



Scale of Assessments – An Overview of Methodology Proposals by Member States

by Emanuel Evans, 11 November 2008

In the Fifth Committee, delegates are considering a draft resolution on the “scale of assessments” which contains a variety of proposals and models from Member States in regard to the methodology used to determine Member States’ dues for the period 2010-2012. The following provides an analysis as well as a chart comparing the various proposals as per draft resolution dated 10 Nov. 2008, Rev. 3. A decision on which model to use would be made during the main session of the 64th General Assembly.

The 10 November draft resolution in the Fifth Committee on the *Scale of assessments for the apportionment of the expenses of the United Nations* contains a large section of draft proposals from Member States in regard to the methodology used to determine Member States’ dues. These proposals concern the 2010-2012 period. The differences are mostly highly technical, but a few aspects stand out. First is the method for determining conversion rates: the proposals by CANZ, Mexico, the G77, and the U.S. all include exceptions for excessive distortions and fluctuations, while the proposals from the EU and Japan do not. Second is the ceiling: most proposals include the current 22% ceiling, but the G77 proposal raises it to 25% while the EU’s Model 10 does not mention it at all. The EU’s Model 4 eliminates the debt burden adjustment. A radical proposal is the U.S.’s first model, which uses Purchasing Power Parity instead of Gross National Income (GNI), a change that some small countries say does not reflect the principle of “capacity to pay.”

Please see below for a comparison of the proposals:

<i>Proposal</i>	<i>Income measure</i>	<i>Base period</i>	<i>Conversion rates</i>	<i>Debt-burden adjustment</i>	<i>LPCI adjustment</i>	<i>Floor</i>	<i>Ceilings</i>
CANZ (a)	GNI	3-6 yrs	Market exchange rates with exceptions ¹	Public debt	80% ²	0.001 %	22%; 0.01% for LDCs
CANZ (b)	GNI	3-6 yrs	Market exchange rates with exceptions	Debt stock, applied only to Low Income countries	80%	0.001 %	22%, 0.01% for LDCs
CANZ (c)	GNI	3-6 yrs	Market exchange rates with exceptions	Debt stock	GNI < 1%: 80%; 1% < GNI < 3%: 65%; GNI > 3%: 50% ³	0.001 %	22%; 0.01% for LDCs
CANZ (d)	GNI	3-6 yrs	Market exchange rates with exceptions	Debt stock	80%	0.001 %	22%; 0.01% for LDC
EU (1)	GNI	3-6 yrs	Market exchange rates	Approach employed for 07-09	80%	0.001 %	22%; 0.01% for LDCs
EU (2)	GNI	3 yrs	Market exchange rates	Approach employed for 07-09	80%	0.001 %	22%; 0.01% for LDCs
EU (3)	GNI	6 yrs	Market exchange rates	Approach employed for 07-09	80%	0.001 %	22%; 0.01% for LDCs
EU (4)	GNI	3-6 yrs	Market exchange rates	None	80%	0.001 %	22%; 0.01% for LDCs
EU (5)	GNI	3-6 yrs	Market exchange rates	External public debt	80%	0.001 %	22%; 0.01% for

¹ “Except where that would cause excessive fluctuations and distortions in the income of some Member States”

² With a threshold per capita income limit of the average per capita GNI of all MSs

³ GNI = share of world GNI



EU (6)	GNI	3-6 yrs	Market exchange rates	Total external debt minus foreign currency reserves	80%	0.001 %	LDCs 22%; 0.01% for LDCs
EU (7)	GNI	3-6 yrs	Market exchange rates	Approach employed for 07-09	80%, fixed to a specific value (\$6000 as a reference)	0.001 %	22%; 0.01% for LDCs
EU (8)	GNI	3-6 yrs	Market exchange rates	Approach employed for 07-09	GNI > 1%: 60%; LDCs: 85%; All others: 80%	0.001 %	22%; 0.01% for LDCs
EU (9)	GNI	3-6 yrs	Market exchange rates	Approach employed for 07-09	80%, reduction limited to 1.5 scale points	0.001 %	22%; 0.01% for LDCs
EU (10)	GNI	3-6 yrs	Market exchange rates	Approach employed for 07-09	80%	0.001 %	0.01% for LDCs
G77	GNI	3-6 yrs	Market exchange rates with exceptions	Approach employed for 07-09	80%	0.001 %	25%; 0.01% for LDCs
Mexico	GNI	3-6 yrs, automatic annual recalculation	Market exchange rates with exceptions	Total debt stock	80%, different threshold	0.001 %	22%; 0.01% for LDCs
Japan (b)	GNI	3 yrs	Market exchange rates	Total debt stock	80%	0.001 %	22%; 0.01% for LDCs
Japan (c)	GNI	6 yrs	Market exchange rates	Total debt stock	80%	0.001 %	22%; 0.01% for

Japan (d)	GNI	3-6 yrs	Market exchange rates	Stock of public sector debt	80%	0.001 %	LDCs 22%; 0.01% for LDCs
Japan (e)	GNI	3 yrs	Market exchange rates	Stock of public sector debt	80%	0.001 %	22%; 0.01% for LDCs
Japan (f)	GNI	6 yrs	Market exchange rates	Stock of public sector debt	80%	0.001 %	22%; 0.01% for LDCs
Japan (g)	GNI	3-6 yrs	Market exchange rates	Total debt stock	LDCs: 85%; GNI > 1%: 60%; All others: 80%	0.001 %	22%; 0.01% for LDCs
Japan (h)	GNI	3 yrs	Market exchange rates	Total debt stock	LDCs: 85%; GNI > 1%: 60%; All others: 80%	0.001 %	22%; 0.01% for LDCs
Japan (i)	GNI	6 yrs	Market exchange rates	Total debt stock	LDCs: 85%; GNI > 1%: 60%; All others: 80%	0.001 %	22%; 0.01% for LDCs
Japan (j)	GNI	3-6 yrs	Market exchange rates	Stock of public sector debt	LDCs: 85%; GNI > 1%: 60%; All others: 80%	0.001 %	22%; 0.01% for LDCs
Japan (k)	GNI	3 yrs	Market exchange rates	Stock of public sector debt	LDCs: 85%; GNI > 1%: 60%; All others: 80%	0.001 %	22%; 0.01% for LDCs
Japan (l)	GNI	6 yrs	Market exchange rates	Stock of public sector debt	LDCs: 85%; GNI > 1%: 60%;	0.001 %	22%; 0.01% for



					All others: 80%		LDCs
U.S. (1)	PPP	3-6 yrs	n/a	Debt stock	80%	0.001 %	22%; 0.01% for LDCs
U.S. (2)	GNI	3 yrs	Market exchange rates with exceptions	Debt stock	80%	0.001 %	22%; 0.01% for LDCs
U.S. (3)	GNI	3-6 yrs	Market exchange rates with exceptions	Debt stock	LDCs: 85%; GNI < 1%: 80%; GNI > 1%: 50%	0.001 %	22%; 0.01% for LDCs

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