2004	67 822	26 183	400 955	1 113 085
2005	67 822	29 111	65 957	1 076 239
2006[a]	203 466	21 092	17 525	1 079 806
2007	203 466			
2008	203 467			
2009	203 467			
2010	203 467			
2011				
2012				
2013				

[a] As at 30 June 2006.

74. The Committee noted that Georgia and Niger had made the payments scheduled for 2005 in their multi-year payment plans. Sao Tome and Principe had made no payments under its plan since 2002. While Tajikistan's payment in 2005 was slightly below that scheduled in its plan, its payments in earlier years had significantly exceeded the payments scheduled. In the context of its request for exemption under Article 19, Tajikistan requested that its arrears for peacekeeping that accumulated to 2000 be written off. As indicated in section V below, the Committee concluded that this request goes beyond its competence as a technical advisory body.

C. Conclusions and recommendations

75. **The Committee concluded that the system of multi-year payment plans, endorsed by the General Assembly in 2002, had made a positive contribution in encouraging and assisting Member States to reduce their unpaid assessed contributions and in providing a way for them to demonstrate their commitment to meeting their financial obligations to the United Nations**.

76. **In that connection, the Committee welcomed the submission of a multi-year payment plan by Liberia and noted that its initial payment under the plan had been received. The Committee noted with appreciation that Iraq had completed payments under its plan and no longer fell under the provisions of Article 19 of the Charter. The Committee also noted with appreciation full payments by Georgia and the Niger in 2005 under their multi-year payment plans, and by Georgia in 2006. The Committee recognized the considerable efforts made by those Member States to honour the commitments that they had made when they submitted their plans**.

77. **While recognizing that the submission of multi-year payment plans was voluntary and not automatically linked to other measures, the Committee emphasized the importance of Member States that submitted such plans meeting the commitments that they had made**.

78. **On the basis of the positive experience to date, the Committee recommended that the General Assembly encourage other Member States in arrears to consider submitting multi-year payment plans**.

Chapter V
Application of Article 19 of the Charter

79. The Committee recalled its general mandate, under rule 160 of the rules of procedure of the General Assembly, to advise the Assembly on the action to be taken with regard to the application of Article 19 of the Charter. It also recalled the Assembly's decisions in its resolution 54/237 C concerning procedures for consideration of requests for exemption under Article 19 and the results of its recent review of that subject.

Requests for exemption under Article 19

80. The Committee recalled that the General Assembly, in its resolution 54/237 C, had urged all Member States in arrears requesting exemption under Article 19 to provide the fullest possible supporting information, including information on economic aggregates, government revenues and expenditure, foreign exchange resources, indebtedness, difficulties in meeting domestic or international financial obligations and any other information that might support the claim that failure to make necessary payments had been attributable to conditions beyond the control of the Member States. The Assembly also decided that requests for exemption under Article 19 must be submitted by Member States to the President of the Assembly at least two weeks before the session of the Committee so as to ensure a complete review of the requests.

81. The Committee noted that, on the basis of the latter provision, requests for exemption under Article 19 should have been received by the President of the General Assembly by 22 May 2006 for consideration by the Committee at its sixty-sixth session. It also noted that an announcement to that effect was included in the *Journal of the United Nations* from 18 March to 22 May 2006 and that, pursuant to the provisions of General Assembly resolution 60/237, a note to the same effect was sent to all Member States. Eight requests for exemption under Article 19 were received by the time specified in the resolution. Eight requests were also made in 2005 within the time frame specified, 10 in 2004, 9 in 2003, 7 in 2002, 3 in 2001 and 7 in 2000.

82. The Committee noted that four of the Member States requesting exemption under Article 19 had presented multi-year payment plans for the payment of their arrears. **It encouraged all Member States requesting an exemption under Article 19 to consider presenting a payment plan if they are in a position to do so, taking into account the recommendations in paragraphs 17 to 23 of its report on its sixty-second session,[3] as endorsed by the General Assembly in its resolution 57/4 B and reaffirmed in resolutions 58/1 B, 59/1 B and 60/237**.

83. In considering the requests, the Committee had before it information provided by the eight Member States concerned and the Secretariat. It also met with representatives of the Member States, a representative of the African Union and representatives of relevant units of the Secretariat and the United Nations Development Programme (UNDP).

1. Central African Republic

84. The Committee had before it the text of a letter dated 19 May 2006 from the President of the General Assembly to the Acting Chairman of the Committee on Contributions, transmitting a letter dated 17 May 2006 from the Chargé d'affaires a.i. of the Permanent Mission of the Central African Republic to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by a representative of the Central African Republic.

85. In its written and oral representations, the Central African Republic indicated that, despite free and democratic elections in 2005, the country was faced with the dilapidation of its economic fabric as a result of numerous military and political crises; an alarming level of poverty; and prevalence of HIV/AIDS. Due to this situation, the Governing Council of the International Development Association had identified the Central African Republic as one of the countries potentially eligible for debt relief.

86. The Government recognized its obligations to the United Nations and would do its utmost to start paying its arrears as soon as there were some economic improvements. The matter was under review by the Government and it was hoped that some payment could be made.

87. The Committee was provided with information by the Secretariat concerning the situation in the Central African Republic. Legislative and presidential elections had been held last year but the situation remained fragile, with continuing security problems in some regions. Although there had been some increase in government revenues and external budgetary assistance, government salaries were still in arrears. The humanitarian situation also remained serious, with food shortages and the re-emergence of several communicable diseases. Investment remained depressed and foreign assistance was limited, although some efforts were under way to see if additional assistance could be provided.

88. Some members concluded that the grave situation facing the Central African Republic meant that its failure to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control and that it should be granted an exemption under Article 19. They further pointed out that the Central African Republic had made a substantial payment of $513,567 in 1998. Other members recalled that the country had not paid anything since 1998. They also recalled that it had twice indicated its intention to submit a schedule for the payment of its arrears but had not done so. They pointed out that problems of poverty, affecting the capacity to pay of Member States, were already reflected in the scale of assessments. Accordingly, they were not convinced that the Central African Republic should be granted an exemption under Article 19.

89. **The Committee concluded on balance that the failure of the Central African Republic to pay the full minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that the Central African Republic be permitted to vote until the end of the sixty-first session of the General Assembly**.

90. **The Committee recalled the conclusions and recommendations contained in the report of its sixty-fifth session**[4] **and noted that the Central African**

[4] See *Official Records of the General Assembly, Sixtieth Session, Supplement No. 11* (A/60/11), para. 87.

Republic had made no payments since 1998 and that its arrears to the United Nations had therefore continued to grow. The Committee once again urged the Central African Republic to begin to make some payments so as to reduce, or at least avoid a further increase in, its unpaid assessed contributions. It also once again encouraged the Central African Republic to submit the multi-year payment plan that it had earlier announced.

91. Some members of the Committee expressed reservations about this decision, in view of the record of the Central African Republic with its failure to make even a symbolic payment to the United Nations since 1998 and its failure to submit the multi-year payment plan promised earlier.

2. Comoros

92. The Committee had before it the text of a letter dated 19 May 2006 from the President of the General Assembly to the Acting Chairman of the Committee on Contributions, transmitting a letter dated 18 May 2006 from the Chargé d'affaires a.i. of the Permanent Mission of the Comoros to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by a representative of the Comoros.

93. In its written and oral representations, the Comoros indicated that, after several years of political crisis, it had established all the democratic political institutions stipulated by the new Constitution. A new president had been elected on 15 May 2006. The Comoros was aware of its financial obligations to the United Nations and was committed to paying the full amount of its arrears. During the post-crisis period, however, it had devoted its resources to establishing the new institutions. Due to its fragile economic and political situation, it was not able to pay its arrears in full but proposed a multi-year payment of its contribution. The representative of the Comoros confirmed his Government's intention to submit a multi-year payment plan very shortly. He specified that he expected this plan to be presented before the end of the Committee session. However, no plan was received by the end of the session.

94. The Committee was provided with information by the Secretariat concerning the situation in the Comoros. Recent volcanic eruptions had displaced a number of people and affected the supply of potable water. This had led to some outbreaks of cholera. Uncontrolled trade in poultry also posed a danger of avian flu. The country's fragile economy was dependent on exports of vanilla and emigrants' remittances. There were serious problems of unemployment and poverty and the Comoros' external debt stood at 70 per cent of GDP.

95. **The Committee noted the information provided concerning the situation of the Comoros. It recalled that the payment by the Comoros in 2005 had slightly reduced the country's arrears to the United Nations and noted its clearly stated commitment to submitting a multi-year payment plan in order to pay those arrears**.

96. **In the light of the country's situation and these developments, the Committee concluded that the failure of the Comoros to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that the Comoros be permitted to vote until the end of the sixty-first session of the General Assembly**.

3. Georgia

97. The Committee had before it the text of a letter dated 8 May 2006 from the President of the General Assembly to the Acting Chairman of the Committee on Contributions, transmitting a letter dated 1 May 2006 from the Chargé d'affaires a.i. of the Permanent Mission of Georgia to the United Nations transmitting a letter dated 1 May 2006 from the First Deputy Minister for Foreign Affairs of Georgia addressed to the President of the General Assembly. It also heard an oral representation by a representative of Georgia.

98. In its written and oral representations, Georgia referred to the continuing economic and social impact of the situation in Abkhazia and South Ossetia, including refugees and displaced persons from conflict zones in the Abkhaz and Ossetian regions. The situation also had a negative impact on government revenues. Georgia remained committed to meeting its obligations to the United Nations and to reducing its arrears through implementation of its multi-year payment plan.

99. The Committee was provided with information by the Secretariat concerning the situation in Georgia. Economic growth had been strong in recent years, although industrial growth was not balanced. Unemployment stood at 13 per cent and poverty was still a problem, especially in rural areas. Support for refugees and internally displaced persons was also a burden on government finances.

100. Some members pointed to good economic growth in Georgia and to the high rate of growth of its military expenditure and doubted that its failure to make the necessary payment to avoid the application of Article 19 was due to conditions beyond its control. One member noted that Georgia's military spending was still a relatively low proportion of its GDP. In the circumstances, that member supported granting Georgia an exemption under Article 19.

101. The Committee noted with appreciation that Georgia was continuing to make the payments provided for in its multi-year plan. It noted that these payments greatly exceeded current assessments and that Georgia's arrears were largely due to its excessively high initial rates of assessment.

102. **On balance, the Committee concluded that the failure of Georgia to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Georgia be permitted to vote until the end of the sixty-first session of the General Assembly**.

4. Guinea-Bissau

103. The Committee had before it the text of a letter dated 19 May 2006 from the President of the General Assembly to the Acting Chairman of the Committee on Contributions, transmitting a letter dated 18 May 2006 from the Permanent Representative of Guinea-Bissau to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by the Permanent Representative of Guinea-Bissau.

104. In its written and oral representations, Guinea-Bissau pointed to its economic and financial problems. The Government was unable to generate adequate resources to meet its basic expenditures and depended on external resources for 80 per cent of its budget. Due to inadequate external assistance, the Government had to resort to

short-term commercial borrowing and its debt at over $1 billion was almost four times as high as national income. If the Government was successful in securing debt relief and a donor round-table conference was held in November 2006 as scheduled, Guinea-Bissau would be in a position to submit a multi-year payment plan as previously envisaged. In the meantime, civil servants had not been paid for up to six months and there were strikes in the schools. In view of these and other urgent needs, it was not possible to make any payments at this time.

105. The Committee was provided with information by the Secretariat concerning the situation in Guinea-Bissau. The situation had worsened since last year. Despite the holding of elections last year, political disputes continued and the legislature had not yet approved a budget. This hindered mobilization of foreign assistance, as did continuing instability. Such assistance was essential, however, as current debt levels were unsustainable and a failure to pay civil servants undermined the provision of basic services to the population.

106. Some members noted the failure of Guinea-Bissau to make even symbolic payments to the United Nations since 1997, despite earlier indications that it was considering the submission of a multi-year payment plan. They had doubts about the case for granting it an exemption under Article 19. Other members were convinced by the information provided that Guinea-Bissau's failure to make the necessary minimum payment was due to conditions beyond its control.

107. **On balance, the Committee concluded that the failure of Guinea-Bissau to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Guinea-Bissau be permitted to vote until the end of the sixty-first session of the General Assembly**.

5. Liberia

108. The Committee had before it the text of a letter dated 22 May 2006 from the President of the General Assembly to the Acting Chairman of the Committee on Contributions, transmitting a letter dated 19 May 2006 from the Chargé d'affaires a.i. of the Permanent Mission of Liberia to the United Nations addressed to the President of the General Assembly, transmitting a letter dated 19 May 2006 from the Minister for Foreign Affairs of Liberia addressed to the President of the General Assembly. It also heard an oral representation by a representative of Liberia.

109. In its written and oral representations, Liberia pointed to the formidable economic and social challenges facing the recently elected Government of Liberia following 14 years of civil conflict, with the serious impact that this had on the economy and government structures. There were no functioning public utilities and basic services, such as electricity, water, sanitation and health care, need to be re-established. Roads and bridges were also in dire need of repairs. The new Government was taking steps to address these serious problems. At the same time, it recognized its obligations to the United Nations and submitted a payment plan for 2006 to reduce its arrears to the Organization.

110. The Committee was provided with information by the Secretariat concerning the situation in Liberia. Following recent elections, the three branches of government were fully functional but faced enormous problems. In addition to the need to restore basic services, poverty was also a major problem, given the high rate

of unemployment. The new Government was working on a short-term action plan to improve standards of living, and longer-term strategies to tackle poverty. It was also addressing the issue of corruption and had endorsed the Governance and Economic Management Assistance Programme. The United Nations Mission in Liberia was assisting stabilization efforts and other assistance was being sought. **The Committee agreed that Liberia had a particularly strong case for an exemption under Article 19**.

111. **The Committee welcomed the submission of a payment plan covering 2006 and noted with appreciation the receipt of a first payment of $50,000. The Committee concluded that the failure of Liberia to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Liberia be permitted to vote until the end of the sixty-first session of the General Assembly**.

6. Niger

112. The Committee had before it the text of a letter dated 19 May 2006 from the President of the General Assembly to the Acting Chairman of the Committee on Contributions, transmitting a letter dated 17 May 2006 from the Permanent Representative of the Niger to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by a representative of the Niger.

113. In its written and oral representations, the Niger outlined its serious socio-economic problems. Only 12 per cent of its territory is arable land and only 3 per cent of that land can currently be farmed. Since over 80 per cent of the population lives in rural areas and depends on agriculture and livestock farming, problems of drought and locust activity have caused serious food shortages. The Niger is landlocked and lacks adequate communications infrastructure, which hampers development. A decline in groundnut exports and a fall in the price of uranium, together with the impact of recent droughts, have compounded the Niger's deficits. Despite cancellation of some debt by the Paris Club, the country remained heavily indebted. The Government remained committed to meeting its obligations to the United Nations and was making every effort to make the next payment under its multi-year payment plan.

114. The Committee was provided with information by the Secretariat concerning the situation in the Niger. Following a serious drought and locust invasion, the Niger's population faced serious food shortages, with an estimated 15 per cent of children under five suffering from malnutrition. Birth and infant mortality rates were both high and the population faced serious public health problems, including malaria. Two thirds of the population were living below the poverty line and were very vulnerable to natural disasters. Government revenue barely covered recurrent expenditures and investment depended on external support.

115. **The Committee noted the information provided and recalled that the Niger had submitted and was adhering to a multi-year payment plan. The Committee concluded that the failure of the Niger to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that the Niger be permitted to vote until the end of the sixty-first session of the General Assembly**.

7. Somalia

116. The Committee had before it the text of a letter dated 18 May 2006 from the President of the General Assembly to the Acting Chairman of the Committee on Contributions, transmitting a letter dated 15 May 2006 from the Permanent Representative of Somalia to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by the Permanent Representative of Somalia.

117. In its written and oral representations, Somalia recalled the serious internal conflict that had led to financial crises and grave economic difficulties. Although the Transitional Federal Government was formed, fighting was still going on and a lack of development funding from donor countries had led to non-payment of civil servants.

118. The Committee was provided with information by the Secretariat concerning the situation in Somalia. Following a severe drought, there had been serious crop failures in six of Somalia's eight regions. Reflecting this, the most recent consolidated appeal for Somalia at $326 million was more than double the previous appeal. The country was near the bottom of the UNDP human development index reflecting, among other things, the years of civil strife. The Transitional Federal Government was trying to establish its authority but it had no budget and no means of raising revenue. The worsening security situation, including the fighting in and around Mogadishu, undermined efforts to mobilize foreign assistance to tackle Somalia's many problems.

119. **The Committee concluded that the failure of Somalia to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Somalia be permitted to vote until the end of the sixty-first session of the General Assembly**.

8. Tajikistan

120. The Committee had before it the text of a letter dated 1 May 2006 from the Acting President of the General Assembly to the Acting Chairman of the Committee on Contributions, transmitting a letter dated 25 April 2006 from the Permanent Representative of Tajikistan to the United Nations transmitting a letter dated 17 April 2006 from the Prime Minister of Tajikistan addressed to the President of the General Assembly. It also heard an oral representation by the Permanent Representative of Tajikistan.

121. In its written and oral representations, Tajikistan made reference to its extremely complex and vulnerable economic situation. Tajikistan was one of the world's poorest countries in terms of per capita income and was near the bottom of the UNDP human development index. The earlier civil conflict had destroyed infrastructure and the need to provide for border controls to combat drug trafficking and terrorism was an added burden on limited national resources. Tajikistan was subject to periodic natural disasters, including floods and landslides. The country was also having to cope with serious public health issues, including malaria, tuberculosis and HIV/AIDS. Although it had had some success in reducing its arrears to the United Nations, a large amount was still outstanding for peacekeeping operations. Tajikistan asked that its earlier request, that peacekeeping arrears accumulated to 2000 be written off, should be considered.

122. The Committee was provided with information by the Secretariat concerning the situation in Tajikistan. Although it was a very rural country, only 10 per cent of its area was available for agriculture and it was prone to natural disasters. Sixty-four per cent of the population lived on less than $1 per day and there was chronic malnutrition. Although there had been some economic growth recently, GDP was still at only 61 per cent of the level in 1991. External debt stood at 45 per cent of GDP.

123. **The Committee noted Tajikistan's continuing payments under its multi-year payment plan. The Committee concluded that the failure to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Tajikistan be permitted to vote until the end of the sixty-first session of the General Assembly**.

124. **As regards the request from Tajikistan that its arrears for peacekeeping activities that accrued before 2000 be written off, the Committee recalled its earlier conclusion that this question went beyond its competence as a technical advisory body**.

Chapter VI
Other matters

A. Assessment of new Member States

125. The Committee had before it the text of a letter dated 13 June 2006 from the Special Envoy of Montenegro to the United Nations addressed to the Chairman of the Committee on Contributions.

126. In his letter the Special Envoy informed the Chairman that Montenegro had applied for membership in the United Nations and requested that Montenegro be included in the scale of assessments to be adopted by the General Assembly.

127. The Committee noted that the Security Council had considered the application for admission from Montenegro on 22 June 2006 and, in its resolution 1691 (2006), had recommended to the General Assembly that Montenegro be admitted to membership in the United Nations. The Committee also noted that, in its resolution 60/264 of 28 June 2006, the General Assembly decided to admit Montenegro to membership of the Organization.

128. **On the basis of national income and population data available at the Statistics Division, the Committee recommended that the rate of assessment for Montenegro in 2006 should be 0.001 per cent. Montenegro should pay six-twelfths of this rate for 2006, based on its date of admission, and these assessments should be deducted from those of the former Serbia and Montenegro**.

B. Assessment of non-member States

129. The Committee recalled that, in its resolution 44/197 B of 21 December 1989, the General Assembly had endorsed the proposal by the Committee on Contributions concerning revised assessment procedures for non-member States that are full participants in some of the activities financed by the regular budget of the United Nations.

130. These procedures involved periodic review of levels of participation by non-member States in United Nations activities in order to fix a flat annual fee percentage that was applied to a notional assessment rate, based on national income data, and to the net assessment base for the regular budget.

131. Following the admission of Switzerland to membership in the United Nations, only one non-member State, the Holy See, remained subject to the procedure, and the last review in 2003 indicated that its flat annual fee percentage would have been 30 per cent. In view of Switzerland's prospective admission, the Committee on Contributions requested the Secretariat to consult with the non-member State remaining on a possible simplified methodology for the assessment of non-member States. Based on those consultations, the Committee recommended that the General Assembly fix the flat annual fee percentage of the Holy See at 50 per cent and that further periodic review of the flat annual fee percentage rate should be suspended. In its resolution 58/1 B, the General Assembly endorsed that recommendation.

132. **The Committee recommended that this arrangement be continued and that the flat annual fee percentage of the Holy See remain fixed at 50 per cent. Based on a review of the relevant data, the Committee also recommended that the notional rate of assessment for the Holy See for the period 2007-2009 should be fixed at 0.001 per cent**.

C. Collection of contributions

133. The Committee noted that, at the conclusion of the current session on 30 June 2006, the following nine Member States were in arrears in the payment of their assessed contributions to the expenses of the United Nations under the terms of Article 19 of the Charter but had been permitted to vote in the Assembly until the end of the sixtieth session pursuant to General Assembly resolution 60/237: the Central African Republic, the Comoros, Georgia, Guinea-Bissau, Liberia, the Niger, Sao Tome and Principe, Somalia and Tajikistan. **The Committee decided to authorize its Chairman to issue an addendum to the present report, as necessary**.

D. Payment of contributions in currencies other than United States dollars

134. Under the provisions of paragraph 3 (a) of its resolution 58/1 B, the General Assembly authorized the Secretary-General 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 calendar years 2004, 2005 and 2006 in currencies other than United States dollars.

135. The Committee noted that the Secretary-General had accepted in 2005 the equivalent of $71,293.29 from Ethiopia and $982,514.80 from Pakistan in two non-United States dollar currencies acceptable to the Organization.

E. Organization of the Committee's work

136. The Committee wished to record its appreciation for the substantive support for its work performed by the Secretariat of the Committee and the Statistics Division.

F. Date of the next session

137. **The Committee decided to hold its sixty-seventh session in New York from 11 to 29 June 2007**.

Annex I

Methodology used for the preparation of the United Nations scale of assessments for the period 2004-2006

1. The current scale of assessments was based on the arithmetic average of results obtained using national income data for base periods of three and six years for the periods 1999-2001 and 1996-2001. The methodology used in the preparation of each set of results took as its starting point the gross national income (GNI) of the Member States of the Organization during the respective base periods. This information was provided by the United Nations Statistics Division and was based on data provided by Member States in response to the annual national accounts questionnaire. Since figures had to be provided for all Member States for all years of the possible statistical periods, when data were not available from the questionnaire the Statistics Division prepared estimates using other available sources, including the regional commissions, other regional organizations, the World Bank, the International Monetary Fund (IMF) and private sources.

2. The GNI data for each year of the base periods were then converted to a common currency, the United States dollar, in most cases using market exchange rates (MERs). MERs, for this purpose, were taken to be the annual average exchange rates between the national currencies and the United States dollar as published in the IMF *International Financial Statistics* or its Economic Information System. Those sources included three types of rates, which, for the purposes of preparing the scale of assessments, were referred to as MERs:

(a) Market rates, determined largely by market forces;

(b) Official rates, determined by Government authorities;

(c) Principal rates, for countries maintaining multiple exchange-rate arrangements.

For IMF non-members, where MERs were not available United Nations operational rates of exchange were also used.

3. As part of its review process, the Committee on Contributions considered whether these exchange rates resulted in excessive fluctuations or distortions in the income of particular Member States, and in a small number of cases decided to use alternative rates. These included price-adjusted rates of exchange (PAREs) supplied by the United Nations Statistics Division. The PARE methodology was developed by the Statistics Division as a means of adjusting the conversion rates into United States dollars for countries suffering from severe inflation and changes in domestic prices, which cause significant divergence in local currency movements. It is designed to eliminate the distorting effects of uneven price changes that are not well reflected in exchange rates and that yield unreasonable levels of income expressed in United States dollars. PARE rates are derived by extrapolating an average exchange rate for a base period with price changes in the form of implicit price deflators of gross domestic product. In considering the methodology for preparing future scales of assessments at its sixty-fourth and sixty-fifth sessions, the Committee considered a proposed relative PARE methodology, based on inflation rates relative to those of the United States in whose currency assessments are

calculated. The Committee concluded that relative PARE was in general the most technically sound method of adjusting MERs.

4. An average of the annual GNI figures in United States dollars for the base periods was then aggregated with the corresponding figures for other Member States as the first step in the machine scales used for the scale of assessments for 2004-2006.

Summary of step 1

Annual GNI figures in national currency were converted to United States dollars using the annual average conversion rate (MER or other rate selected by the Committee). The average of these figures was calculated for the base period (three or six years). Thus:

$[(GNI_{year\ 1}/\text{conversion rate}_{year\ 1}) + ... + (GNI_{year\ 6}/\text{conversion rate}_{year\ 6})]/6$ = average GNI, where 6 is the length of the base period

These average GNI figures were summed and used to calculate shares of GNI. A similar exercise was carried out for the three-year base period.

5. The next step in the scale methodology was the application of the debt-burden adjustment in each machine scale. In its resolution 55/5 B, the General Assembly decided to base this adjustment on the approach employed in the scale of assessments for the period 1995-1997. Under this approach, the debt-burden adjustment is the average of 12.5 per cent of total external debt for each year of the period (what has become known as the debt-stock method), based on an assumed repayment of external debt within eight years. Data for this adjustment came from the World Bank database on external debt, which included countries with a per capita income of up to $9,205 (using the World Bank Atlas conversion rates). The amount of the debt-burden adjustment was deducted from the GNI of those countries affected. The adjustment therefore increased not the absolute but rather the proportionate GNI of the Member States that either did not benefit from it or whose relative adjustment was lower than the amount of the total adjustment as a percentage of total GNI.

Summary of step 2

The debt-burden adjustment (DBA) for each base period was deducted to derive debt-adjusted GNI (GNI_{da}). This involved deducting an average of 12.5 per cent of the total debt stock for each year of the base period. Thus:

Average GNI-DBA = GNI_{da}

Total GNI_{da} = total GNI-total DBA

6. The next step was the application of the low per capita income adjustment in each machine scale. This involved the calculation of the average per capita GNI during each of the base periods for the membership as a whole and the average debt-adjusted per capita GNI for each Member State for each base period. The overall average figures for the current scale were $5,099 for the three-year base period and $5,094 for the six-year base period, and these were fixed as the starting points, or thresholds, for the respective adjustments. The GNI of each country whose average debt-adjusted per capita GNI was below the threshold was reduced by 80 per cent of

the percentage by which its average debt-adjusted per capita GNI was below the threshold.

7. For each machine scale, the total amount of the low per capita income adjustment was reallocated to those countries above the threshold, other than the Member State affected by the maximum assessment rate or ceiling, in proportion to their relative shares of the total debt-adjusted GNI of that group. For illustrative purposes, a track 2 calculation was undertaken in which the ceiling country was not excluded from the allocation of the adjustment. This permitted the machine scales considered by the Committee to indicate what the relative assessment rates of Member States would be if the ceiling were not applied.

Summary of step 3

The average per capita GNI for each base period was calculated. This was used as the threshold for application of the low per capita income adjustment. Thus:

[(Total $GNI_{year\ 1}$/total $population_{year\ 1}$) + ... + (total $GNI_{year\ 6}$/total $population_{year\ 6}$)]/6 = average per capita GNI for the six-year base period

A similar exercise was carried out for the three-year base period.

Summary of step 4

The average debt-adjusted per capita GNI for each Member State for each base period was calculated in the same manner as in step 3, using debt-adjusted GNI.

Summary of step 5

In each machine scale, the low per capita income adjustment was applied to those Member States whose average debt-adjusted per capita GNI was lower than the average per capita GNI (threshold). This adjustment reduced the affected Member State's average debt-adjusted GNI by the percentage that its average debt-adjusted per capita GNI was below the threshold multiplied by the gradient (80 per cent).

Example: If the average per capita GNI is $5,000 and a Member State's per capita debt-adjusted GNI is $2,000, then the low per capita income adjustment will be [1-(2000/5000)] x 0.80 = 48 per cent, that is, 80 per cent (the gradient) of 60 per cent [1-(2000/5000)], which is the percentage by which the Member State's debt-adjusted per capita GNI is below the threshold.

Summary of step 6

In each machine scale, the total dollar amount of the low per capita income adjustments was reallocated pro rata to Member States whose average debt-adjusted per capita GNI was above the threshold. In order to illustrate the outcomes with and without a ceiling scale rate, two alternative tracks were applied to this and subsequent steps:

Track 1

The total of the low per capita income adjustments was proportionately reallocated to all Member States whose average debt-adjusted per capita GNI was above the threshold, except the ceiling country. Since the ceiling country would not ultimately share in the reallocation of points arising from the low per capita income adjustment, including it in the reallocation would have the effect of having the beneficiaries of the adjustment share a part of its cost. This would occur when the points added for the ceiling country were reallocated pro rata to all other Member States as part of the reallocation of points arising from application of the ceiling. In machine scales, the results of track 1 calculations appear in the "ceiling" column and subsequent columns, if any.

Track 2

The total of the low per capita income adjustments was proportionately reallocated to all Member States whose average debt-adjusted per capita GNI was above the threshold, including the ceiling country. This yielded, for illustrative purposes, scale figures that would have applied if there had not been a ceiling rate of assessment. In machine scales, the results of track 2 calculations appear in the "low per capita income", "floor" and "least developed countries adjustment" columns.

8. Following these adjustments, three sets of limits were applied to each machine scale. Those Member States whose adjusted share was less than the minimum level, or floor, of 0.001 per cent were brought up to that level. Corresponding reductions were applied pro rata to the shares of other Member States, except, under track 1, the ceiling country.

Summary of step 7

The minimum assessment rate, or floor (currently 0.001 per cent), was applied to those Member States whose rate at this stage is lower. Corresponding reductions were then applied pro rata to other Member States, except, under track 1, the ceiling country.

9. A maximum assessment rate of 0.01 per cent was then applied for each machine scale to those Member States on the list of least developed countries. Increases corresponding to this least developed countries ceiling were then applied pro rata to other Member States, except, under track 1, the ceiling country.

Summary of step 8

Those least developed countries whose rate at this point exceeded the least developed countries ceiling (0.01 per cent) had their rate reduced to 0.01 per cent. Corresponding increases were applied pro rata to other Member States, except, under track 1, the ceiling country.

10. A maximum assessment rate, or ceiling, of 22 per cent was then applied to each machine scale. Increases corresponding to the resulting reduction for the ceiling country were then applied pro rata to other Member States. As indicated above, those increases were calculated in accordance with track 1, i.e., they reflected a distribution of points from the ceiling country that did not include any points arising from the application of the low per capita income adjustment.

Summary of step 9

The maximum assessment rate, or ceiling, of 22 per cent was then applied. Corresponding increases were then applied pro rata to other Member States, except for those affected by the floor and the least developed countries ceiling, using the track 1 approach from step 6 above.

11. An arithmetic average of the final scale figures was then calculated for each Member State, using base periods of three and six years.

Summary of step 10

The results of the two machine scales, using base periods of three and six years (1999-2001 and 1996-2001), were added and divided by two.

Annex II

Criteria for deciding when market exchange rates (MERs) should be replaced with price-adjusted rates of exchange (PAREs) or other conversion rates

1. In converting GNI data to United States dollars for the preparation of the scale of assessments, the MERs used are generally annual averages of rates communicated by Member States to IMF and published in *International Financial Statistics*. That publication includes three types of rates: (a) market rates, determined largely by market forces; (b) official rates, determined by government authorities; and (c) principal rates, where appropriate, including for countries maintaining multiple exchange rate arrangements. When MERs are not available from *International Financial Statistics* or the IMF economic information system, United Nations operational rates or other information are used in the initial database for the scale.

2. In considering scales of assessments under the current scale methodology, it is necessary to decide which MERs are causing excessive fluctuations and distortions in the income of the Member States concerned and which alternative rates should be used. In so doing, representations by Member States are considered by the Committee on Contributions, pursuant to the provisions of General Assembly resolution 46/221 C. In the past, the Committee has also considered the cases of countries for which MERs were replaced in the preparation of the previous scale and countries for which there appears to be a serious disparity between real growth of gross national income (GNI) and growth of GNI converted to United States dollars, using MERs.

3. For the 2007-2009 scale, the Committee considered the cases of Member States presenting additional information pursuant to the provisions of Assembly resolution 46/221 C. In addition, the Committee considered the cases of Member States whose MERs were replaced in the preparation of the current scale of assessments. In line with its decision in 2005, the Committee also considered the case of countries whose per capita GNI converted to United States dollars using MERs grew by 50 per cent or more or fell by 33 per cent or more comparing the periods 1999-2001 and 2002-2004 or whose MER-valuation index fell outside the 0.8 to 1.2 range, as well as the suitability of those thresholds.

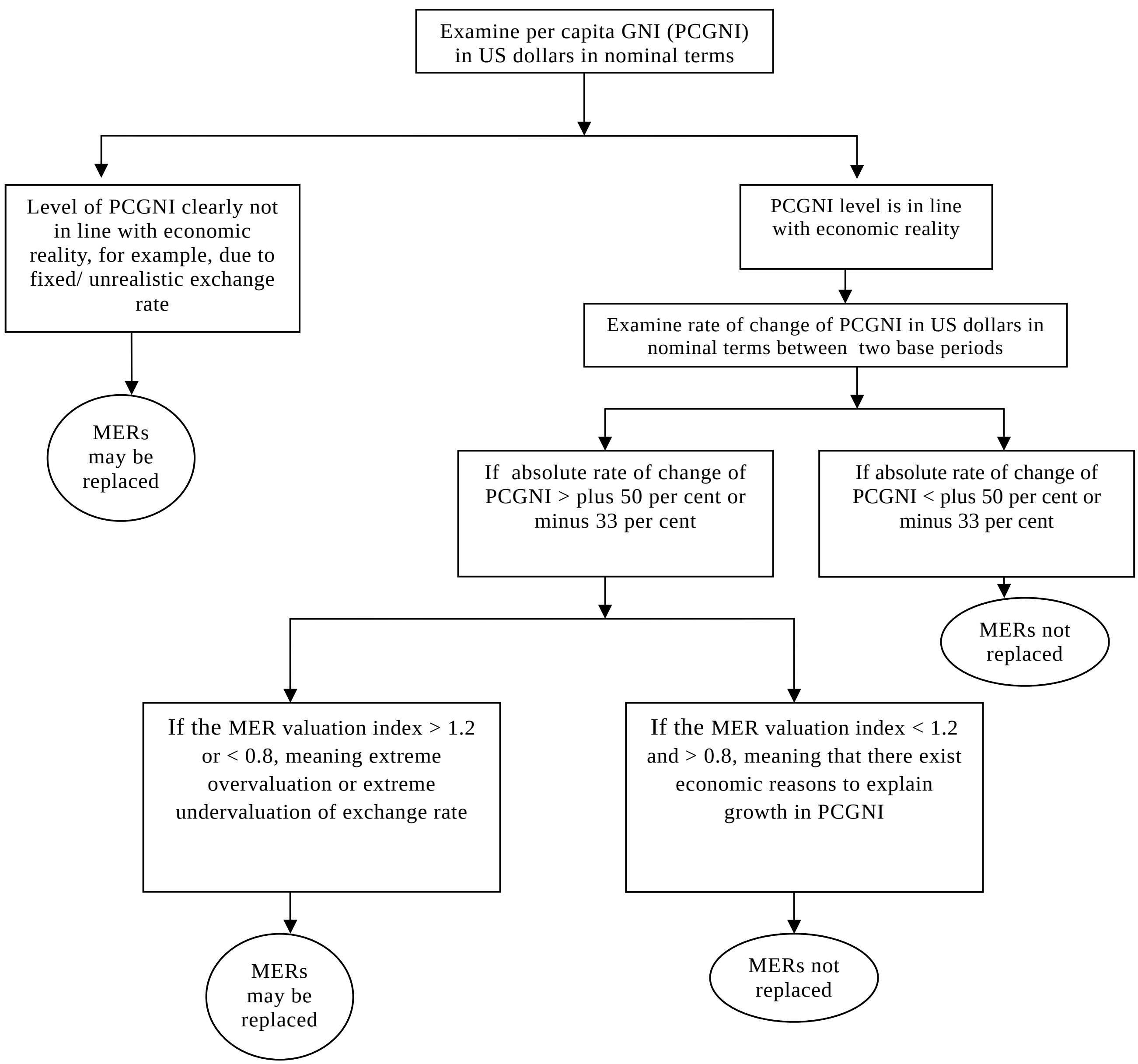
A. Which MERs should be replaced?

4. A first step in considering which MERs should be replaced is to look at the situation of countries, often with exchange rates that are fixed over a long period of time, whose per capita GNI levels in United States dollars using MERs clearly appear out of line with economic reality.

5. A second step is to look at the situation of other countries whose per capita GNI using MERs for conversion to United States dollars grew by 50 per cent or more during the period 1999-2001 and 2002-2004 or fell by 33 per cent or more.

6. A third step is to look at the MER-valuation index for each country being considered under the criteria set out above. The steps in this process are shown graphically in the figure set out below.

Steps to identify which MERs should be replaced



7. Having reviewed the results of the analysis using the parameters outlined above, the Committee reviewed the parameters as outlined in chapter III.D.4 of its report and intends to consider the question further at future sessions.

B. Calculation of the MER-valuation index

8. The MER-valuation index is designed to assist in evaluating whether GNI in United States dollars using MERs increases or decreases excessively due to inappropriate MERs, thus helping to distinguish between changes in GNI that are explained by economic growth and those that are not. Implicitly, the latter can be seen as due to MERs not adjusting adequately to changes in the relative prices of the country in question vis-à-vis those of the United States of America. The following steps are taken in the calculation:

(a) Assume that there is no inflation in either country X or the United States. In that case, GNI in United States dollars of country X in the second period ($EY_{2,\ constant}$) should be equal to its GNI in the first period (Y_1) multiplied by its real rate of economic growth (r) between the two periods:

$$EY_{2,\ constant} = Y_1 * r$$

(b) $EY_{2,\ constant}$ is GNI of the second period at the price in United States dollars of the first period. To bring it to the United States dollars of the second period (that is, in current prices), it has to be multiplied by the price index of the United States (P_{us}) so that $EY_{2,\ current}$ is estimated GNI at the price in United States dollars of the second period:

$$EY_{2,\ current} = Y_1 * r * P_{us}$$

(c) The difference between GNI in United States dollars based on MERs and the estimated GNI in United States dollars based on the calculation in the steps above is the change in GNI not explainable by economic growth. This difference can be better represented as a ratio, the MER-valuation index, where Y_2 is the actual value of GNI in United States dollars obtained by using the MERs. If the index is greater than 1 it reflects an overvaluation, if it is smaller than 1 it reflects an undervaluation. Thus:

$$\text{MER-valuation index} = Y_2 / EY_{2,\ current}$$

Annex III

Member States whose rates of assessment increase or decrease by more than 50 per cent from the machine scale included in the report of the Committee on Contributions on its sixty-third session, using new data for 1999-2004 and the same methodology

Least developed country		Member State	Scale approved by Assembly for 2004-2006	Machine scale in 2003 report	Change from last machine scale using new data and same methodology	Note
	1	Albania	0.005	0.005	***60.00%***	*1999-2004 was a period of high growth (on average, more than 6% a year). Appreciation of the currency also pushed GNI in US dollars higher.*
	2	Andorra	0.005	0.005	***60.00%***	*Official statistics of Andorra (previously unavailable) replaced lower UNSD estimates. GNI was higher than estimates by almost 17%.*
*	3	Angola	0.001	0.001	***700.00%***	*2006 statistics on GDP from Central Bank of Angola registered a large increase in GNI data from 1991-2001 (30%-150%) compared with UNSD estimates used by the COC in 2003. GNI estimates used for the COC in 2003 were derived by UNSD using per capita GNI US$*
	4	Argentina	0.956	0.964	***-64.11%***	*Previous PARE for 2000-2001 was replaced by devalued market exchange rates. Negative growth also pushed GNI in US dollars lower, below the threshold in both base periods.*
	5	Bahamas	0.013	0.013	***53.85%***	*Revised data submitted by Dept. of Statistics, Ministry of Finance brought GNI and GDP for 1999-2004 higher by 17-23%.*
	6	Bosnia and Herzegovina	0.003	0.003	***200.00%***	*Official statistics on GDP and GNI data from 1999-2001 are higher than UNSD estimates used by COC in 2003 by 40%-55%. GNI was revised accordingly using information from the World Bank (WDI). In addition, debt declined by 13%.*
	7	Congo	0.001	0.001	***100.00%***	*Official data replaced UNSD estimates for GDP which were lower by 25%; GNI derived from IMF. In addition, an increase from the floor rate of 0.001 is at least a 100% increase.*
	8	Croatia	0.037	0.038	***76.32%***	*Official upward revision of GDP was on average more than 25%. GNI were revised accordingly by UNSD based on Eurostat and Worldbank (WDI) data. Appreciation of the currency also pushed GNI in US dollars higher.*
	9	Cuba	0.043	0.043	***62.79%***	*Upward official revision of GDP was more than 19%. GNI was revised accordingly by UNSD .*
	10	Czech Republic	0.183	0.184	***52.72%***	*Official revision of 1999-2001 data was 8% upward. Higher growth rates were recorded during the period. Appreciation of the currency during the last 3 years by 30% pushed GNI in US dollars higher, above threshold for both base periods.*
	11	Ecuador	0.019	0.019	***57.89%***	*GNI was revised upward 28.6% and 22.4% respectively for 1999 and 2000 by the Central Bank of Ecuador. Using the US dollar as the official currency pushed GNI in $US higher when high domestic inflation continued until 2002.*

Least developed country		Member State	Scale approved by Assembly for 2004-2006	Machine scale in 2003 report	Change from last machine scale using new data and same methodology	Note
	12	Estonia	0.012	0.012	***75.00%***	*7% upward revision of GNI; strong growth of more than 7% a year from 2002-04. Appreciation of the currency during the last 3 years by more than 20% pushed GNI in US dollars higher.*
	13	Hungary	0.126	0.127	***92.13%***	*High rates of growth of 4% were recorded during the period. Appreciation during the last three years of the period at 40% pushed GNI in US dollars higher, above threshold for both base periods.*
	14	Libyan Arab Jamahiriya	0.132	0.133	***-50.38%***	*Exchange rate was devalued by a half in 2002. GNI in US dollars was pushed below the threshold in both base periods.*
	15	Liechtenstein	0.005	0.006	***66.67%***	*Official figures of Statistics Liechtenstein (previously unavailable) replaced UNSD estimates*
	16	Lithuania	0.024	0.024	***70.83%***	*Strong economic growth was registered in 2001-2004 (from 6.4% to 10.5%). Appreciation of the currency during the last three years (20%) also pushed GNI in US dollars higher.*
	17	Nicaragua	0.001	0.001	***200.00%***	*GDP and GNI were officially revised upward for 1999-2001 from 52% to 65%.*
	18	Republic of Moldova	0.001	0.001	***100.00%***	*Close to minimum of 0.001; strong growth in 2002-2004 (~7%). In addition, an increase from the floor rate of 0.001 is at least a 100% increase.*
	19	Slovakia	0.051	0.051	***56.86%***	*GNI was officially revised upward by 5%. Appreciation of the currency by the last three years by 30% also pushed GNI in US dollars higher.*
	20	Syrian Arab Republic	0.038	0.038	***-55.26%***	*Data were officially revised downward by at least 14% for 1999-2001. UN Operational Rates were used instead of PARE.*
	21	Turkmenistan	0.005	0.005	***60.00%***	*GNI was officially revised upward by 13.6%. No debt data are available after 1998. Even though PARE was used, the increase in GNI in US dollars was still high.*

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