United Nations

Report of the Committee on Contributions

Seventy-eighth session (4–29 June 2018)

General Assembly

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Seventy-third Session
Supplement No. 11

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A/73/11

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Note

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Summary

At its seventy-eighth session, with regard to the methodology for the scale of assessments for the period 2019–2021, the Committee on Contributions:

(a) Decided to review the scale for the period 2019–2021 pursuant to rule 160 of the rules of procedure of the General Assembly and Assembly resolutions 58/1 B and 70/245;

(b) Recalled and reaffirmed its recommendation that the scale should be based on the most current, comprehensive and comparable data available for gross national income (GNI);

(c) Welcomed the increasing number of Member States implementing the 2008 System of National Accounts (SNA), and expressed support for the ongoing efforts by the Statistics Division to enhance coordination, advocacy and implementation of SNA and supporting statistics at the national level, with a view to enabling Member States to submit national accounts data on a timely basis with the required scope, detail and quality;

(d) Recommended that the General Assembly encourage Member States to submit the required national accounts questionnaires under the 2008 SNA on a timely basis;

(e) Recommended that conversion rates based on market exchange rates (MERs) be used for the scale of assessments for the period 2019–2021, except where that would cause excessive fluctuations and distortions in the GNI of some Member States expressed in United States dollars, in which case other appropriate conversion rates such as United Nations operational rates, price-adjusted rates of exchange (PAREs) or modified conversion rates should be applied, if so determined on a case-by-case basis;

(f) Decided to use United Nations operational rates of exchange for Myanmar for the years 2011 and 2012 and to use the MER for the years 2013–2016, decided to continue to use United Nations operational rates of exchange for the Syrian Arab Republic for the years 2011–2016 and, after review of all available options, concluded that a PARE, using the modified conversion rate, was the most appropriate for the Bolivarian Republic of Venezuela for the years 2014–2016;

(g) Agreed that, once chosen, there were advantages in using the same base period for as long as possible;

(h) Agreed that a low per capita income adjustment (LPCIA) continued to be an essential element in the scale methodology, which should be based on reliable, verifiable and comparable data;

(i) Agreed that an alternative approach for establishing the LPCIA threshold could be the world average per capita debt-adjusted GNI;

(j) Agreed that another alternative approach for establishing the LPCIA threshold could be an inflation-adjusted threshold;

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

(l) Decided to further consider all elements of the scale methodology at its seventy-ninth session in the light of any guidance from the General Assembly.

The Committee agreed that any scheme of limits should not be an element of the scale methodology.

The Committee decided to study further the questions of large scale-to-scale changes in rates of assessment and annual recalculation on the basis of any guidance thereon by the General Assembly.

With regard to multi-year payment plans, the Committee recommended that the General Assembly encourage Member States in arrears under Article 19 of the Charter of the United Nations to consider submitting multi-year payment plans.

With regard to exemptions from the application of Article 19 of the Charter, the Committee recommended that the following Member States be permitted to vote in the General Assembly until the end of the seventy-third session of the Assembly: Comoros, Guinea-Bissau, Sao Tome and Principe and Somalia. The Committee recommended that the Assembly request the Secretary-General to pay special attention to the issue of unpaid assessments in his consultations with Somalia. Having considered the request of Dominica, the Committee concluded that this request did not fall within the scope of Article 19.

Under other matters, the Committee:

(a) Recommended a flat annual fee of 50 per cent to be applied to notional rates of assessment of 0.001 per cent for the Holy See and 0.008 per cent for the State of Palestine, as non-member States, for the period 2019–2021;

(b) Decided to hold its seventy-ninth session from 3 to 21 June 2019.

[29 June 2018]

Contents

Chapter I
Attendance

1. The Committee on Contributions held its seventy-eighth session at United Nations Headquarters from 4 to 29 June 2018. The following members were present: Syed Yawar Ali, Cheikh Tidiane Dème, Jasminka Dinić, Gordon Eckersley, Edward Faris, Bernardo Greiver del Hoyo, Michael Holtsch, Evgeny Kalugin, Baudelaire Ndong Ella, Toshiro Ozawa, Tõnis Saar, Henrique da Silveira Sardinha Pinto, Ugo Sessi, Josiel Motumisi Tawana, Alejandro Torres Lépori, Steven Townley, Seongmee Yoon and Zhang Wei.

2. The Committee welcomed the new members and thanked the two outgoing members, Nikolay Lozinskiy and Thomas Schlesinger, for their hard work and years of service in the Committee.

3. The Committee elected Mr. Greiver del Hoyo as Chair and Mr. Eckersley as Vice-Chair.

Chapter II

Terms of reference

4. The Committee on Contributions carried out 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 Assembly on 13 February 1946 (resolution 14 (I) A, para. 3); and the mandates contained in Assembly resolutions 46/221 B, 48/223 C, 53/36 D, 54/237 C and D, 55/5 B and D, 57/4 B, 58/1 A and B, 59/1 A and B, 60/237, 61/2, 61/237, 64/248, 67/238 and 70/245.

5. The Committee had before it the summary records of the Fifth Committee at the seventy-second session of the General Assembly relating to agenda item 140, entitled "Scale of assessments for the apportionment of the expenses of the United Nations" (A/C.5/72/SR.1 and A/C.5/72/SR.3) and the verbatim records of the 29th plenary meeting of the Assembly at its seventy-second session (A/72/PV.29), and had available the relevant report of the Fifth Committee to the Assembly (A/72/519).

Chapter III
Scale of assessments for the period 2019–2021

6. At its seventy-eighth session, the Committee on Contributions 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, which had also been used since then in preparing the scale of assessments for the subsequent five periods. The Committee also recalled that, in its resolution 58/1 B, as reaffirmed by its resolution 61/237 and subsequent resolutions, the Assembly had requested the Committee, in accordance with its mandate and the rules of procedure of the Assembly, 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. By its resolution 70/245, the Assembly 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.

7. The Committee recalled that, in adopting the latest scale of assessments in its resolution 70/245, the General Assembly had recognized that the current methodology could be enhanced, bearing in mind the principle of capacity to pay. The Assembly had noted that there were limitations in the data set available for the preparation of the scale of assessments, and had requested the Committee, in accordance with rule 160 of the rules of procedure of the Assembly, to consider all relevant data in appeals submitted by Member States that might affect their capacity to pay. The Assembly had also requested the Committee, in accordance with its mandate and the rules of procedure of the Assembly, to review and make recommendations on the elements of the methodology of the scale of assessments in order to reflect the capacity of Member States to pay, and to report thereon to the Assembly by the main part of its seventy-third session.

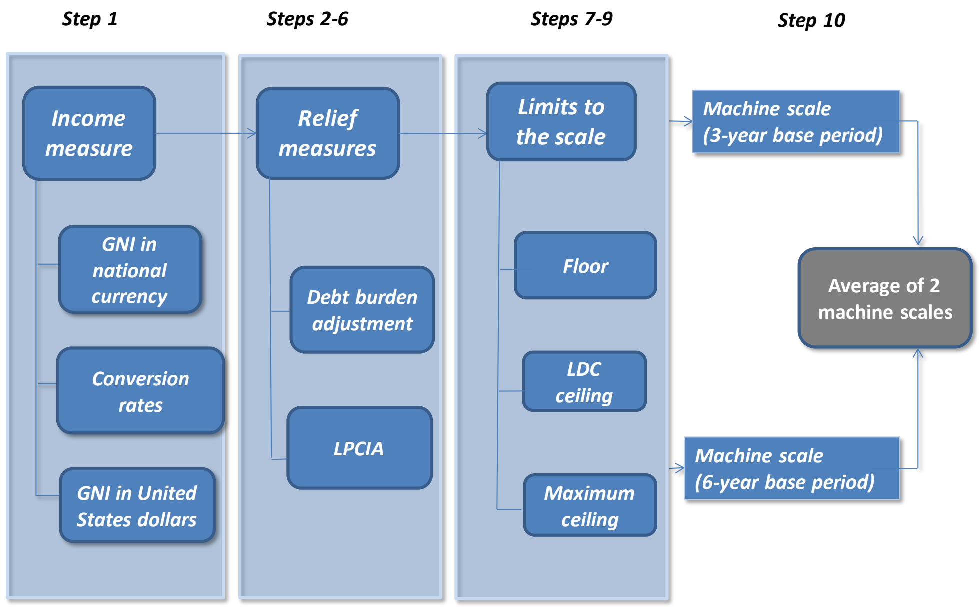
8. On the basis of the above mandates, the Committee on Contributions had reviewed the elements of the scale methodology at its seventy-sixth and seventy-seventh sessions and the results of those reviews were reflected in its reports (A/71/11 and A/72/11). Having considered the summary records of the Fifth Committee at the seventy-second session of the General Assembly relating to agenda item 140, the Committee noted that the Assembly had not provided it with any recent guidance on the methodology for the preparation of the scale of assessments for the period 2016–2018.

9. **On that basis, the Committee reviewed the scale of assessments for the period 2019–2021**.

A. Methodology for the preparation of the scale of assessments

10. The Committee recalled that the methodology used for the preparation of the scale of assessments had changed over time (see annex I). The Committee also recalled that the same methodology used to prepare the scale of assessments for the period 2001–2003 had been used to prepare the scale of assessments for the period 2016–2018. An overview of the methodology used in preparing the current scale is presented in the figure below. A detailed description of that methodology is contained in annex II. In the absence of any specific 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.

Overview of the methodology for preparing the scale of assessments



Abbreviations: GNI, gross national income; LDC, least developed country; LPCIA, low per capita income adjustment.

11. On the basis of the general mandate given to it under rule 160 of the rules of procedure of the General Assembly, as well as the requests contained in Assembly resolutions 58/1 B and 70/245, the Committee carried out a review of the elements of the current methodology.

1. Elements for making comparative estimates of national income

(a) Income measure

12. The income measure is a first approximation of capacity to pay. The Committee recalled that the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay had examined measures of income and agreed in 1995 that national disposable income was theoretically the most appropriate measure of capacity to pay because it represented the total income available to residents of a country, namely, national income plus net current transfers (see A/49/897). The Working Group, however, had considered that its use in the scale of assessments would be impracticable at that time owing to the lower reliability and availability of that income measure.

13. The Committee reviewed the status of the availability of the gross national disposable income (GNDI) data as submitted by countries through the national accounts questionnaire, as shown below.

Availability of gross national disposable income data as at June 2018

	2011	*2012*	*2013*	*2014*	*2015*	*2016*
Number of Member States providing GNDI data	137	136	128	126	117	76
Percentage contribution of those Member States to the scale of assessments for 2016–2018	99.4	99.4	99.2	99.2	98.4	35.4

14. The Committee noted the importance of transfers, including remittances, in measuring a country's capacity to pay in a changing global economy. Based on its review of the latest data, the Committee noted that there was still a considerable time lag in the reporting of GNDI data, owing to the very slow collection and release of those data by countries. Although the availability of GNDI data had improved over the years, they were still not being provided by the majority of Member States in a timely manner. By June 2018, data were available for the year 2011 for 137 Member States; however, for the year 2016, data were available for only 76 Member States. Given the lower availability of GNDI data, the Committee considered that it was still not feasible to use the data for the preparation of the scale of assessments. The Committee requested the Statistics Division of the Department of Economic and Social Affairs of the Secretariat to continue to review the availability and possible sources of GNDI data. The Committee discussed the possibility of using remittance data reported by the providing country rather than such data reported by the receiving country.

15. At its seventy-seventh session, the Committee had reaffirmed that the scale of assessments should be based on the most current, comprehensive and comparable data available for gross national income (GNI).

16. The Committee recalled that, in 2008, the Statistical Commission had adopted the 2008 System of National Accounts (SNA) as the international statistical standard for compiling national accounts statistics, and had encouraged Member States to implement the standard. There were no major conceptual differences between the recommendations of the 1993 SNA and the 2008 SNA for calculating gross domestic product (GDP) and GNI, and the data compiled under the two standards were generally comparable. However, the Committee had raised concerns in the past about the comparability of national accounts data between those Member States reporting according to the more recent standards (the 2008 SNA or the 1993 SNA) and those still reporting under the 1968 SNA. The Committee noted that an increasing number of Member States had adopted the 1993 SNA or the 2008 SNA, as shown in the table below, therefore diminishing the potential impact on the comparability of the data. A total of 183 Member States were reporting under the more recent standards, of which 95 reported under the 1993 SNA and 88 under the 2008 SNA.

Member States reporting national accounts statistics under the 1993 or 2008 System of National Accounts

Year	*Number of Member States*	*Percentage of total GNI of Member States in 2016*	*Percentage of total population of Member States in 2016*
2011	150	95.5	90.2
2012	156	98.0	92.6
2013	163	98.1	93.9
2014	167	98.9	94.8
2015	172	99.2	95.8
2016	176	99.2	96.0
2017	183	99.3	97.2

17. The Committee noted that, while GNI data compiled under the 1993 and the 2008 SNA were broadly comparable, data compiled under the 1968 SNA did not have the same degree of comparability because of a number of major conceptual changes introduced in the more recent standards. Furthermore, GNI data reported under the 1993 and the 2008 SNA constituted a more accurate reflection of the full productive capacity of an economy than those reported under the 1968 SNA. The Committee welcomed the continued increase in the number of Member States reporting under the

more recent standards, and emphasized the importance of the remaining 10 Member States adopting and reporting on a timely basis under the 2008 SNA. According to the statistical data for the period 2011–2016, the total share of world GNI for Member States still reporting under the 1968 SNA was 0.728 per cent and their share in the scale was 0.464 per cent.

18. The Committee reviewed the statistical data available with a two-year time lag (i.e. data for 2016 that were available in June 2018) and noted that they were the most timely data available[1] for calculating the scale of assessments. There were still considerable delays in the timely submission of data by some Member States, and consequently the data submitted officially by Member States had to be supplemented by other official sources, including from the regional commissions of the United Nations, the International Monetary Fund (IMF), the World Bank and the publications of Member States. In some cases, it was also necessary to include estimates prepared by the Statistics Division of the Department of Economic and Social Affairs. In reviewing the available data, the Committee noted that, for the year 2016, officially submitted GNI data were available for approximately 56 per cent of the United Nations membership, as shown in the following table. While some data were available from other sources for some countries, the Statistics Division was required to make estimates for 32 countries. However, in most of those cases, official GDP data were available and had been used as the underlying basis for estimation.

Sources of information for gross national income data, June 2018

Year	*National accounts questionnaires submitted directly*	*International Monetary Fund*	*World Bank*	*Other[a]*	*Estimated*	*Total*
2011	144	1	31	9	8	193
2012	142	1	32	10	8	193
2013	137	1	34	11	10	193
2014	135	–	35	12	11	193
2015	129	–	36	12	16	193
2016	108	–	42	11	32	193

[a] Statistical offices, United Nations regional commissions and central/regional banks.

19. At its previous sessions, the Committee had reviewed the reliability of statistical data available, including the impact of the revisions made over time to the data initially submitted by Member States. The Committee noted that the use of the data as later revised by Member States generated significantly different results in some cases compared with the already approved scale of assessments. The Committee also noted that most national statistical organizations provided provisional estimates, followed by revised estimates and then final estimates. Some Member States were able to publish only provisional estimates of national accounts statistics. Provisional estimates of national accounts aggregates were often substantially revised in subsequent years. The Committee considered the extent to which revisions to the most recent data could be significant.

20. Following its review of the data available for the preparation of the scale of assessments for 2016–2018, the Committee had noted that, given the limitations of the data set, there were trade-offs in achieving a balance among timeliness, reliability,

[1] In accordance with statistical standards for the timeliness of data, it is expected that data for a particular reference period be available before the end of the next period (e.g. data for 2016 are reported before the end of 2017).

verifiability and comparability. The Committee had noted that those limitations were the result of several factors, including the delay in the submission of national accounts data by some Member States, the volume of estimates that had to be included, the fact that some Member States still reported under the 1968 SNA, and the significant revisions that were later submitted. In adopting the scale of assessments in its resolution 70/245, the General Assembly had noted the limitations in the data set available for the preparation of the scale of assessments. In the same resolution, the Assembly had reaffirmed that, as a technical body, the Committee was required to prepare the scale of assessments strictly on the basis of reliable, verifiable and comparable data. The Assembly had also supported the efforts of the Statistics Division in supporting statistics at the national level and in providing support to countries and regional organizations to enhance coordination, advocacy and resources for the implementation of the 1993 and the 2008 SNA.

21. **On the basis of its review, the Committee:**

(a) **Recalled and reaffirmed its recommendation that the scale of assessments for the period 2019–2021 be based on the most current, comprehensive and comparable data available for GNI;**

(b) **Welcomed the increasing number of Member States implementing the 2008 SNA and expressed support for the ongoing efforts by the Statistics Division to enhance coordination, advocacy and implementation of SNA and supporting statistics at the national level, with a view to enabling Member States to submit national accounts data on a timely basis with the required scope, detail and quality;**

(c) **Recommended that the General Assembly encourage Member States to submit the required national accounts questionnaires under the 2008 SNA on a timely basis.**

(b) Conversion rates

22. A conversion factor is needed to convert the GNI data received from Member States in their national currencies to a common monetary unit. In accordance with General Assembly resolutions, a United States dollar conversion factor based on market exchange rates (MERs) is used for the scale methodology “except where that would cause excessive fluctuations and distortions in the income of some Member States, when price-adjusted rates of exchange or other appropriate conversion rates should be employed” (see, for example, resolution 70/245, para. 6 (c)).

23. The Committee noted that the exchange rates (conversion rates) used by the Statistics Division to convert GNI data in national currencies to United States dollars are the annual averages of market exchange rates provided to IMF by the monetary authority of each Member State, which are set out in the IMF publication entitled *International Financial Statistics*. As used by IMF, the term “market exchange rate” could refer to any one of the three types of annual average rates: (a) market rates, determined largely by market forces; (b) official rates, determined by government authorities; and (c) principal rates, in cases in which countries maintain multiple exchange rate regimes. For the purpose of the scale of assessments, rates of all three types obtained from the publication are considered to be MERs.

24. The Committee also noted that, when MERs are not available from the publication or from the IMF economic information system, the Statistics Division uses average annual United Nations operational rates of exchange. Those rates are established primarily for accounting purposes and are applied to all official transactions of the United Nations with respect to a country’s currency. The rates may take the form of official, commercial or tourist rates of exchange.

25. The Committee recalled that, for previous scales, MERs had been used (see annex III), except where that would have caused excessive fluctuations and distortions in the income of some Member States, in which case price-adjusted rates of exchange (PAREs) or other appropriate conversion rates had been used. For the 2016–2018 scale of assessment, the Committee had used systematic criteria to identify MERs that had caused excessive fluctuations and distortions in GNI for possible replacement with PAREs or other appropriate conversion rates.

26. The stepwise application of the systematic criteria, shown in annex IV to the present report, might be summarized as follows (as applied for the scale of assessments for 2016–2018):

(a) The first step of the systematic criteria was to identify the Member States with exchange rates that had been fixed for a long period of time and the per capita GNI level of which, in United States dollars, using such exchange rates, seemed not to represent economic reality, for example, when their per capita GNI levels in United States dollars were not comparable with those of neighbouring countries at the same level of economic development. To carry out that step for the scale of assessments for 2016–2018, the Committee examined countries with a coefficient of variation in MERs of less than 3 per cent over the period 2008–2013 to identify countries deemed to be following a fixed exchange rate regime during that period. The MERs of those countries were also compared with the United Nations operational rates and with IMF conversion rates;

(b) The second step was to identify Member States with a growth factor of per capita GNI that was either more than 1.5 times or less than 0.67 times the growth factor of the world per capita GNI between the two immediate reference periods of three years each. The growth factor was derived as the nominal (at current prices) per capita GNI, in United States dollars, using MERs, in a reference period of three years, divided by the per capita GNI in the previous reference period of three years, for example, 2008–2010 and 2011–2013 for the 2016–2018 scale;

(c) The third step was to identify Member States with an MER valuation index (MVI) greater than 1.2 or less than 0.8 times the average MVI across all Member States during the same period.

27. The Committee recalled that both elements of the criteria, namely, the growth factor of the per capita GNI and MVI of Member States, were considered relative to their respective values based on the entire membership of the United Nations. In that way, the systematic criteria took into account the relative movement of the currencies of all Member States relative to the United States dollar. At previous sessions, the Committee had concluded that no single criterion would automatically solve all problems satisfactorily and that any criteria would be used solely as a point of reference to guide the Committee in identifying the Member States for which the MERs should be reviewed.

28. At its present session, the Committee used the systematic criteria to identify MERs for review for possible replacement in preparing the scale of assessments for 2019–2021. The Committee also revisited ways to refine the systematic criteria by changing the range of the variations of the thresholds of its two parameters, namely, the per capita GNI growth factor and the MVI. It also used a statistical measure, a moving average, to reduce the impact of exchange rate fluctuations in the cross-country comparison of GNI. The Committee considered a number of variations, including using three-year averages, six-year averages or inflation-adjusted averages of exchange rates. The Committee noted that, apart from the inflation-adjusted averages of exchange rates, changing the range of the variations of the thresholds of its two parameters and applying three-year and six-year averages of exchange rates to the current data did not improve the reliability of the results, and the systematic

criteria as currently formulated remained a generally effective instrument to assist in identifying Member States with MERs that needed additional review. The Committee decided to further study the systematic criteria at its future sessions.

29. **The Committee recommended that conversion rates based on MERs be used for the scale of assessments for the period 2019–2021, except where that would cause excessive fluctuations and distortions in the GNI of some Member States expressed in United States dollars, in which case other appropriate conversion rates such as United Nations operational rates, PAREs or modified conversion rates should be applied, if so determined on a case-by-case basis.**

(c) Base period

30. For the scale methodology, income data expressed in United States dollars are averaged over a designated base period. The Committee recalled that, in the past, the base period used in preparing the scale of assessments had varied from 1 to 10 years. For the 2001–2003 scale, the General Assembly, in its resolution 55/5 B, had adopted a hybrid approach based on average statistical base periods of six and three years, reflecting a compromise between those arguing for shorter base periods and those arguing for longer ones. In implementing that decision, two scales had been separately calculated for each of the six-year and three-year base periods, and had then been averaged to form a final scale of assessments. Since then, subsequent scales of assessments had been calculated using that approach.

31. The Committee recalled that at previous sessions it had discussed extensively the alternative approach of first averaging the GNI data for three-year and six-year periods and then running a single machine scale on the average, instead of running two separate machine scales for each period and averaging their results. The Committee had concluded that a single machine run was technically feasible, as reflected by the statistical information provided by the Statistics Division. Some members had supported running a single machine scale; however, others had not. Some members expressed the view that it would be a simpler technical approach to reflect the average of the three-year and six-year periods, and would not constitute a change to the current methodology. Other members expressed the view that two scales should continue to be calculated and the results averaged, consistent with the approach that had been used since the adoption by the General Assembly of its resolution 55/5 B.

32. The Committee also recalled that at its previous sessions it had discussed the advantages and disadvantages of both shorter and longer base periods. Some members had favoured longer base periods as a way of ensuring stability and smoothing out sharp year-to-year fluctuations in the income measure of Member States, while others had favoured shorter base periods to better reflect the current capacity of Member States to pay.

33. The Committee noted that the choice of base period had a material impact on the outcome of the scale methodology. However, once chosen, comparability and stability were achieved over time by maintaining the same base period. Since the current approach had been used for a relatively long time, those objectives had been achieved for the methodology.

34. **The Committee agreed that, once chosen, there were advantages to using the same base period for as long as possible.**

2. Relief measures

35. The relief measures in the scale of assessments methodology consist of the debt-burden and low per capita income adjustments. An overview of those two adjustments is presented below.

Overview of the debt-burden and low per capita income adjustments by scale period (average of three- and six-year base periods)

Scale period	*DBA*	*LPCIA*	*Sum of redistribution of DBA and LPCIA*	*Number of LPCIA beneficiaries*	*Share of LPCIA beneficiaries at DBA stage*[a]	*Share of LPCIA beneficiaries at LPCIA stage*[b]	*Average per capita GNI of LPCIA beneficiaries*	*Average per capita GNI of LPCIA absorbers*	*World average per capita GNI*
2001–2003	0.786	8.457	9.243	132	18.577	10.120	1 112	23 418	4 851
2004–2006	0.796	8.627	9.423	130	16.449	7.822	1 064	23 328	5 097
2007–2009	0.711	9.287	9.998	132	17.713	8.426	1 252	26 237	5 630
2010–2012	0.598	9.564	10.163	134	20.553	10.989	1 778	30 634	6 988
2013–2015	0.545	9.598	10.143	130	19.839	10.241	2 319	28 059	8 647
2016–2018	0.588	10.132	10.720	131	26.240	16.107	3 497	33 804	10 186
2018 update[c,d]	0.720	9.647	10.367	130	28.589	18.942	3 920	32 862	10 440
Growth since 2001–2003[e]	-8.4	14.1	12.2	-1.5	53.9	87.2	252.5	40.3	115.2

Abbreviations: DBA, debt-burden adjustment; LPCIA, low per capita income adjustment.

[a] The sum of the shares of those Member States that benefit from the LPCIA at the DBA stage of the scale methodology.

[b] The sum of the shares of those Member States that benefit from the LPCIA at the LPCIA stage of the scale methodology.

[c] 2018 update refers to the update of the 2016–2018 scale using data for the 2011–2016 base period, available in June 2018.

[d] Market exchange rate (except United Nations operational rates of exchange for Myanmar (2011–2012) and the Syrian Arab Republic (2011–2016) and modified conversion rates for the Bolivarian Republic of Venezuela (2014–2016)).

[e] Percentage change between the 2001–2003 scale and the 2018 update scale.

(a) Debt-burden adjustment

36. The Committee recalled that the debt-burden adjustment had been part of the scale methodology since 1986. It had been introduced in response to a debt crisis at that time, in which a number of developing countries had been unable to refinance sovereign debt that had been issued to external creditors. As a consequence, some countries had been confronted by crises of solvency that had had a severe impact on their capacity to pay. The debt-burden adjustment had therefore been introduced to provide relief to such Member States by reflecting the impact of the repayment of their external debt on their capacity to pay. Given the fact that interest on external debt was already accounted for as part of GNI, the debt-burden adjustment in the current methodology was calculated by deducting the nominal principal payments on external debt from GNI in United States dollars. Percentage shares were recalculated on the basis of debt-adjusted GNI, and therefore the impact of the debt-burden adjustment was indirectly distributed to all Member States. The Committee noted that the total redistribution of points at the debt-burden adjustment stage using updated statistical data for the 2011–2016 period would be 0.720 percentage points. A total of 122 members would benefit from the debt-burden adjustment.

Overview of the debt-burden adjustment by scale period (average of three- and six-year base periods)

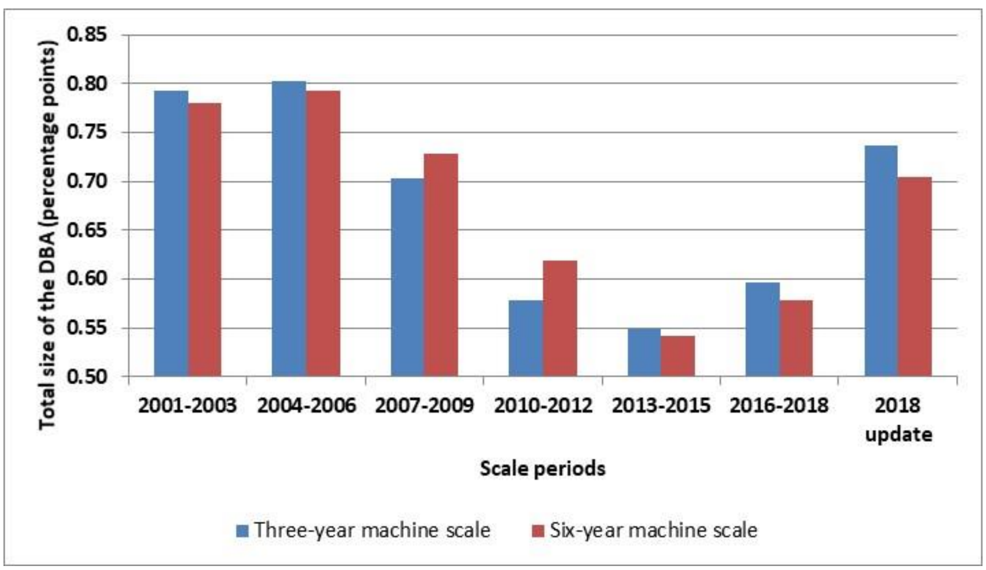
Scale period	*Debt-burden adjustment (percentage points)*	*Number of debt-burden adjustment beneficiaries*	*World Bank thresholds (United States dollars)*
2001–2003	0.786	112	9 412
2004–2006	0.796	109	9 322
2007–2009	0.711	103	9 443
2010–2012	0.598	133	10 701
2013–2015	0.545	129	11 868
2016–2018	0.588	122	12 490
2018 update[a,b]	0.720	122	12 236

[a] "2018 update" refers to the update of the 2016–2018 scale using data available in June 2018 for the period 2011–2016.

[b] Market exchange rate (except United Nations operational rates of exchange for Myanmar (2011–2012) and the Syrian Arab Republic (2011–2016) and modified conversion rates for the Bolivarian Republic of Venezuela (2014–2016)).

37. The Committee noted that, for several periods, the total redistribution of points at the debt-burden adjustment stage had been decreasing. However, the latest statistical data for the 2011–2016 period reflected an increase in the size of the debt-burden adjustment.

Overview of the total size of the debt-burden adjustment by scale period



Abbreviation: DBA, debt-burden adjustment.

38. The Committee recalled that when the debt-burden adjustment had been introduced, public external debt had been preferred over total external debt for two main reasons. First, not all private external debt was included in total external debt. Second, private debt did not constitute the same burden as public debt. However, total external debt had been used rather than public debt because of greater availability of data and the lack of distinction between public and private debt in data then available. The Committee's consideration of this matter was summarized in its report on its forty-eighth session (see A/43/11, paras. 11–21). In recent years, the availability of data from the World Bank on public external debt and publicly guaranteed debt had

improved substantially. In 1985, such data had been available for 37 Member States, while they were now available for 123 Member States.

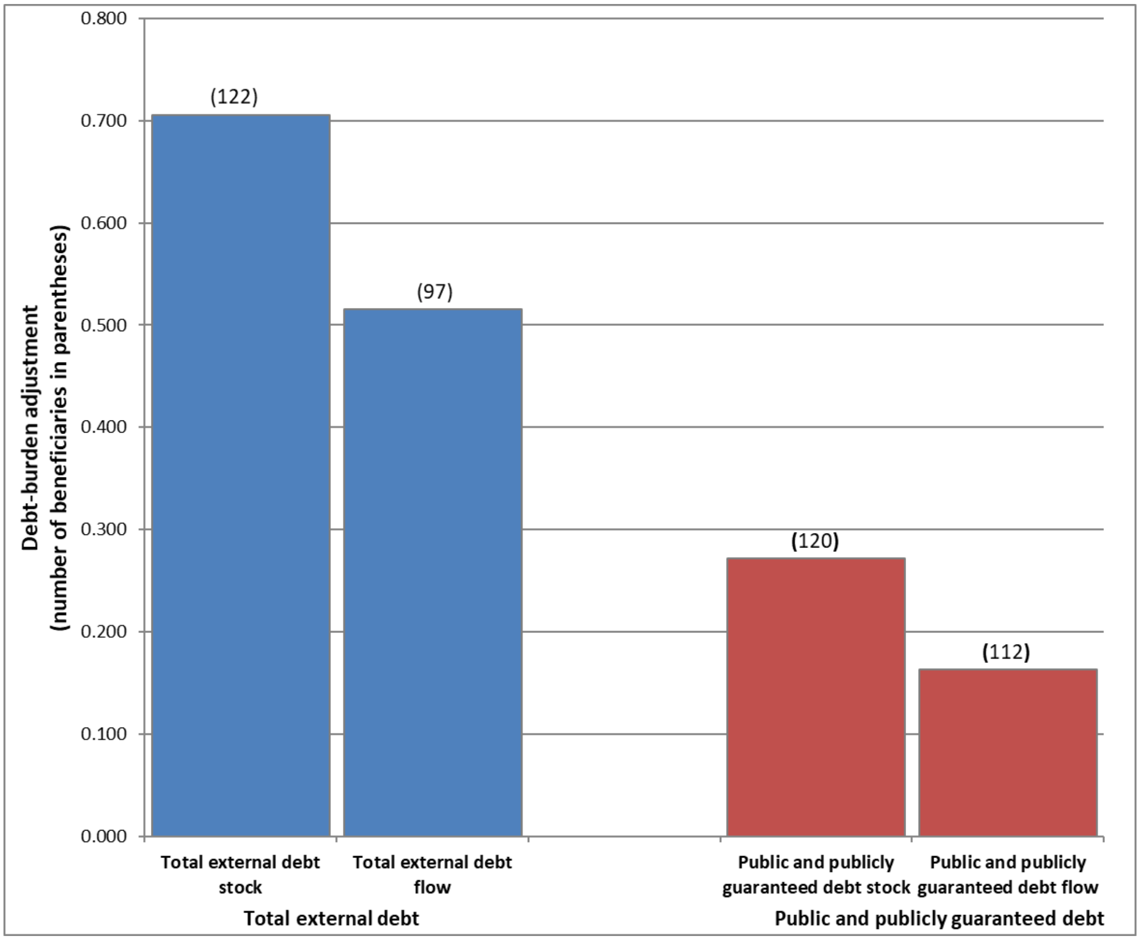
39. The Committee noted that, in addition to the 123 Member States covered in the World Bank database, 14 other Member States qualified for the debt-burden adjustment under the current methodology. Three of those Member States had provided debt data in response to requests that were transmitted through their permanent missions to the United Nations. In those cases in which there was no response, estimates were made by the Statistics Division for those countries for which debt data for at least one year of the base period had previously been provided. For the remaining Member States, several were subject to the floor adjustment, and the lack of a debt-burden adjustment would have had no impact on their rate of adjustment. The Committee noted that gaps in data from some Member States that qualified for the debt-burden adjustment had an impact on the ability to prepare the scale of assessments strictly on the basis of reliable, verifiable and comparable data.

40. The Committee recalled that limitations in the availability of data on principal payments on debt at the time when the adjustment had been introduced had led it to base the adjustment on a proportion of the total external debt stock of the Member States concerned. For that purpose, it had been assumed that external debt was repaid over a period of eight years, so that the adjustment to the GNI data was 12.5 per cent of total external debt stock per year. That became known as the debt-stock approach. Alternatively, the adjustment could be based on data on actual repayments of debt principal, which became known as the debt-flow approach. In its report on its fifty-sixth session, it was noted that, notwithstanding the view of some members that the overall level of debt itself constituted a significant burden, the Committee had agreed that the adjustment should be based on data on actual principal repayments, rather than on a proportion of debt stocks (see A/50/11/Add.2, para. 41).

41. With regard to the availability of information required for the application of the debt-stock and debt-flow approaches, the Committee noted that, for the 2011–2016 period, the World Bank International Debt Statistics database covered the debt stock and debt flow of 123 Member States. The countries covered were developing countries that were members of and borrowers from the World Bank and had per capita GNI below the World Bank per capita GNI threshold for high-income economies, which had been $12,236 in 2016. On the basis of the information reviewed at its present session, the Committee noted that the actual average repayment period of external debt for 2011–2016 was approximately 12.0 years, compared with the 8-year period assumed for the debt-stock approach. For that period, the actual repayment period for public and publicly guaranteed debt was 13.3 years.

42. Consequently, two issues that had been raised in relation to the current methodology of the debt-burden adjustment could be addressed using the currently available data, namely: (a) whether to use total external debt data or only public and publicly guaranteed external debt data; and (b) whether to base the adjustment on the debt-stock or the debt-flow approach. The figure below summarizes the size and number of beneficiaries of the debt-burden adjustment, taking into account the different possible options.

Comparison of different debt-burden adjustment approaches, with a six-year base period (updated with June 2018 data)



43. The Committee considered the coverage of the debt-burden adjustment. In that context, some members pointed out that the economic situation had changed significantly since the introduction of the adjustment in 1986. In particular, in more recent times the international financial crisis had had an impact on the debt situation of a number of countries, including many developed countries, that did not currently benefit from the debt-burden adjustment. On the premise that debt presented a burden with respect to the capacity to pay, some argued that the debt-burden adjustment should be applied to all Member States. The Statistics Division noted, however, that external debt statistics for all Member States were still not readily available from one single data source and that available data were not comparable. Those members pointed out that the particular conditions that had been the rationale for the introduction of the debt-burden adjustment in 1986 were not currently applicable to all 123 countries, although they would apply to some of the countries not included in the World Bank data set. However, other members pointed out that the debt-burden adjustment concept was based on developmental concerns and therefore should continue to be limited to countries below the World Bank threshold for high-income per capita GNI.

44. Some members stated that the adjustment was still an essential part of the methodology in determining the capacity of many Member States to pay, and that it should therefore be retained in its present form. They noted that the latest statistical data showed that the size of the adjustment was increasing. They argued that the debt-

burden adjustment was necessary for measuring the real capacity of Member States to pay, bearing in mind that there were still a number of heavily indebted Member States.

45. With regard to the question of whether to use total external debt or public debt, those members noted that, since the GNI calculation took into account both private and public sources of income, total external debt should logically be retained in the debt-burden adjustment calculation. They also expressed the view that the use of total debt stock was necessary, as total external debt reflected capacity to pay, and that private debt represented an important component of the total debt stock, influencing the overall capacity of Member States to pay.

46. With regard to the question of whether to use debt stock or debt flow, those members noted that an adjustment based on debt stock was of better service to Member States most in need of relief: those which over time had not been able to make repayments and therefore had not been able to reduce their external debt. Those members emphasized that the recent international financial crisis had had a negative impact on the development prospects of many developing countries, therefore further affecting their capacity to pay and worsening their debt situation. They considered that the adjustment should continue to be part of the methodology, as it reflected an important factor in the capacity of Member States to pay.

47. Other members expressed support for refinements to the debt-burden adjustment on the basis of technical merit and the improved availability of data. They noted that data availability constraints were no longer a technical obstacle to using public rather than total external debt data, or to switching from the debt-stock to the debt-flow approach. They viewed such changes as technical enhancements to the current methodology. In their view, the debt-flow approach took into account actual transactions of debt repayment and was therefore a better representation of the economic reality. If debt repayment was to be considered a burden, then that would support taking actual repayment into account. Those members also expressed the view that, if the debt stock approach was maintained, it could be significantly improved by updating the repayment period, which was based on the assumption of repayment occurring over a period of eight years at the time of introduction of the debt burden adjustment in 1986. That would bring the debt stock closer to the current economic reality.

48. Those members also raised a number of conceptual issues. They disputed the view that all debt was a burden, as assumed by the current methodology. Those members argued that the impact that debt had on a Member State's capacity to pay was more accurately reflected by the market interest rate on debt refinance, which was already taken into account in GNI measures.

49. The Committee noted that unavailability of data was no longer a factor in determining whether to base the debt-burden adjustment on (a) total external debt or public external debt; and (b) the debt-stock approach or the debt-flow approach. Data were now available on public external debt and on the actual repayments.

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

(b) Low per capita income adjustment

51. The Committee noted that the low per capita income adjustment had been an important element of the scale methodology since the earliest days of the United Nations and that it had been used in the preparation of the first scale of assessments. The Committee recalled that its terms of reference, inter alia, called for comparative income per head of population to be taken into account to prevent anomalous

assessments resulting from the use of comparative estimates of national income. **The Committee agreed that a low per capita income adjustment continued to be an essential element of the scale methodology, which should be based on reliable, verifiable and comparable data.**

52. The adjustment has two parameters to set the size of the adjustment: a threshold level of per capita GNI to determine which countries would benefit, and a gradient. Prior to 1979, the amount of the adjustment was distributed pro rata to all Member States; however, from that year onward the adjustment was changed to be redistributed only to Member States above the low per capita income threshold. Since the adoption of the 1995–1997 scale, the threshold, which had previously been a fixed dollar amount, has been the average per capita GNI for the membership. The gradient had grown over the years, from 40 per cent in 1948 to 85 per cent in 1983. As detailed in annex I, since the calculation of the scale for the 1998–2000 period, the gradient has been fixed at 80 per cent.

53. The total redistribution of points at the low per capita income adjustment stage using updated statistical data for 2011–2016 would be 9.647 percentage points. While the size of the redistribution had been increasing over time, the latest updated statistical data reflect a decrease in the total redistribution.

Overview of the low per capita income adjustment by scale period (average of three- and six-year base periods)

Scale period	*LPCIA*	*Number of LPCIA beneficiaries*	*World average per capita GNI*
2001–2003	8.457	132	4 851
2004–2006	8.627	130	5 097
2007–2009	9.287	132	5 630
2010–2012	9.564	134	6 988
2013–2015	9.598	130	8 647
2016–2018	10.132	131	10 186
2018 update[a,b]	9.647	130	10 440

Abbreviation: LPCIA, low per capita income adjustment.

[a] “2018 update” refers to the update of the 2016–2018 scale using data available in June 2018 for the period 2011–2016.

[b] Market exchange rate (except United Nations operational rates of exchange for Myanmar (2011–2012) and the Syrian Arab Republic (2011–2016) and modified conversion rates for the Bolivarian Republic of Venezuela (2014–2016)).

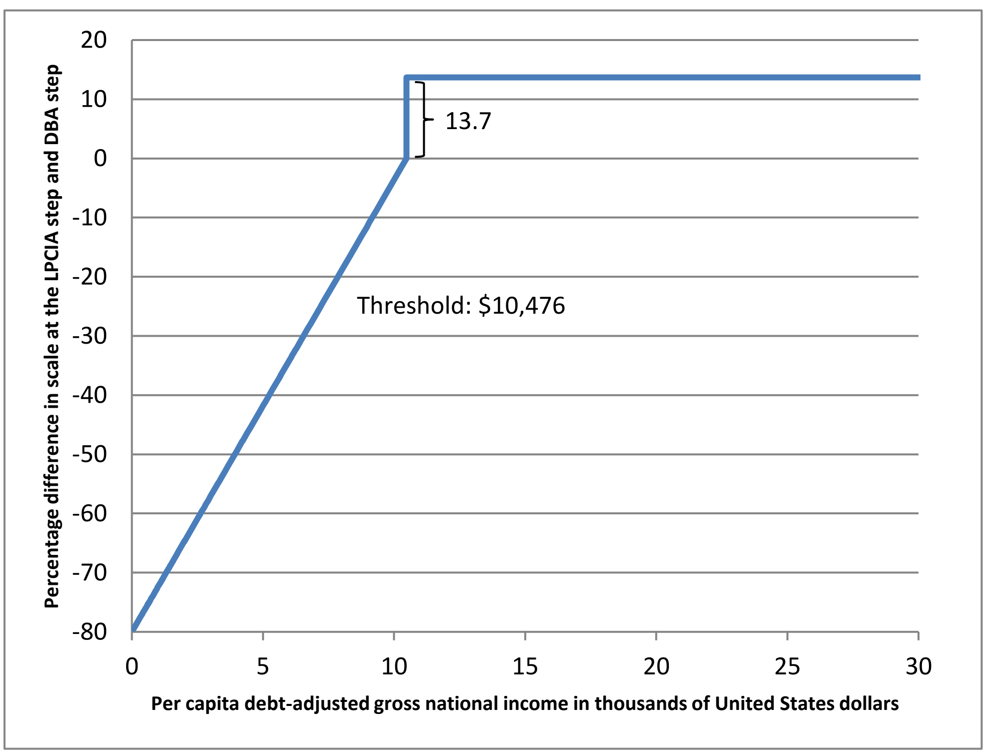
54. The Committee reviewed information showing the distribution of the overall low per capita income adjustment (LPCIA) for individual LPCIA beneficiaries. The information showed that most beneficiaries receive an adjustment of less than one tenth of one percentage point.

Analysis of the low per capita income adjustment redistribution of points by scale period for the average of three- and six-year base periods

		Number of LPCIA beneficiaries			
			Top beneficiaries (>0.1 LPCIA reduction)		
Scale period	*LPCIA*	*Total*	*>2.5*	*between 0.1 and 2.5*	*<0.1*
2001–2003	8.457	132	1	15	116
2004–2006	8.627	130	1	14	115
2007–2009	9.287	132	1	14	117
2010–2012	9.564	134	1	16	117
2013–2015	9.598	130	1	14	115
2016–2018	10.132	131	1	15	115
2018 update	9.647	130	1	14	115

55. At its present session, the Committee reviewed the LPCIA as currently formulated, using updated statistics. The figure below presents the LPCIA as a percentage of the debt-adjusted GNI share, shown in relation to the per capita debt-adjusted GNI. With a gradient of 80 per cent, for those Member States below the threshold, the LPCIA ranges from 80 per cent to zero, with the relative size of the adjustment decreasing as the per capita debt-adjusted GNI approaches the threshold. For all Member States above the threshold, the LPCIA results in a uniform increase of 13.7 per cent of their debt-adjusted GNI, as shown in the figure below.

Low per capita income adjustment as a percentage of debt-burden adjusted gross national income share, in relation to per capita debt-adjusted gross national income (for illustrative purposes, with a six-year base period that results in a threshold of $10,476)



Abbreviation: DBA, debt-burden adjustment.

56. Some members of the Committee expressed the view that, according to the review of the latest statistical data, the LPCIA continued to work well as part of the overall methodology and should be retained as currently formulated. Those members noted that the per capita GNI of many countries had increased over time and that such countries received lower adjustments. Furthermore, the number of beneficiary countries had varied over time, as some countries had crossed the threshold and no longer received any adjustment and now paid for the benefits of those below the threshold. They also noted that the latest statistical data reflected a decrease in the size of the redistribution. They expressed their support for the continued use of average per capita GNI for the membership in establishing the threshold and pointed out that the threshold based on the world average per capita GNI reflected the economic reality and was a sound basis for determining low per capita income. They also pointed to the significant changes in recent scales of assessment, which included increases for many developing countries. They emphasized that changes to the LPCIA would need to be based on reliable data and should be a technical enhancement to the methodology as a whole, not a change designed solely to lessen the absorption of the burden on those above the threshold.

57. Other members argued that the adjustment was intended to provide targeted relief for countries with low per capita income, but that through its current design, it was instead providing very generalized and significant relief to a much larger number of Member States. Those members therefore supported using a more appropriate, alternative definition of the LPCIA threshold to address inconsistencies and problems associated with the current methodology.

58. The Committee recalled the various options for revising the LPCIA, with different views expressed. Those options are summarized as follows:

(a) The LPCIA threshold could be based on the world average per capita debt-adjusted GNI instead of the unadjusted per capita GNI used in the current methodology. Given the lack of comparable external debt data for all countries, an alternative approach would be to use unadjusted per capita GNI for both Member States and the threshold calculation. This would address the asymmetry of comparing the debt-adjusted GNI of Member States against an adjustment threshold based on the unadjusted GNI;

(b) The threshold could be redefined on the basis of the World Bank definition of low-income, lower-middle-income or upper-middle-income countries. This could address the inconsistency with the classification used for the debt-burden adjustment, which was based on the World Bank Debtor Reporting System;

(c) The threshold could be adjusted in line with the average GNI per capita of the absorbers (those above the threshold) only, rather than the world average. This would address inconsistency in the current methodology, which could arise when, as the situation of low-income countries improved, they would push up the threshold, delaying the point at which they graduated above it;

(d) The threshold could be fixed in real terms at an initial fixed amount, such as $10,000, similar to the $1,000 fixed threshold used from 1948 to 1973. The $10,000 amount could then be adjusted for inflation in future years;

(e) The total number of points to be redistributed by LPCIA could be set at a certain maximum level, which could then be achieved by varying other parameters in the adjustment, such as the gradient;

(f) The discontinuity caused when crossing the threshold could be addressed by a number of different proposals, such as implementing a neutral zone around the threshold or changing the manner of distribution of the adjustment (which was currently absorbed only by those countries above the threshold). The proposals are further discussed in section III.B.1 (b) below.

59. Information on some of the proposals considered by the Committee is summarized in the table below.

Redistribution points under various alternative definitions of the low per capita income adjustment threshold (six-year base period only)

	Value of the threshold (United States dollars)	*Number of beneficiaries*	*Number of absorbers*	*Total points redistributed*
2018 update[a,b]	10 476	130	63	9.876
Threshold based on average per capita debt-adjusted GNI	10 364	130	63	9.742
Threshold based on average per capita GNI, using GNI per capita of Member States without debt adjustment	10 476	129	64	9.537
Threshold based on median per capita GNI	5 171	98	95	3.730
2016–2018 threshold adjusted for inflation	9 433	128	65	8.506
World Bank low-income threshold	1 030	30	163	0.143
World Bank lower-middle-income threshold	4 060	87	106	2.976
World Bank upper-middle-income threshold	12 547	136	57	12.454

[a] "2018 update" refers to the update of the 2016–2018 scale using data available in June 2018 for the period 2011–2016.

[b] Market exchange rate (except United Nations operational rates of exchange for Myanmar (2011–2012) and the Syrian Arab Republic (2011–2016) and modified conversion rates for the Bolivarian Republic of Venezuela (2014–2016)).

60. **The Committee agreed that an alternative approach for establishing the threshold could be the world average per capita debt-adjusted GNI** (instead of the unadjusted per capita GNI used in the current methodology). The Committee noted that this would address the asymmetry of comparing the debt-adjusted GNI of Member States against an adjustment threshold based on the unadjusted GNI. Under that alternative approach, using the updated statistical data for 2011–2016, the size of the points redistributed would change, but the number of beneficiaries and number of absorbers would remain the same.

61. **The Committee also agreed that another alternative approach for establishing the threshold could be an inflation-adjusted threshold**. The LPCIA threshold would be fixed in real terms instead of being set at the current average world per capita income for the scale base period. For example, the average per capita GNI of a specific reference year could be used, but it could be updated according to the world inflation rate in order to keep its real value constant over time. Under that approach, a country's individual position with respect to the LPCIA threshold would be rendered independent of the performance of other countries. Under that alternative approach, using the updated statistical data for 2011–2016 and the 2016–2018 threshold adjusted for inflation, the size of the points redistributed would change, but the number of beneficiaries and number of absorbers would remain the same.

62. **The Committee decided to consider further the low per capita income adjustment in the light of guidance from the General Assembly.**

3. Limits to the scale

(a) Floor

63. The Committee recalled that the minimum assessment rate, or floor, had been an element of the scale methodology from the outset. The setting of the floor was a decision to be taken by the General Assembly. Since 1998, the floor had been reduced from 0.01 to 0.001 per cent. In the scale of assessments for the 2016–2018 period, 17 Member States, of which 10 were included in the list of the least developed countries, had been raised to the floor. On the basis of its analysis of the updated statistical data for 2011–2016, the Committee noted that 16 Member States, of which 9 were included in the list of the least developed countries, had been raised to the floor.

64. Member States at the floor (0.001 per cent) were each assessed $24,307 for the regular budget for 2018. The Committee considered the floor of 0.001 per cent to be the practical minimum contribution that Member States should be expected to make to the Organization.

65. **The Committee decided to consider further the question of the floor at future sessions in the light of guidance from the General Assembly.**

(b) Ceilings

66. 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 least developed countries ceiling, of 0.010 per cent. The setting of both ceilings was a decision to be taken by the General Assembly.

67. Since 1992, the least developed countries ceiling had been 0.010 per cent. That ceiling had applied to 8 of the 48 least developed countries for the scale of assessments for 2016–2018. Following the graduation of Equatorial Guinea in June 2017, and using the updated statistical data for 2011–2016, the Committee noted that the least developed countries ceiling would apply to 8 of the remaining 47 least developed countries. The total redistribution using the updated data for 2011–2016 was 0.179 points.

68. As detailed in annex I, the maximum ceiling has been part of the scale methodology from the outset. Since 2001, the maximum ceiling rate has been reduced from 25 to 22 per cent. The total redistribution of points using updated statistical data was 5.260. Only one country has benefited from those points.

Overview of the total change in scale at the maximum 22 per cent ceiling step by scale period (average of three- and six-year base periods)

Scale period	*Points redistributed at the maximum ceiling step*
2001–2003	8.166
2004–2006	12.329
2007–2009	11.907
2010–2012	8.965
2013–2015	5.622
2016–2018	3.938
2018 update[a,b]	5.260

[a] "2018 update" refers to the update of the 2016–2018 scale using data available in June 2018 for the period 2011–2016.

[b] Market exchange rate (except United Nations operational rates of exchange for Myanmar (2011–2012) and the Syrian Arab Republic (2011–2016), and modified conversion rates for the Bolivarian Republic of Venezuela (2014–2016)).

69. **The Committee decided to consider further the question of the ceilings at future sessions in the light of guidance from the General Assembly.**

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

1. Large scale-to-scale changes in rates of assessment and discontinuity

(a) Large scale-to-scale changes in rates of assessment

70. The Committee recalled that over the years it had considered the question of large scale-to-scale changes in the rates of assessment of Member States. It also recalled that the scale methodology for the 1986–1998 scales had included a scheme of limits, which had restricted large scale-to-scale increases and decreases faced by Member States. Nevertheless, owing to the complexities related to the operation of the scheme of limits, which itself created distortions, the General Assembly had subsequently decided to phase out the scheme of limits over two scale periods. Since the calculation of the 2001–2003 scale, its effects had been fully eliminated.

71. **The Committee agreed that any scheme of limits should not be an element of the scale methodology.**

72. The Committee recalled that, in a dynamic world, changes to the rates of assessment were inevitable. Since the scale was a 100 per cent scale, as the shares of some Member States went up or down, the shares of others would decrease or increase in inverse proportion, regardless of whether their GNI had increased or decreased in absolute terms. Furthermore, under the current methodology any Member State that moved up from the floor would inevitably experience a minimum increase of 100 per cent.

73. At its seventy-fifth session, the Committee had reviewed the situation of countries moving up from the floor. It had considered the approach of implementing a scale based on various amounts, carried out to four decimal places, between 0.001 per cent and 0.002 per cent. In that way, a Member State moving up from the floor of 0.001 per cent would not see its share automatically increase to 0.002 per cent. The Committee had also reviewed the impact of establishing the entire scale of assessments using an increased number of decimal places. At its present session, the Committee considered data reflecting the establishment of the entire scale of assessments based on four decimal places, which would have the impact of allowing smaller movements in rates between two different scales for those moving up from the floor. The Committee decided to discuss the issue further at future sessions.

74. The Committee studied the cases of Member States with large changes in their rates of assessment, using the updated statistical data for the 2011–2016 period. The rates of assessment based on the updated data and the application of the methodology approved for the scale for 2016–2018 are contained in section III.D of the present report. In addition, annex V provides summary information on the scale-to-scale changes using updated statistical data compared with the approved scale for 2016–2018, including information on the underlying factors. The Committee noted that, as had been the case in the past, many changes were related to relative growth of GNI in comparison with the world average, crossing of the LPCIA threshold, revisions to past official data over time, proximity to the LPCIA threshold and implementation of the new SNA standard.

75. Some members of the Committee noted that the inclusion of the six-year base period in the present methodology served as a built-in mitigation strategy, offsetting the impact of a sudden sharp increase in GNI share in more recent years.

76. Some members noted that annual recalculation of the scale would offer a degree of mitigation through gradual annual changes over the scale period.

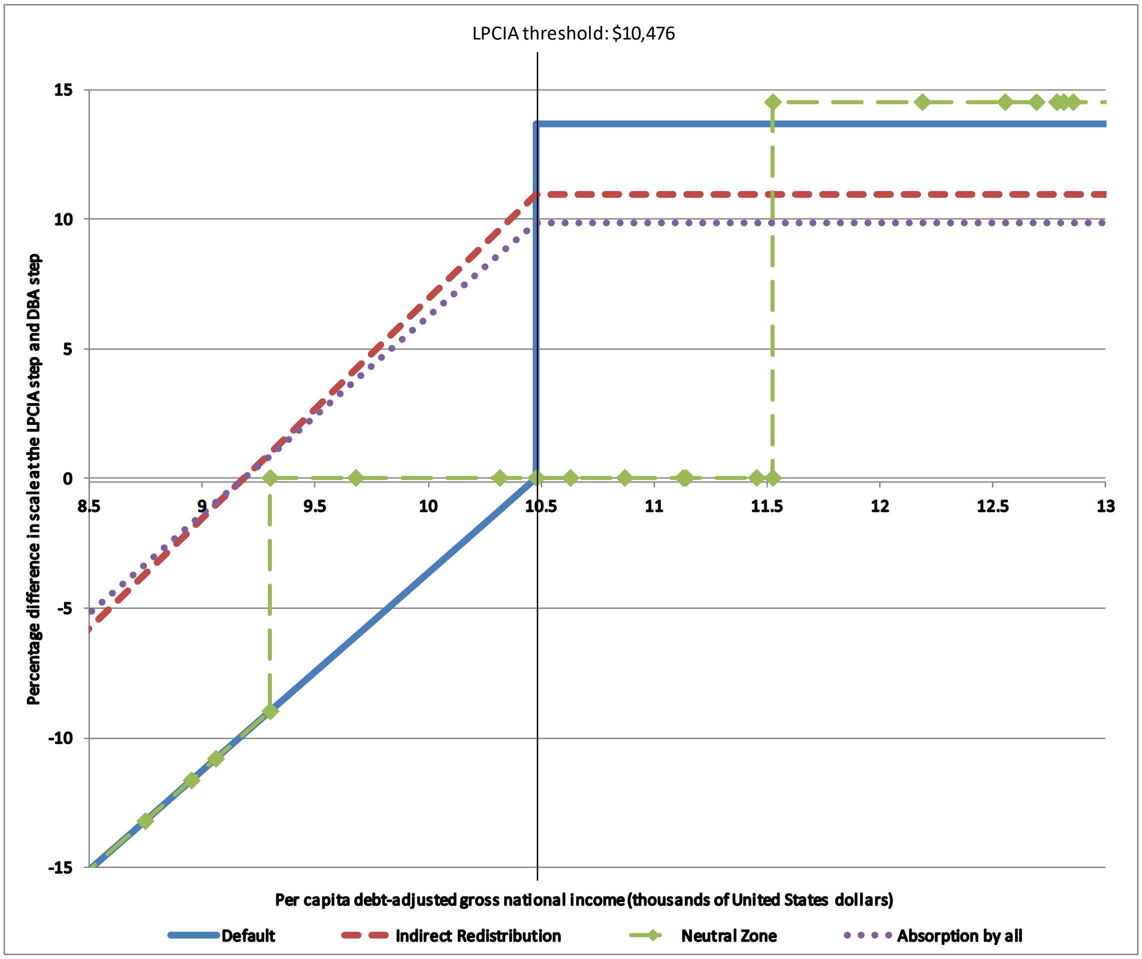
(b) Discontinuity

77. In discussing the issue of discontinuity at its present session, the Committee focused on dealing with the discontinuity caused when a Member State crossed the LPCIA threshold. The Committee noted that Member States crossing the threshold would no longer receive a reduction and would instead be subject to an increase at the LPCIA stage. Therefore, the size of the discontinuity for a Member State crossing the threshold would be the reduction that the Member State received as a beneficiary under the old scale, plus the increase borne as an absorber under the new scale (approximately 13.7 per cent using the latest statistical data). Prior to 1979, the amount of the adjustment had been distributed pro rata to all Member States, including those below the LPCIA threshold. As a result, all Member States, except those affected by the ceilings or the floor, had shared the burden of the adjustment. That approach had mitigated the effect of the adjustment on those moving up through the threshold. It could also result, however, in countries slightly below the threshold becoming net absorbers. Owing to concern about that effect, the adjustment had been redistributed since 1979 to only Member States that were above the threshold.

78. The Committee observed that 22 Member States had crossed the LPCIA threshold over the past four scale periods. Five Member States had moved both upward and downward through the threshold, 15 had moved only upward and 2 had moved only downward. The maximum percentage increase in the rates of assessment for Member States moving up through the threshold had been 300 per cent, while the maximum decrease for Member States moving down had been 66 per cent. The Committee also reviewed the situation of Member States crossing the threshold using the updated statistical data for 2011–2016.

79. The options for addressing the problem of discontinuity included: (a) distributing the percentage points arising from the LPCIA to all Member States; (b) allowing “indirect redistribution” similar to the debt-burden adjustment, whereby the GNI of countries below the threshold would be reduced to the extent of the LPCIA, while countries above the threshold would not have to explicitly absorb the relief given to the countries below the threshold; and (c) creating a neutral zone above and below the LPCIA threshold, whereby Member States falling into that neutral zone would neither benefit from nor absorb relief arising from the application of the LPCIA. The effect of these options to address discontinuity is reflected in the chart below.

Effect of different methodologies to address discontinuity at the low per capita income adjustment threshold (six-year base period)



Abbreviation: DBA, debt-burden adjustment.

80. Some members expressed reservations about introducing such proposals into the scale methodology, as any new measure could become a source of additional discontinuity. They pointed out that, in many cases, changes in rates of assessment were the result of real growth and changes in the capacity to pay. Those members noted that the inclusion of the six-year base period in the current methodology provided some built-in mitigation to address discontinuity.

81. **The Committee decided to further study measures to deal with large scale-to-scale changes and discontinuity in the light of guidance from the General Assembly.**

2. Annual recalculation

82. Annual recalculation is the updating of relative income shares before the second and third years of each scale period, involving the replacement of data for the first year of the base period(s) with newly available data for the year following the initial base period(s). In the case of the scale for the 2016–2018 period, for example, for which the base periods were 2008–2013 and 2011–2013, data for 2014 would replace both data for 2008 in the six-year base period and data for 2011 in the three-year base period. On the basis of those recalculated income shares and the established scale methodology, the scale for 2017 would be adjusted accordingly. Similarly, for 2018

the scale would be adjusted by replacing data for 2009 in the six-year base period and data for 2012 in the three-year base period with data for 2015.

83. The Committee recalled that it had first considered the proposal for automatic annual recalculation of the scale in 1997. At its present session, the Committee noted that annual recalculation was technically possible. Nevertheless, as in the past, members had different views, mainly about its practical implementation and whether its benefits outweighed its potential drawbacks.

84. Some members supported annual recalculation, on the basis of the view that it would reflect a better measure of capacity to pay, since the scale would be recalculated annually on the basis of the most up-to-date data available. They considered that this would also be better aligned with the proposed annual budget of the United Nations. Those members referred to the problems encountered in the provision of data, the volume of estimates and the significant revisions made by some Member States to previously submitted data. They noted that annual recalculation would allow for newly available statistical data to be taken into account in the scale of assessments, including data from more recent years, revisions to data from past years and the extra information submitted by individual Member States. Annual recalculation would also help to address discontinuity and smooth out large scale-to-scale increases. Those members also noted that annual recalculation would be based on approved scale methodology fixed for three years, with scale rates to be recalculated annually on the basis of updated statistical data.

85. Other members did not support the idea of annual recalculation. They supported the maintenance of current arrangements, which are reflected in rule 160 of the rules of procedure of the General Assembly, to the effect that the scale of assessments, once fixed by the Assembly, should not be subject to a general revision for at least three years unless it was clear that there had been substantial changes in relative capacity to pay. Those members expressed the view that annual recalculation would require annual approval by the Assembly of the scale of assessments, as well as changes to the timing and frequency of peacekeeping assessments, potentially having an impact on the cash position of individual peacekeeping operations. They also considered that it would make the annual assessments of Member States less stable and predictable and could affect international organizations that followed the United Nations scale of assessments. It was pointed out that annual recalculation would have a negative impact on the formulation of the national budgets of some Member States. They noted that additional costs might arise, depending on the length of the Committee's annual session and the required arrangements for servicing the Committee and the Assembly.

86. The main potential benefits and drawbacks of annual recalculation are outlined below.

Benefits	*Drawbacks*
Better reflects the current capacity of Member States to pay, as each year the scale would be based on the most up-to-date data available	Annual assessments of Member States could be less stable and predictable, and the formulation of national budgets more complicated
Ensures that assessments always use data from two years earlier and revisions to GNI estimates are fully incorporated	Peacekeeping assessments would be issued at least twice a year (in January and July, for a maximum of six months); consequential impact on the Organization's short-term cash flow; and administrative consequences (such as additional assessments and reports)

Benefits	*Drawbacks*
May help in some cases to address the issue of large scale-to-scale increases by smoothing out adjustments annually over the three-year period	May pose problems for some international organizations that follow the United Nations scale of assessments
The updated scale of assessments could take into account any newly available statistical information that was not available when the scale was reviewed	Implications would depend, in part, upon such decisions as the length of the Committee's annual session, the degree of delegation to the Committee and other work modalities, in addition to the possible need to amend rule 160 of the rules of procedure of the General Assembly

87. **The Committee decided to study further the question of annual recalculation at future sessions in the light of guidance from the General Assembly.**

C. Statistical information

88. The Committee had before it detailed information from a comprehensive database for the period 2011–2016 for all Member States and participating non-Member States 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 of income data in local currencies was the national accounts questionnaire completed for the United Nations by the countries concerned. Those countries for which full replies to the questionnaire had not been received were contacted directly and, if necessary, data had been collected or estimates prepared by the Statistics Division based on information from other national and international sources, notably the regional commissions, IMF and the World Bank.

89. The Committee noted that the use of relevant data was important to avoid distortions in the preparation of the scale. The Committee reviewed the data for all countries, paying particular attention to those results which, 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 and subsequent resolutions to base the scale on reliable, verifiable and comparable data and to use the most recent figures available.

1. Population

90. Midyear population estimates for the period 2011–2016 are generally drawn from *World Population Prospects: The 2017 Revision*, prepared by the Population Division of the Department of Economic and Social Affairs, and are supplemented, as required, by national estimates for countries and areas not included in that publication.

2. External debt

91. Information on total external debt and repayments of principal were extracted in most cases from the World Bank International Debt Statistics database. The Member States covered are developing countries that are members of and borrowers from the World Bank and have a per capita GNI below the World Bank threshold for high-income economies, which was $12,236 in 2016. Those Member States falling below this threshold and for which debt data were not available, or which were not covered in the World Bank database, were contacted directly and requested to provide the necessary data. Of those which did not do so, the Committee noted that the rates

of several were at the floor, so that the lack of debt data made no practical difference. For Member States that did not provide the additional information, the Committee used, if available, debt data for earlier years that had been used in the preparation of the scale of assessments for the period 2016–2018.

92. 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. Interest payments/receipts on debt are already included as part of primary income, a component added to GDP to obtain GNI.

3. Gross national income

93. The Committee reviewed the principal national accounts aggregates and related statistics for individual Member States for each of the years from 2011 to 2016. The GNI data are obtained principally from individual country submissions sent in response to the Statistics Division national accounts questionnaire sent annually to the respective national statistical offices and/or institutions responsible for the dissemination of statistics on national accounts.

94. The Committee noted that, compared with the data used for the 2016–2018 scale of assessments, the data that it had reviewed included not only information for the period 2014–2016 but, in a number of cases, revised information for the period 2011–2013. Included were revisions of official statistics received earlier, as well as the substitution of newly available official data for estimates used in preparing the 2016–2018 scale of assessments.

4. Conversion rates

95. The Committee recalled that previous scales had used MERs, except when 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. As a general rule, the exchange rates used for the conversion of national currencies to United States dollars are annual averages of market exchange rates as communicated to IMF by the monetary authority of each Member State. The rates are published in the IMF publication *International Financial Statistics*. The Committee recalled that the IMF publication contained three types of rates used by the Fund, 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, when countries maintained multiple exchange rate regimes. For the purpose of the scale of assessments, any of the three types of rates obtained from the publication were deemed to be MERs. When 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 computations (see annex III).

96. The Committee used systematic criteria, which had also been used for the scale for 2016–2018, to identify MERs that had caused excessive fluctuations and distortions in GNI for possible replacement with PAREs or other appropriate conversion rates. The systematic criteria are described in annex IV. The Committee carried out an extensive review of all cases identified by the criteria on the basis of a detailed evaluation of each country's data. The Committee identified Myanmar, the Syrian Arab Republic and Venezuela (Bolivarian Republic of) for possible replacement of their MERs with PAREs or other appropriate conversion rates.

97. In reviewing the situation of countries for which per capita GNI levels in United States dollars using the MER did not appear to reflect the economic reality in the country, owing possibly to a fixed exchange rate, the Committee recalled that, for the 2016–2018 scale, it had decided to use United Nations operational rates of exchange for Myanmar and the Syrian Arab Republic. The Committee examined the impact of the MERs on the income of those two countries for each year of the period 2011–2016.

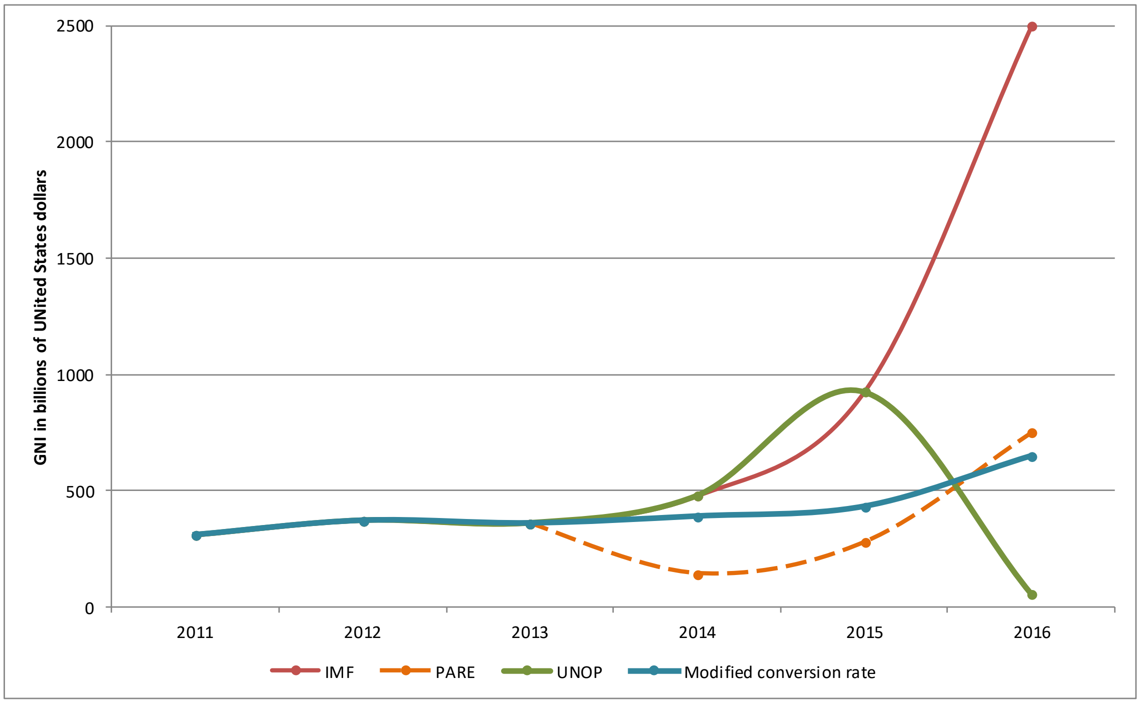
98. For the scale period 2019–2021, the Committee considered alternative conversion rates in the cases of Myanmar and the Syrian Arab Republic:

(a) In the case of Myanmar, the Committee considered whether to apply alternative conversion rates to all six years of the base period, or only to those years in which distortions in GNI in United States dollars were apparent. This was the case for the years 2011 and 2012, since from 2013 the official exchange rate had been eliminated, allowing the MER of Myanmar to change in accordance with market forces. **Based on its review, the Committee decided to use United Nations operational rates of exchange for Myanmar for the years 2011 and 2012, and to use the MER for the years 2013–2016;**

(b) **For the Syrian Arab Republic, the Committee decided to continue to use United Nations operational rates of exchange for the years 2011–2016**, since the Member State had had a fixed exchange rate in operation since 1970.

99. The Committee also considered various conversion rate options for the Bolivarian Republic of Venezuela. Given the distortion in income converted to United States dollars when applying the MER (as reported by the IMF), the Committee agreed that an alternative conversion rate should be utilized. The Committee considered the use of the United Nations operational rate of exchange. The view was expressed that a PARE should be applied. The Committee also considered the use of a modified conversion rate. A modified conversion rate is an improved PARE, allowing the adjustment of a MER for any year of the base period, and is based on the MER, adjusted for the difference in inflation between the rates of inflation in the country and in the world economy based on the membership of the United Nations (international inflation). The chart below shows the impact of the application of different exchange rates to convert the GNI of the Bolivarian Republic of Venezuela to United States dollars.

Bolivarian Republic of Venezuela: impact of different exchange rates



Abbreviation: UNOP, United Nations operational rate of exchange.

100. **After review of all available options, the Committee concluded that a PARE, using the modified conversion rate, for the Bolivarian Republic of Venezuela for the years 2014–2016 was the most appropriate option.**

D. Scale of assessments for the period 2019–2021

101. In order to be able to identify the impact of the inclusion of new GNI data in calculations for the 2019–2021 scale, including the decisions on data and conversion rates outlined above, 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 for 2019–2021 based on the methodology used in the scale of assessments for the period 2016–2018

Parameters

Statistical base period	2014–2016 (three-year base period) and 2011–2016 (six-year base period)
Income measure	Gross national income
Conversion rate	Market exchange rate (exceptions: United Nations operational rates of exchange used for Myanmar (2011–2012) and the Syrian Arab Republic (2011–2016) and modified conversion rates used for Venezuela (Bolivarian Republic of) (2014–2016))
Debt-burden adjustment	
Debt measure	Total external debt stock
Low per capita income adjustment	
Gradient	Single gradient (80 per cent)
Threshold	$10,403 (three-year base period) and $10,476 (six-year base period)
Eligibility	Countries below threshold
Redistribution	Countries above threshold
Floor rate	0.001 per cent
Maximum rate, least developed country	0.01 per cent
Ceiling rate	22 per cent

	Member State	Adopted scale for 2016–2018	Share in world GNI	Debt adjustment	Low per capita income adjustment	Floor	Least developed country ceiling	Ceiling	Difference from 2016–2018 scale	Percentage difference from 2016–2018 scale
1	Afghanistan[a]	0.006	0.027	0.027	0.007	0.007	0.007	0.007	0.001	16.7
2	Albania	0.008	0.016	0.015	0.008	0.008	0.008	0.008	0.000	0.0
3	Algeria	0.161	0.240	0.242	0.135	0.135	0.135	0.138	-0.023	-14.3
4	Andorra	0.006	0.004	0.004	0.005	0.005	0.005	0.005	-0.001	-16.7
5	Angola[a]	0.010	0.151	0.148	0.076	0.076	0.010	0.010	0.000	0.0
6	Antigua and Barbuda	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.000	0.0
7	Argentina	0.892	0.751	0.733	0.836	0.836	0.838	0.915	0.023	2.6
8	Armenia	0.006	0.015	0.014	0.006	0.006	0.006	0.007	0.001	16.7
9	Australia	2.337	1.751	1.771	2.021	2.021	2.024	2.210	-0.127	-5.4
10	Austria	0.720	0.537	0.543	0.619	0.619	0.620	0.677	-0.043	-6.0
11	Azerbaijan	0.060	0.074	0.073	0.047	0.047	0.047	0.049	-0.011	-18.3
12	Bahamas	0.014	0.014	0.014	0.016	0.016	0.016	0.018	0.004	28.6
13	Bahrain	0.044	0.040	0.040	0.046	0.046	0.046	0.050	0.006	13.6
14	Bangladesh[a]	0.010	0.269	0.266	0.079	0.079	0.010	0.010	0.000	0.0
15	Barbados	0.007	0.006	0.006	0.006	0.006	0.006	0.007	0.000	0.0
16	Belarus	0.056	0.079	0.074	0.048	0.048	0.048	0.049	-0.007	-12.5
17	Belgium	0.885	0.650	0.658	0.751	0.750	0.752	0.821	-0.064	-7.2
18	Belize	0.001	0.002	0.002	0.001	0.001	0.001	0.001	0.000	0.0
19	Benin[a]	0.003	0.012	0.011	0.003	0.003	0.003	0.003	0.000	0.0
20	Bhutan[a]	0.001	0.002	0.002	0.001	0.001	0.001	0.001	0.000	0.0
21	Bolivia (Plurinational State of)	0.012	0.040	0.039	0.016	0.016	0.016	0.016	0.004	33.3
22	Bosnia and Herzegovina	0.013	0.023	0.021	0.011	0.011	0.011	0.012	-0.001	-7.7
23	Botswana	0.014	0.020	0.020	0.014	0.014	0.014	0.014	0.000	0.0
24	Brazil	3.823	2.752	2.697	2.783	2.782	2.787	2.948	-0.875	-22.9
25	Brunei Darussalam	0.029	0.020	0.020	0.023	0.023	0.023	0.025	-0.004	-13.8
26	Bulgaria	0.045	0.070	0.063	0.045	0.045	0.045	0.046	0.001	2.2
27	Burkina Faso[a]	0.004	0.014	0.014	0.003	0.003	0.003	0.003	-0.001	-25.0
28	Burundi[a]	0.001	0.004	0.004	0.001	0.001	0.001	0.001	0.000	0.0
29	Cabo Verde	0.001	0.002	0.002	0.001	0.001	0.001	0.001	0.000	0.0
30	Cambodia[a]	0.004	0.021	0.020	0.006	0.006	0.006	0.006	0.002	50.0

	Member State	Adopted scale for 2016–2018	Share in world GNI	Debt adjustment	Low per capita income adjustment	Floor	Least developed country ceiling	Ceiling	Difference from 2016–2018 scale	Percentage difference from 2016–2018 scale
31	Cameroon	0.010	0.042	0.041	0.013	0.013	0.013	0.013	0.003	30.0
32	Canada	2.921	2.166	2.191	2.500	2.500	2.504	2.734	-0.187	-6.4
33	Central African Republic[a]	0.001	0.002	0.002	0.001	0.001	0.001	0.001	0.000	0.0
34	Chad[a]	0.005	0.016	0.016	0.004	0.004	0.004	0.004	-0.001	-20.0
35	Chile	0.399	0.323	0.326	0.372	0.372	0.373	0.407	0.008	2.0
36	China	7.921	14.730	14.657	11.687	11.686	11.707	12.005	4.084	51.6
37	Colombia	0.322	0.419	0.406	0.281	0.281	0.281	0.288	-0.034	-10.6
38	Comoros[a]	0.001	0.002	0.002	0.000	0.001	0.001	0.001	0.000	0.0
39	Congo	0.006	0.016	0.016	0.006	0.006	0.006	0.006	0.000	0.0
40	Costa Rica	0.047	0.065	0.063	0.060	0.060	0.060	0.062	0.015	31.9
41	Côte d'Ivoire	0.009	0.042	0.041	0.012	0.012	0.012	0.013	0.004	44.4
42	Croatia	0.099	0.069	0.061	0.070	0.070	0.070	0.077	-0.022	-22.2
43	Cuba	0.065	0.107	0.106	0.078	0.078	0.079	0.080	0.015	23.1
44	Cyprus	0.043	0.029	0.029	0.033	0.033	0.033	0.036	-0.007	-16.3
45	Czechia	0.344	0.246	0.249	0.284	0.284	0.285	0.311	-0.033	-9.6
46	Democratic People's Republic of Korea	0.005	0.022	0.022	0.006	0.006	0.006	0.006	0.001	20.0
47	Democratic Republic of the Congo[a]	0.008	0.046	0.045	0.011	0.011	0.010	0.010	0.002	25.0
48	Denmark	0.584	0.439	0.443	0.506	0.506	0.507	0.554	-0.030	-5.1
49	Djibouti[a]	0.001	0.002	0.002	0.001	0.001	0.001	0.001	0.000	0.0
50	Dominica	0.001	0.001	0.001	0.000	0.001	0.001	0.001	0.000	0.0
51	Dominican Republic	0.046	0.084	0.080	0.052	0.052	0.052	0.053	0.007	15.2
52	Ecuador	0.067	0.125	0.122	0.078	0.078	0.078	0.080	0.013	19.4
53	Egypt	0.152	0.405	0.401	0.181	0.181	0.181	0.186	0.034	22.4
54	El Salvador	0.014	0.028	0.026	0.012	0.012	0.012	0.012	-0.002	-14.3
55	Equatorial Guinea	0.010	0.015	0.015	0.015	0.015	0.015	0.016	0.006	60.0
56	Eritrea[a]	0.001	0.005	0.005	0.001	0.001	0.001	0.001	0.000	0.0
57	Estonia	0.038	0.031	0.031	0.035	0.035	0.035	0.039	0.001	2.6
58	Eswatini	0.002	0.005	0.005	0.002	0.002	0.002	0.002	0.000	0.0
59	Ethiopia[a]	0.010	0.082	0.080	0.020	0.020	0.010	0.010	0.000	0.0
60	Fiji	0.003	0.005	0.005	0.003	0.003	0.003	0.003	0.000	0.0

	Member State	Adopted scale for 2016–2018	Share in world GNI	Debt adjustment	Low per capita income adjustment	Floor	Least developed country ceiling	Ceiling	Difference from 2016–2018 scale	Percentage difference from 2016–2018 scale
61	Finland	0.456	0.334	0.337	0.385	0.385	0.386	0.421	-0.035	-7.7
62	France	4.859	3.507	3.546	4.047	4.047	4.054	4.427	-0.432	-8.9
63	Gabon	0.017	0.019	0.019	0.014	0.014	0.014	0.015	-0.002	-11.8
64	Gambia[a]	0.001	0.001	0.001	0.000	0.001	0.001	0.001	0.000	0.0
65	Georgia	0.008	0.019	0.017	0.008	0.008	0.008	0.008	0.000	0.0
66	Germany	6.389	4.823	4.877	5.567	5.566	5.576	6.090	-0.299	-4.7
67	Ghana	0.016	0.051	0.049	0.015	0.015	0.015	0.015	-0.001	-6.3
68	Greece	0.471	0.290	0.293	0.335	0.335	0.335	0.366	-0.105	-22.3
69	Grenada	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.000	0.0
70	Guatemala	0.028	0.077	0.075	0.035	0.035	0.035	0.036	0.008	28.6
71	Guinea[a]	0.002	0.011	0.011	0.003	0.003	0.003	0.003	0.001	50.0
72	Guinea-Bissau[a]	0.001	0.001	0.001	0.000	0.001	0.001	0.001	0.000	0.0
73	Guyana	0.002	0.004	0.004	0.002	0.002	0.002	0.002	0.000	0.0
74	Haiti[a]	0.003	0.011	0.011	0.003	0.003	0.003	0.003	0.000	0.0
75	Honduras	0.008	0.025	0.024	0.008	0.008	0.008	0.009	0.001	12.5
76	Hungary	0.161	0.163	0.165	0.188	0.188	0.188	0.206	0.045	28.0
77	Iceland	0.023	0.022	0.022	0.025	0.025	0.025	0.028	0.005	21.7
78	India	0.737	2.624	2.580	0.813	0.813	0.814	0.834	0.097	13.2
79	Indonesia	0.504	1.185	1.151	0.529	0.529	0.530	0.543	0.039	7.7
80	Iran (Islamic Republic of)	0.471	0.596	0.602	0.388	0.388	0.389	0.398	-0.073	-15.5
81	Iraq	0.129	0.230	0.222	0.126	0.126	0.126	0.129	0.000	0.0
82	Ireland	0.335	0.294	0.297	0.339	0.339	0.339	0.371	0.036	10.7
83	Israel	0.430	0.387	0.392	0.447	0.447	0.448	0.490	0.060	14.0
84	Italy	3.748	2.620	2.650	3.024	3.024	3.029	3.307	-0.441	-11.8
85	Jamaica	0.009	0.018	0.016	0.008	0.008	0.008	0.008	-0.001	-11.1
86	Japan	9.680	6.789	6.864	7.834	7.833	7.847	8.564	-1.116	-11.5
87	Jordan	0.020	0.046	0.043	0.021	0.021	0.021	0.021	0.001	5.0
88	Kazakhstan	0.191	0.224	0.201	0.173	0.173	0.173	0.178	-0.013	-6.8
89	Kenya	0.018	0.079	0.077	0.023	0.023	0.023	0.024	0.006	33.3
90	Kiribati[a]	0.001	0.000	0.000	0.000	0.001	0.001	0.001	0.000	0.0

	Member State	Adopted scale for 2016–2018	Share in world GNI	Debt adjustment	Low per capita income adjustment	Floor	Least developed country ceiling	Ceiling	Difference from 2016–2018 scale	Percentage difference from 2016–2018 scale
91	Kuwait	0.285	0.200	0.202	0.230	0.230	0.231	0.252	-0.033	-11.6
92	Kyrgyzstan	0.002	0.009	0.008	0.002	0.002	0.002	0.002	0.000	0.0
93	Lao People's Democratic Republic[a]	0.003	0.017	0.015	0.005	0.005	0.005	0.005	0.002	66.7
94	Latvia	0.050	0.038	0.038	0.043	0.043	0.043	0.047	-0.003	-6.0
95	Lebanon	0.046	0.062	0.057	0.046	0.046	0.046	0.047	0.001	2.2
96	Lesotho[a]	0.001	0.004	0.004	0.001	0.001	0.001	0.001	0.000	0.0
97	Liberia[a]	0.001	0.003	0.002	0.001	0.001	0.001	0.001	0.000	0.0
98	Libya	0.125	0.044	0.044	0.029	0.029	0.029	0.030	-0.095	-76.0
99	Liechtenstein	0.007	0.007	0.007	0.008	0.008	0.008	0.009	0.002	28.6
100	Lithuania	0.072	0.056	0.057	0.065	0.065	0.065	0.071	-0.001	-1.4
101	Luxembourg	0.064	0.053	0.054	0.061	0.061	0.061	0.067	0.003	4.7
102	Madagascar[a]	0.003	0.015	0.015	0.003	0.003	0.003	0.004	0.001	33.3
103	Malawi[a]	0.002	0.008	0.007	0.002	0.002	0.002	0.002	0.000	0.0
104	Malaysia	0.322	0.395	0.368	0.332	0.332	0.332	0.341	0.019	5.9
105	Maldives	0.002	0.005	0.005	0.004	0.004	0.004	0.004	0.002	100.0
106	Mali[a]	0.003	0.017	0.017	0.004	0.004	0.004	0.004	0.001	33.3
107	Malta	0.016	0.013	0.013	0.015	0.015	0.015	0.017	0.001	6.3
108	Marshall Islands	0.001	0.000	0.000	0.000	0.001	0.001	0.001	0.000	0.0
109	Mauritania[a]	0.002	0.006	0.006	0.002	0.002	0.002	0.002	0.000	0.0
110	Mauritius	0.012	0.016	0.013	0.011	0.011	0.011	0.011	-0.001	-8.3
111	Mexico	1.435	1.497	1.446	1.259	1.259	1.261	1.292	-0.143	-10.0
112	Micronesia (Federated States of)	0.001	0.000	0.000	0.000	0.001	0.001	0.001	0.000	0.0
113	Monaco	0.010	0.008	0.009	0.010	0.010	0.010	0.011	0.001	10.0
114	Mongolia	0.005	0.014	0.011	0.005	0.005	0.005	0.005	0.000	0.0
115	Montenegro	0.004	0.006	0.005	0.004	0.004	0.004	0.004	0.000	0.0
116	Morocco	0.054	0.134	0.129	0.054	0.053	0.054	0.055	0.001	1.9
117	Mozambique[a]	0.004	0.019	0.017	0.004	0.004	0.004	0.004	0.000	0.0
118	Myanmar[a]	0.010	0.081	0.080	0.023	0.023	0.010	0.010	0.000	0.0
119	Namibia	0.010	0.016	0.016	0.009	0.009	0.009	0.009	-0.001	-10.0
120	Nauru	0.001	0.000	0.000	0.000	0.001	0.001	0.001	0.000	0.0

	Member State	Adopted scale for 2016–2018	Share in world GNI	Debt adjustment	Low per capita income adjustment	Floor	Least developed country ceiling	Ceiling	Difference from 2016–2018 scale	Percentage difference from 2016–2018 scale
121	Nepal[a]	0.006	0.028	0.027	0.007	0.007	0.007	0.007	0.001	16.7
122	Netherlands	1.482	1.074	1.086	1.240	1.240	1.242	1.356	-0.126	-8.5
123	New Zealand	0.268	0.230	0.233	0.266	0.266	0.266	0.291	0.023	8.6
124	Nicaragua	0.004	0.015	0.014	0.005	0.005	0.005	0.005	0.001	25.0
125	Niger[a]	0.002	0.010	0.009	0.002	0.002	0.002	0.002	0.000	0.0
126	Nigeria	0.209	0.609	0.611	0.244	0.244	0.244	0.250	0.041	19.6
127	Norway	0.849	0.597	0.604	0.690	0.689	0.691	0.754	-0.095	-11.2
128	Oman	0.113	0.091	0.092	0.105	0.105	0.105	0.115	0.002	1.8
129	Pakistan	0.093	0.365	0.359	0.112	0.112	0.112	0.115	0.022	23.7
130	Palau	0.001	0.000	0.000	0.000	0.001	0.001	0.001	0.000	0.0
131	Panama	0.034	0.060	0.048	0.044	0.044	0.044	0.045	0.011	32.4
132	Papua New Guinea	0.004	0.028	0.025	0.010	0.010	0.010	0.010	0.006	150.0
133	Paraguay	0.014	0.035	0.033	0.016	0.016	0.016	0.016	0.002	14.3
134	Peru	0.136	0.241	0.234	0.148	0.148	0.148	0.152	0.016	11.8
135	Philippines	0.165	0.448	0.440	0.200	0.200	0.200	0.205	0.040	24.2
136	Poland	0.841	0.635	0.642	0.733	0.733	0.734	0.802	-0.039	-4.6
137	Portugal	0.392	0.277	0.280	0.320	0.320	0.320	0.350	-0.042	-10.7
138	Qatar	0.269	0.224	0.226	0.258	0.258	0.258	0.282	0.013	4.8
139	Republic of Korea	2.039	1.794	1.814	2.071	2.071	2.075	2.267	0.228	11.2
140	Republic of Moldova	0.004	0.010	0.009	0.003	0.003	0.003	0.003	-0.001	-25.0
141	Romania	0.184	0.241	0.226	0.193	0.193	0.194	0.198	0.014	7.6
142	Russian Federation	3.088	2.194	2.130	2.271	2.270	2.274	2.405	-0.683	-22.1
143	Rwanda[a]	0.002	0.010	0.010	0.003	0.003	0.003	0.003	0.001	50.0
144	Saint Kitts and Nevis	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.000	0.0
145	Saint Lucia	0.001	0.002	0.002	0.001	0.001	0.001	0.001	0.000	0.0
146	Saint Vincent and the Grenadines	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.000	0.0
147	Samoa	0.001	0.001	0.001	0.000	0.001	0.001	0.001	0.000	0.0
148	San Marino	0.003	0.002	0.002	0.002	0.002	0.002	0.002	-0.001	-33.3
149	Sao Tome and Principe[a]	0.001	0.000	0.000	0.000	0.001	0.001	0.001	0.000	0.0
150	Saudi Arabia	1.146	0.928	0.938	1.071	1.071	1.073	1.172	0.026	2.3

	Member State	Adopted scale for 2016–2018	Share in world GNI	Debt adjustment	Low per capita income adjustment	Floor	Least developed country ceiling	Ceiling	Difference from 2016–2018 scale	Percentage difference from 2016–2018 scale
151	Senegal[a]	0.005	0.024	0.023	0.007	0.007	0.007	0.007	0.002	40.0
152	Serbia	0.032	0.051	0.047	0.027	0.027	0.027	0.028	-0.004	-12.5
153	Seychelles	0.001	0.002	0.002	0.002	0.002	0.002	0.002	0.001	100.0
154	Sierra Leone[a]	0.001	0.005	0.005	0.001	0.001	0.001	0.001	0.000	0.0
155	Singapore	0.447	0.384	0.388	0.443	0.443	0.444	0.485	0.038	8.5
156	Slovakia	0.160	0.121	0.122	0.139	0.139	0.140	0.153	-0.007	-4.4
157	Slovenia	0.084	0.060	0.061	0.069	0.069	0.069	0.076	-0.008	-9.5
158	Solomon Islands[a]	0.001	0.001	0.001	0.000	0.001	0.001	0.001	0.000	0.0
159	Somalia[a]	0.001	0.002	0.001	0.000	0.001	0.001	0.001	0.000	0.0
160	South Africa	0.364	0.433	0.415	0.266	0.266	0.266	0.272	-0.092	-25.3
161	South Sudan[a]	0.003	0.019	0.019	0.006	0.006	0.006	0.006	0.003	100.0
162	Spain	2.443	1.700	1.719	1.962	1.962	1.965	2.146	-0.297	-12.2
163	Sri Lanka	0.031	0.099	0.094	0.043	0.043	0.043	0.044	0.013	41.9
164	Sudan[a]	0.010	0.081	0.079	0.025	0.025	0.010	0.010	0.000	0.0
165	Suriname	0.006	0.006	0.006	0.005	0.005	0.005	0.005	-0.001	-16.7
166	Sweden	0.956	0.718	0.726	0.828	0.828	0.830	0.906	-0.050	-5.2
167	Switzerland	1.140	0.912	0.922	1.052	1.052	1.054	1.151	0.011	1.0
168	Syrian Arab Republic	0.024	0.034	0.034	0.011	0.011	0.011	0.011	-0.013	-54.2
169	Tajikistan	0.004	0.013	0.013	0.004	0.004	0.004	0.004	0.000	0.0
170	Thailand	0.291	0.504	0.488	0.299	0.299	0.300	0.307	0.016	5.5
171	The former Yugoslav Republic of Macedonia	0.007	0.014	0.013	0.007	0.007	0.007	0.007	0.000	0.0
172	Timor-Leste[a]	0.003	0.004	0.004	0.002	0.002	0.002	0.002	-0.001	-33.3
173	Togo[a]	0.001	0.006	0.006	0.002	0.002	0.002	0.002	0.001	100.0
174	Tonga	0.001	0.001	0.001	0.000	0.001	0.001	0.001	0.000	0.0
175	Trinidad and Tobago	0.034	0.031	0.032	0.036	0.036	0.036	0.040	0.006	17.6
176	Tunisia	0.028	0.056	0.052	0.025	0.025	0.025	0.025	-0.003	-10.7
177	Turkey	1.018	1.149	1.098	1.253	1.253	1.256	1.371	0.353	34.7
178	Turkmenistan	0.026	0.046	0.046	0.032	0.032	0.032	0.033	0.007	26.9
179	Tuvalu[a]	0.001	0.000	0.000	0.000	0.001	0.001	0.001	0.000	0.0
180	Uganda[a]	0.009	0.033	0.032	0.008	0.008	0.008	0.008	-0.001	-11.1

	Member State	Adopted scale for 2016–2018	Share in world GNI	Debt adjustment	Low per capita income adjustment	Floor	Least developed country ceiling	Ceiling	Difference from 2016–2018 scale	Percentage difference from 2016–2018 scale
181	Ukraine	0.103	0.162	0.143	0.056	0.056	0.056	0.057	-0.046	-44.7
182	United Arab Emirates	0.604	0.487	0.493	0.563	0.563	0.564	0.616	0.012	2.0
183	United Kingdom of Great Britain and Northern Ireland	4.463	3.616	3.656	4.174	4.173	4.180	4.567	0.104	2.3
184	United Republic of Tanzania[a]	0.010	0.060	0.058	0.015	0.015	0.010	0.010	0.000	0.0
185	United States of America	22.000	23.575	23.838	27.214	27.211	27.260	22.000	0.000	0.0
186	Uruguay	0.079	0.069	0.069	0.079	0.079	0.079	0.087	0.008	10.1
187	Uzbekistan	0.023	0.086	0.085	0.031	0.031	0.031	0.032	0.009	39.1
188	Vanuatu[a]	0.001	0.001	0.001	0.000	0.001	0.001	0.001	0.000	0.0
189	Venezuela (Bolivarian Republic of)	0.571	0.596	0.582	0.665	0.665	0.666	0.728	0.157	27.5
190	Viet Nam	0.058	0.230	0.221	0.075	0.075	0.075	0.077	0.019	32.8
191	Yemen[a]	0.010	0.037	0.037	0.010	0.010	0.010	0.010	0.000	0.0
192	Zambia[a]	0.007	0.030	0.029	0.009	0.009	0.009	0.009	0.002	28.6
193	Zimbabwe	0.004	0.020	0.018	0.005	0.005	0.005	0.005	0.001	25.0
		100.000	**100.000**	**100.000**	**100.000**	**100.000**	**100.000**	**100.000**		

[a] Least developed country.

Chapter IV
Multi-year payment plans

102. In paragraph 1 of its resolution 57/4 B, the General Assembly endorsed the conclusions and recommendations of the Committee concerning multi-year payment plans (see also A/57/11, paras. 17–23), and in its resolution 70/245 the Assembly reaffirmed that endorsement.

103. In considering the matter, the Committee had before it the report of the Secretary-General on multi-year payment plans (A/73/76), prepared pursuant to the recommendations of the Committee. It was also provided with updated information on the status of the plans. No new multi-year payment plans had been submitted.

104. The Committee recalled that a number of Member States had successfully implemented multi-year plans in the past. Given that successful experience, the Committee continued to believe that the system of multi-year payment plans remained a viable means available to assist Member States in reducing their unpaid assessed contributions and demonstrating their commitment to meeting their financial obligations to the United Nations.

105. The Committee also recalled its recommendation that the General Assembly encourage other Member States in arrears, for the purpose of the application of Article 19 of the Charter of the United Nations, to consider submitting multi-year payment plans. Regular payments equal to at least the annual assessment were an important initial step in addressing the situation of Member States in arrears.

A. Status of payment plans

106. The table under paragraph 14 of the report of the Secretary-General on multi-year payment plans (A/73/76) summarizes the status of the multi-year payment plan submitted by Sao Tome and Principe in 2002. The Committee was also provided with updated information relating to the plan as at 29 June 2018.

Status of payment plans

(United States dollars)

	Payment plan	*Assessments as at 31 December*	*Payments/credits*	*Outstanding as at 31 December*
Sao Tome and Principe				
2001				598 375
2002	27 237	15 723	29 146	584 952
2003	42 237	17 124	929	601 147
2004	59 237	20 932	1 559	620 520
2005	74 237	24 264	202	644 582
2006	89 237	23 024	453	667 153
2007	114 237	32 524	810	698 867
2008	134 237	30 943	473	729 337
2009	153 752	35 400	682	764 055
2010		35 548	356	799 247
2011		37 034	506	835 775
2012		29 713	2 193	863 295
2013		37 248	481	900 062

	Payment plan	Assessments as at 31 December	Payments/credits	Outstanding as at 31 December
2014		33 317	51 846	881 533
2015		34 498	44 888	871 143
2016		35 846	50 865	856 124
2017		32 629	502	888 251
2018		26 298	50 000	864 549[a]

[a] As at 29 June 2018.

107. The Committee welcomed the resumption of payments by Sao Tome and Principe in recent years, in amounts which were in excess of its annual assessments. The Committee noted that a payment had already been received in 2018 and encouraged the country to formulate a new plan when possible.

B. Conclusions and recommendations

108. **The Committee recalled the past experience of the successful implementation of multi-year payment plans by several Member States and reiterated its recommendation that the General Assembly encourage other Member States in arrears under Article 19 of the Charter to consider submitting multi-year payment plans.**

Chapter V
Application of Article 19 of the Charter

109. 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 Assembly resolution 54/237 C concerning procedures for the consideration of requests for exemption under Article 19.

110. The Committee recalled that the General Assembly, in its resolution 54/237 C, had 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. In addition, the Assembly 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 State concerned. Most recently, the Assembly, in its resolution 72/2, had once again urged all Member States requesting exemption to submit as much information as possible, and to consider submitting such information in advance of the deadline specified in resolution 54/237 C, so as to enable the collation of any additional detailed information that might be necessary.

111. The Committee noted that all the requests for exemption considered at its present session had been received by the President of the General Assembly in advance of the deadline. **The Committee encouraged all Member States in arrears requesting exemption under Article 19 to provide the fullest possible supporting information in support of their claim, including economic indicators. The Committee also urged those Member States to submit their requests as early as possible in advance of the deadline specified in resolution 54/237 C.**

112. At its present session, the Committee noted that four Member States had requested exemption under Article 19 (see sect. V.A below) and that one Member State, referring to Article 19, had requested a "waiver of fees for the next four years" (see sect. V.B below).

A. Requests for exemption

113. The four requests for exemption under Article 19 that had been received by the Committee are summarized below.

Requests for exemption under Article 19 of the Charter

Member State	*Number of years consecutively falling under Article 19*	*Number of years consecutively requesting an exemption under Article 19*	*Total payments received while falling under Article 19 (in United States dollars)*	*Contributions due as at 29 June 2018 (in United States dollars)*
Comoros	26	24	464 268	981 331
Guinea-Bissau	26	21	1 292 845	181 352
Sao Tome and Principe	31	17	967 841	864 549
Somalia	26	17	–	1 489 347

114. In reviewing the four requests, the Committee recognized the continuing difficult situation of the Member States concerned. It acknowledged the great efforts that had been made in some cases to make some payment of contributions over the years. The Committee recalled that, by its resolution 52/215, the General Assembly had decided to reduce the floor rate from 0.01 per cent to 0.001 per cent, starting with the 1998–2000 scale of assessment period. As a result, in most cases, the bulk of the accumulated contributions still due from those Member States stemmed from the period prior to 1998.

115. **The Committee encouraged the Member States concerned to address their growing arrears by making annual payments exceeding current assessments in order to avoid further accumulation of arrears. It also encouraged the Member States to consider the submission of a multi-year payment plan and to consult with the Secretariat as may be required.**

1. Comoros

116. The Committee had before it a letter dated 14 May 2018 from the President of the General Assembly addressed to the Chair of the Committee on Contributions, transmitting a letter dated 10 May 2018 from the Deputy Permanent Representative and 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 presentation by the Permanent Representative of the Comoros to the United Nations.

117. In its written and oral presentations, the Comoros indicated that, like most of the least developed countries and owing to the vulnerabilities pertaining to a small island developing State, it had been severely affected by its dependence on imports, and 70 per cent of its food was still being imported. Diaspora remittances had also declined. Natural disasters and heavy rainy seasons regularly caused enormous damage to harvests and negatively affected local communities. The Government had been pursuing efforts to improve the level of public services for the population. Following an improvement in electricity coverage, the Government had been able to engage in a public investment programme to develop infrastructure, as well as a private investment programme to revitalize the tourism sector. Another positive development was the increase in the price of export goods such as vanilla, cloves and ylang-ylang, together with an increase in production capacity. The Comoros had kept in mind the issue of a multi-year payment plan and would make it a priority as soon as the situation normalized. The Government was therefore committed to regularly reducing its arrears by paying $33,000 yearly.

118. The Secretariat provided the Committee with information concerning the situation in the Comoros. The Comoros remained a fragile State facing long-standing political, institutional, security and socioeconomic challenges, which hampered development efforts and carried the risk of recurring political and institutional instability. The Comoros was prone to natural disasters such as flash floods, cyclones, volcanic eruptions, earthquakes and disease outbreaks. The economy was experiencing weak growth, electricity shortages, poor tax revenue performance and infrastructure inadequacies. The Member State remained at a transitional stage of development. Despite limited resources, in terms of both national resources and international support, the Comoros was making efforts to build a sustainable basis for its socioeconomic development.

119. The Committee noted that the accumulated contributions due from the Comoros amounted to $981,331 and that a minimum payment of $880,968 was required under Article 19. The most recent payment, of $30,000, from the Comoros had been received in September 2017. Payments had also been received annually since 2012. The Committee welcomed those annual payments, which demonstrated the

commitment of the Comoros to reducing its arrears. The Committee welcomed the indication that the Comoros would keep the issue of a multi-year payment plan under consideration, with a view to establishing such a plan as a matter of priority when the country's situation normalized.

120. **The Committee concluded that the failure of the Comoros to pay the minimum amount necessary to avoid the application of Article 19 was a result of conditions beyond its control. It therefore recommended that the Comoros be permitted to vote until the end of the seventy-third session of the General Assembly.**

2. Guinea-Bissau

121. The Committee had before it a letter dated 10 May 2018 from the President of the General Assembly addressed to the Chair of the Committee on Contributions, transmitting a letter dated 8 May 2018 from the Chargé d'affaires a.i. of the Permanent Mission of Guinea-Bissau to the United Nations addressed to the President of the General Assembly. It also heard an oral presentation by the Chargé d'affaires a.i. of the Permanent Mission of Guinea-Bissau.

122. In its written and oral presentation, Guinea-Bissau indicated that the country was fully aware of its financial obligations as a Member State of the United Nations. That was why, despite all the financial constraints resulting from the political and institutional crises that the country had been facing in recent years and that had negatively affected the socioeconomic situation in the country, the Government managed to pay $395,651 in August 2017, which contributed to a considerable reduction in its arrears. Now that the situation in the country was normalizing, with a new consensus Government in place, and the preparations for legislative elections had started, the country would continue to undertake efforts to pay the remaining balance to the Organization in the near future.

123. The Secretariat provided the Committee with information concerning the situation in Guinea-Bissau. Progress had been made in efforts to break the political and institutional deadlock that had persisted in the country for almost three years. The political situation was stable but fragile. The macroeconomic situation in Guinea-Bissau reflected a positive trend. Guinea-Bissau continued to show stable annual growth, at about 5 to 6 per cent in 2017, owing mainly to the sale of cashew nuts. Cashew products accounted for around 90 per cent of exports, and the sector employed the large majority of the population. Even though Guinea-Bissau was currently not facing any acute humanitarian crisis, 40 years of political instability had deeply constrained socioeconomic and human development. More than two thirds of the population lived below the poverty line. Guinea-Bissau continued to suffer from a fragile economy, weak infrastructure, a lack of access to basic social services and food insecurity.

124. The Committee noted that the accumulated contributions due from Guinea-Bissau amounted to $181,352 and that a minimum payment of $80,989 was required under Article 19. The most recent payment, of $395,651, from Guinea-Bissau had been received in August 2017. A payment of $200,000 had also been received in September 2014. The Committee noted that those payments had significantly reduced the country's arrears. The Committee expressed its appreciation for the efforts by Guinea-Bissau to address its arrears, despite the difficult situation of the country, and encouraged the country to settle the remaining balance as soon as possible.

125. **The Committee concluded that the failure of Guinea-Bissau to pay the minimum amount necessary to avoid the application of Article 19 was a result of conditions beyond its control. It therefore recommended that Guinea-Bissau be permitted to vote until the end of the seventy-third session of the General Assembly.**

3. Sao Tome and Principe

126. The Committee had before it a letter dated 10 May 2018 from the President of the General Assembly addressed to the Chair of the Committee on Contributions, transmitting a letter dated 9 May 2018 from the Chargé d'affaires a.i. of the Permanent Mission of Sao Tome and Principe to the United Nations addressed to the President of the General Assembly. It also heard an oral presentation by the Chargé d'affaires a.i. of the Permanent Mission of Sao Tome and Principe.

127. In its written and oral presentations, Sao Tome and Principe indicated that the small size of the country, its insularity and its strong dependence on external aid had been among the factors that had made the economy highly vulnerable to different types of hazards. While the country was not facing any acute humanitarian crisis, it was prone to natural disasters, including floods and landslides. Agriculture had been a strong sector, led by exports of cocoa, coffee and palm oil. Tourism was an important and growing activity, but was not able to support economic growth on a countrywide scale. The country was affected by structural and recurrent current account deficits, mostly owing to the large share of domestic spending on imports and a small export base. Sao Tome and Principe would continue to face significant challenges to overcoming insularity, small market size, vulnerability to natural shocks and climate change, limited human capital and scarce tradable resources. The Government would make all payments necessary as soon as possible to preserve the country's right to vote.

128. The Secretariat provided the Committee with information concerning the situation in Sao Tome and Principe. The country had a history of political instability. While the country's economy had strengthened in recent years, high public debt and pervasive poverty continued to present challenges. Economic prospects had been affected by delays in oil exploration, which was now expected to begin after 2020. The country's economy remained undiversified and highly dependent on demand and world prices for cocoa, the main export product. The country remained heavily dependent on external aid. Sao Tome and Principe was still a politically and economically fragile country. Despite the fact that the country was not facing any acute humanitarian crisis, major challenges remained.

129. The Committee noted that the accumulated contributions due from Sao Tome and Principe amounted to $864,549 and that a minimum payment of $764,186 was required under Article 19. The most recent payment, of $50,000, from Sao Tome and Principe had been received in January 2018. The Committee recalled that payments of $50,400, $44,434 and $51,634 had been received in September 2016, June 2015 and May 2014, respectively. The Committee welcomed those recent payments. The Committee recognized the commitment made by Sao Tome and Principe in submitting a multi-year payment plan and encouraged the country to review the plan and revise the terms as soon as possible.

130. **The Committee concluded that the failure of Sao Tome and Principe to pay the minimum amount necessary to avoid the application of Article 19 was a result of conditions beyond its control. It therefore recommended that Sao Tome and Principe be permitted to vote until the end of the seventy-third session of the General Assembly.**

4. Somalia

131. The Committee had before it a letter dated 5 May 2018 from the President of the General Assembly addressed to the Chair of the Committee on Contributions, transmitting a letter dated 18 April 2018 from the Permanent Representative of

Somalia to the United Nations addressed to the President of the General Assembly. It also heard an oral presentation by a representative of Somalia.

132. In its written and oral presentations, Somalia indicated that, since the 1990s, the country had endured serious internal conflict, which had created financial crises and given rise to grave economic difficulties. While modest progress had been made, the Government continued to face significant challenges, such as insufficient resources to enable the Government to deal with the acute humanitarian and economic crises and terrorism. Although there were variations in conditions among regions, Somalia remained one of the poorest countries in the world. The Government continued to work on improving its revenue collection systems, but its financial resources remained extremely limited and there remained challenges with regard to strengthening public sector institutions, as the long civil war had destroyed physical infrastructure, equipment and the institutional capacity of most government agencies and ministries. The Government of Somalia would make all necessary payments as soon as possible, and the submission of a multi-year payment plan would be seriously considered once the country's situation had normalized.

133. The Secretariat provided the Committee with information concerning the situation in Somalia. The country had made considerable progress towards peace and stability in recent years, including holding elections and undertaking a peaceful transition of power at the beginning of 2017, but political crises continued to hamper the work of the Government. Somalia also still faced significant development, humanitarian and security challenges. The humanitarian crisis in the country was among the most complex and long-standing emergencies in the world. Nearly half of its population of 12 million people required humanitarian aid. Four consecutive seasons of drought had brought Somalia to the brink of famine in 2017. Although the number of people in need had improved since then, 5.4 million people remained affected by food insecurity. The levels of malnutrition in Somalia were among the highest in the world, and malnutrition was one of the leading underlying causes of child mortality in the country. Internally displaced persons constituted a significant source of acute humanitarian needs. In the past year, Somalia had demonstrated continued progress in improving its fiscal outlook. The fiscal revenues for the first quarter of 2018 were the highest recorded since the onset of the civil war. However, recurrent problems such as droughts and flooding, and the resulting humanitarian situation, would continue to constrain the country's fiscal situation.

134. The Committee noted that the accumulated contributions due from Somalia amounted to $1,489,347 and that a minimum payment of $1,388,984 was required under Article 19. The Committee noted that the arrears presented a unique situation because Somalia had not been able to make any payment since October 1989, and faced many ongoing difficulties, in particular weak revenue collection capacity. The Committee also noted that the accounts of many United Nations operations that were no longer active could not be fully closed until the amounts assessed over the previous years had been settled. The Committee recalled that, in the past, the General Assembly had taken decisions, on an exceptional basis, on the treatment of the accumulated arrears of some Member States. The Committee encouraged Somalia to consider making even a symbolic payment as soon as possible. **The Committee recommended that the General Assembly request the Secretary-General to pay special attention to this issue in his consultations with Somalia.**

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

B. Request for a waiver of fees

Dominica

136. The Committee had before it a letter dated 21 May 2018 from the President of the General Assembly addressed to the Chair of the Committee on Contributions transmitting a letter dated 16 May 2018 from the Minister for Foreign Affairs and Caribbean Community Affairs of Dominica addressed to the President of the General Assembly. It also heard an oral presentation by the Permanent Representative of Dominica to the United Nations.

137. In its written and oral presentations, Dominica indicated that the Government had made every effort to remain current with dues and fees under its international obligations. However, it was increasingly difficult to continue to do so in the light of the major economic and social challenges occasioned by the passage of Tropical Storm Erika in 2015 and, more recently, Hurricane Maria, a category 5 storm that had devastated the island in September 2017, leaving behind damage equivalent to at least 226 per cent of gross domestic product. The post-disaster needs assessment report, which had been compiled with support from the World Bank, the United Nations, the Caribbean Development Bank, the European Union and the Organisation of Eastern Caribbean States, concluded the damage to be on the order of approximately $1.3 billion. The country had received, and continued to receive, support from the international community. However, the task of rebuilding would be long and costly. To complement that reconstruction phase, Dominica had requested a waiver of fees for the next four years. The small size of the country and the massive displacement of its citizens as a result of the past two hurricane seasons, coupled with continued dependence on external aid during the reconstruction phase, significantly limited the country’s ability to service such commitments at the present time. Once the economic situation in Dominica had improved, the Government would once again be in a position to meet its obligations to the United Nations, as had been done in the past.

138. The Secretariat provided the Committee with information concerning the situation in Dominica. In September 2017, Hurricane Maria struck Dominica, causing major damage and losses. All hotels and agricultural crops were destroyed, thus jeopardizing the two main sources of revenue for the island. Exports of agricultural produce were halted. The hurricane destroyed water supply systems in most of the country and damaged most of the power grid. The lack of electricity affected every aspect of life on the island, including emergency services and health care. All hospitals suffered damage. The situation in Dominica had since improved but tremendous challenges remained. Many people still lived in shelters. Not all schools functioned, and those which had been refurbished were not sufficient for all the school-aged children. Many hospitals were still not functioning. Accessibility and transportation of people and goods across the island remained a challenge while roads and bridges were under repair. The tourism and agriculture sectors had still not recovered. The Government had announced that it was embarking on a five-year rebuilding programme, seeking to conduct the reconstruction efforts in a sustainable manner, including under a more robust building code that provided for resilience to further disasters.

139. The Committee recalled that, in accordance with rule 160 of the rules of procedure of the General Assembly, it advises the Assembly on action to be taken with regard to the application of Article 19. The Committee also recalled that Article 19 addresses the question of loss of vote owing to accumulated arrears of Member States and the possibility for the Assembly to grant an exemption to Member States in that situation. The Committee noted that the accumulated contributions due from Dominica currently amounted to $84,356; however, no minimum payment was

currently required under Article 19 and therefore no Article 19 exemption was necessary. The most recent payment, of $25,521, from Dominica had been received in June 2018.

140. The Committee observed that Dominica had requested a “waiver of fees for the next four years” in the context of Article 19. The Committee noted that Dominica was currently assessed at the floor rate of 0.001 per cent established by the General Assembly. **Having considered the request of Dominica, the Committee concluded that this request did not fall within the scope of Article 19.**

Chapter VI
Other matters

A. Assessment of non-member States

141. The Committee recalled that, in its resolution 44/197 B, the General Assembly had endorsed the proposal by the Committee on Contributions concerning revised assessment procedures for non-member States that were full participants in some of the activities financed by the regular budget of the United Nations. Those procedures involved periodic reviews 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.

142. After 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 most recent review, in 2003, had indicated that its flat annual fee percentage would be 30 per cent of its notional rate of assessment. In view of the prospective admission of Switzerland, the Committee on Contributions had requested the Secretariat to consult with the remaining non-member State on a possible simplified methodology for the assessment of non-member States. Based on those consultations, the Committee had recommended that the General Assembly fix the flat annual fee percentage of the Holy See at 50 per cent and that further periodic reviews of the flat annual fee percentage rate be suspended. In its resolution 58/1 B, the General Assembly had endorsed that recommendation.

143. Following the adoption of resolution 67/19, the Committee had decided that the same procedure applied to the Holy See should also be applied to the State of Palestine. For the 2013–2015 period, both the Holy See and the State of Palestine were assessed at a flat annual fee of 50 per cent of their notional rates of assessment as adopted in General Assembly resolution 67/238 and decision 68/548. For that period, the notional rate of assessment of the Holy See had been fixed at 0.001 per cent, and for the State of Palestine at 0.005 per cent. Subsequently, for the period 2016–2018, the notional rate of assessment for the Holy See had been fixed at 0.001 per cent, and for the State of Palestine at 0.007 per cent.

144. The Committee noted that, under current procedures, the contributions payable by non-member States were calculated using the regular budget assessment base and that no provision was made for other funds (peacekeeping operations, international tribunals, Working Capital Fund).

145. On the basis of the available statistical data, the Committee noted that a notional rate of assessment for 2019–2021 of 0.001 per cent would apply to the Holy See, and 0.008 per cent to the State of Palestine.

146. **The Committee recommended that non-member States be called upon to contribute for the period 2019–2021 based on a flat annual fee fixed at 50 per cent, which would be applied to notional rates of assessment fixed at 0.001 per cent for the Holy See and 0.008 per cent for the State of Palestine.**

B. Participation of intergovernmental and other entities

147. Some members noted that consideration could be given in any year to intergovernmental organizations with observer status and the related rights and privileges. They also noted that there were currently no assessments or fees payable in respect of observer status. They recalled that the Committee had considered that

issue at its fifty-ninth session, held in 1999, and at its sessions held in 2015, 2016 and 2017.

148. Other members expressed the view that this was not pertinent to the Committee because of the lack of a legal mandate. They indicated that there were no expenses to be apportioned to such organizations and entities under Article 17 of the Charter. Those members noted that there had been no consensus on the issue at the time of its consideration at previous sessions.

C. Collection of contributions

149. The Committee, at the conclusion of its present session on 29 June 2018, noted that only one Member State, Libya, was in arrears in the payment of its assessed contribution to the United Nations under the terms of Article 19 of the Charter and had no vote in the General Assembly. In addition, the following four Member States were in arrears in the payment of their assessed contributions under the terms of Article 19 but had been permitted to vote in the Assembly until the end of the seventy-second session, pursuant to General Assembly resolution 72/2: Comoros, Guinea-Bissau, Sao Tome and Principe and Somalia. **The Committee decided to authorize its Chair to issue an addendum to the present report, if necessary.**

150. The Committee also noted that, as at 31 May 2018, a total of $3.7 billion was owed to the Organization for the regular budget, peacekeeping operations and the international tribunals. That amount reflected an increase compared with the amount of $2.8 billion outstanding as at 31 May 2017.

D. Payment of contributions in currencies other than the United States dollar

151. Under the provisions of paragraph 19 (a) of its resolution 70/245, the General Assembly authorized the Secretary-General to accept, at his discretion and after consultation with the Chair of the Committee on Contributions, a portion of the contributions of Member States for the calendar years 2016, 2017 and 2018 in currencies other than the United States dollar.

152. The Committee noted that, in 2017, the Secretary-General had accepted as contributions to the regular budget the equivalent of $16,968,175.20 from Cyprus and Iran (Islamic Republic of) in non-United States dollar currencies acceptable to the Organization.

E. Organization of the Committee’s work

153. 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. The Committee emphasized the importance of ensuring that its secretariat and the Statistics Division were maintained at the capacities required to support the Committee in carrying out its mandates. The Committee also expressed its appreciation for the substantive support provided by the Department of Political Affairs, the Office for the Coordination of Humanitarian Affairs and the United Nations Development Programme in its consideration of requests for exemptions under Article 19.

F. Working methods of the Committee

154. The Committee carried out a review of its working methods, during which members expressed general satisfaction with the working methods and procedures currently in place. The Committee decided to continue to explore ways in which to improve access to information and documentation, including the online availability of information for Member States on the outcome of its work. Information on the work of the Committee is available at www.un.org/en/ga/contributions.

G. Date of the next session

155. **The Committee decided to hold its seventy-ninth session in New York from 3 to 21 June 2019.**

Annex I

Summary of the evolution of the elements in the methodology used for the preparat1ion of the United Nations scale of assessments

Scale of assessments period	Statistical base period	Low per capita income adjustment: Threshold definition (United States dollars)	Low per capita income adjustment: Gradient (percentage)	Ceiling (percentage)	Floor (percentage)	No increase for the least developed countries	Debt relief	Scheme of limits
1946–1947	1938–1940	Individual allowances made on the basis of per capita income levels		39.89	0.04			
1948	1945, 1946 or 1947 single-year statistics	1 000	40	39.89	0.04			
1949	1945, 1946 or 1947 single-year statistics	1 000	40	39.89	0.04			
1950 (same as 1949, except for minor adjustment)	1945, 1946 or 1947 single-year statistics	1 000	40	39.79	0.04			
1951	1945, 1946 or 1947 single-year statistics	1 000	40	38.92	0.04			
1952	1945, 1946 or 1947 single-year statistics	1 000	40	36.90	0.04			
1953	Average of 1950–1951	1 000	50	35.12	0.04			
1954	Average of 1950–1952	1 000	50	33.33	0.04			
1955	Average of 1951–1953	1 000	50	33.33	0.04			
1956–1957[a]	Average of 1952–1954	1 000	50	33.33	0.04			
1958	Average of 1952–1954	1 000	50	32.51	0.04			
1959–1961	Average of 1955–1957	1 000	50	32.51	0.04			
1962–1964	Average of 1957–1959	1 000	50	32.02	0.04			
1965–1967	Average of 1960–1962	1 000	50	31.91	0.04			
1968–1970	Average of 1963–1965	1 000	50	31.57	0.04			
1971–1973	Average of 1966–1968	1 000	50	31.52	0.04			
1974–1976	Average of 1969–1971	1 500	60	25.00	0.02			
1977[a]	Average of 1972–1974	1 800	70	25.00	0.02			
1978–1979[b]	Average of 1969–1975	1 800	70	25.00	0.01			
1980–1982	Average of 1971–1977	1 800	75	25.00	0.01			
1983–1985	Average of 1971–1980	2 100	85	25.00	0.01	X		
1986–1988	Average of 1974–1983	2 200	85	25.00	0.01	X	X	X
1989–1991	Average of 1977–1986	2 200	85	25.00	0.01	X	X	X
1992–1994	Average of 1980–1989	2 600	85	25.00	0.01	X	X	X
1995–1997	Average of results of machine scales using base periods 1985–1992 and 1986–1992	World average (3 055 and 3 198)	85	25.00	0.01	X	X	50 per cent phase-out
1998–2000[c]	Average of 1990–1995	World average (4 318)	80	25.000	0.001	[d]	X[e]	Full phase-out[f]

Scale of assessments period	*Statistical base period*	*Low per capita income adjustment*		*Ceiling (percentage)*	*Floor (percentage)*	*No increase for the least developed countries*	*Debt relief*	*Scheme of limits*
		Threshold definition (United States dollars)	*Gradient (percentage)*					
2001–2003	Average of results of machine scales using base periods 1996–1998 and 1993–1998	World average (4 957 and 4 797)	80	22.000	0.001	[d]	X[g]	
2004–2006	Average of results of machine scales using base periods 1999–2001 and 1996–2001	World average (5 094 and 5 099)	80	22.000	0.001	[d]	X[g]	
2007–2009	Average of results of machine scales using base periods 2002–2004 and 1999–2004	World average (5 849 and 5 518)	80	22.000	0.001	[d]	X[g]	
2010–2012	Average of results of machine scales using base periods 2005–2007 and 2002–2007	World average (7 530 and 6 708)	80	22.000	0.001	[d]	X[g]	
2013–2015	Average of results of machine scales using base periods 2008–2010 and 2005–2010	World average (8 956 and 8 338)	80	22.000	0.001	[d]	X[g]	
2016–2018	Average of results of machine scales using base periods 2011–2013 and 2008–2013	World average (10 511 and 9 861)	80	22.000	0.001	[d]	X[g]	

[a] A ceiling on per capita assessments, set at the level of the per capita assessment of the Member State with the highest assessment, was applied to scales of assessment between 1956 and 1976. On the recommendation of the Committee on Contributions, the ceiling was abolished in 1974 by the General Assembly in its resolution 3228 (XXIX).

[b] Prior to 1979, the low per capita adjustment had been distributed pro rata to all Member States, including those below the low per capita income adjustment threshold. Since 1979, the adjustment has been distributed only to Member States that are above the threshold.

[c] Income measure changed from national income to gross national product.

[d] Not a specific part of the methodology, but since the floor was reduced to 0.001 per cent for least developed countries, there may be some increases in the rates of assessment of those countries, subject to the least developed countries ceiling of 0.010 per cent.

[e] Calculated using debt-flow data for 1998 and debt-stock data for 1999–2000.

[f] Subject to a limitation of 15 per cent on the allocation of additional points to developing countries benefiting from the application of the scheme of limits.

[g] Calculated using the debt-stock method.

Annex II

Outline of the methodology used for the preparation of the United Nations scale of assessments for the period 2016–2018

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 2011–2013 and 2008–2013. The methodology used in the preparation of each set of results took as its starting point the gross national income (GNI) of the States Members of the United Nations during the corresponding base periods as a first approximation of the capacity to pay, and applied conversion factors, relief measures and limits to the scale in order to arrive at the final scale.

2. Information on GNI was provided by the Statistics Division of the Department of Economic and Social Affairs and was based on data provided in national currencies 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 Member States, the Statistics Division prepared estimates using national and other available sources, including the regional commissions of the United Nations, other regional organizations, the World Bank and the International Monetary Fund (IMF).

3. 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. For this purpose, market exchange rates 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*. As used by IMF, exchange rates are classified into three broad categories, reflecting the role of the authorities in determining the rates and/or the multiplicity of the exchange rates of the Member States and include the following:

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

(b) Official rates, determined by government authorities;

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

For the purposes of preparing the scale of assessments, the above-mentioned three categories were referred to as market exchange rates (MERs). For States that were not members of IMF, where MERs were not available, United Nations operational rates of exchange were used.

4. As part of its review process, the Committee on Contributions used systematic criteria to consider whether MERs resulted in excessive fluctuations or distortions in the income of particular Member States, for possible replacement with price-adjusted rates of exchange (PAREs) or other appropriate conversion rates. The PARE methodology was developed as a means of adjusting the conversion rates into United States dollars taking into account the relative price changes in the economies of the respective Member States and the United States of America, which is reflected in the MER valuation index (MVI). The MVIs of the Member States are considered relative to the respective value of the entire membership of the United Nations and in that way take into account the movement of the currencies of all Member States relative to the United States dollar. PAREs are derived by adjusting the MER with the ratio of the MVI of the entire membership of the Organization divided by the MVI of the Member State, limited to a range of 20 per cent above or below the MVI of the entire membership.

5. An average of the annual GNI figures in United States dollars for each base period was then aggregated with the corresponding figures for all Member States as

the first step in the machine scales used for the scale of assessments for the period 2016–2018.

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 each base period (three and six years). Thus, where the length of the base period is six years, the average GNI is:

$$\frac{1}{6}\left(\frac{\text{GNI}_{year_1}}{\text{Conversion rate}_{year_1}}+\cdots+\frac{\text{GNI}_{year_6}}{\text{Conversion rate}_{year_6}}\right)$$

These average GNI figures were summed and used to calculate the shares of GNI of Member States in the average GNI of the entire membership.

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

6. 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 International Debt Statistics database, which included statistics for Member States that are members of and borrowers from the World Bank and have per capita GNI below a given threshold. In 2014, the threshold set by the World Bank was $12,746 (using the World Bank Atlas conversion rates). The amount of the debt-burden adjustment was deducted from the GNI of the countries affected. The debt-burden adjustment was distributed to all Member States through the indirect redistribution of points; that is, new shares of debt-adjusted GNI were calculated.

Summary of step 2

The debt-burden adjustment (DBA) for each base period was deducted from GNI 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

These figures were used to calculate new shares of GNI_{da}.

7. 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 per capita GNI_{da} for each Member State for each base period. The overall average figures for the current scale were $10,511 for the three-year base period and $9,861 for the six-year base period, and these were fixed as the starting points, or thresholds, for the corresponding adjustments. The share in GNI_{da} of each Member State whose average per capita GNI_{da} was below the threshold was reduced by 80 per cent of the percentage by which its average per capita GNI_{da} was below the threshold.

8. For each machine scale, the total low per capita income adjustment was reallocated to all Member States above the threshold, except the Member State affected by the maximum assessment rate or ceiling, in proportion to their relative

shares of the total GNI_{da} of that group. For illustrative purposes, a track 2 calculation was undertaken in which the ceiling Member State 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 the entire membership for each base period was calculated. This was used as the threshold for application of the low per capita income adjustment. Thus the average per capita GNI for the six-year base period is:

$$\frac{\left(\text{Total GNI}_{year_1} + \cdots + \text{Total GNI}_{year_6}\right)}{\left(\text{Total population}_{year_1} + \cdots + \text{Total population}_{year_6}\right)}$$

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

Summary of step 4

The average per capita GNI_{da} for each Member State for each base period was calculated in the same manner as in step 3, using GNI_{da}. Thus the average per capita GNI_{da} for the six-year base period is:

$$\frac{\left(\text{GNI}_{da,\ year_1} + \cdots + \text{GNI}_{da,\ year_6}\right)}{\left(\text{population}_{year_1} + \cdots + \text{population}_{year_6}\right)}$$

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

Summary of step 5

In each machine scale, the low per capita income adjustment was applied to the Member States whose average per capita GNI_{da}. was lower than the average per capita GNI (threshold). This adjustment reduced the affected Member State's share of GNI_{da} by the percentage by which its average per capita GNI_{da} 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 GNI_{da} is $1,000, and the gradient is 80 per cent, then the percentage by which the GNI_{da} share would be reduced is:
>
> [1 - (1000/5000)] x 0.80 = 64 per cent.

Summary of step 6

In each machine scale, the total low per capita income adjustment was reallocated pro rata to Member States whose average per capita GNI_{da} was above the threshold. In order to illustrate the outcomes with and without a ceiling scale rate, the following 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 per capita GNI_{da} was above the threshold, except the ceiling Member State. Since the ceiling Member State would not ultimately share in the reallocation of points arising from the low per capita income adjustment, including it in the reallocation would cause the beneficiaries of the adjustment to share a part of its cost. This would occur when the points added for the ceiling Member State were reallocated pro rata to all other Member States as part of the reallocation of points arising from the application of the ceiling.

Track 2

The total of the low per capita income adjustments was proportionately reallocated to all Member States whose average per capita GNI_{da} was above the threshold, including the ceiling Member State. 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" steps.

9. Following those adjustments, three sets of limits were applied to each machine scale. The 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 all other Member States except, under track 1, the ceiling Member State.

Summary of step 7

The minimum assessment rate, or floor (currently 0.001 per cent), was applied to the Member States that had a rate at this stage that was below the floor. Corresponding reductions were then applied pro rata to all other Member States except, under track 1, the ceiling Member State.

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

Summary of step 8

The least developed countries that had a rate that 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 those affected by the floor and, under track 1, the ceiling Member State.

11. 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 Member State were then applied pro rata to other Member States. As indicated above, those increases were calculated in accordance with track 1; that is, they reflected a distribution of points from the ceiling Member State that did not include any points arising from the application of the low per capita income adjustment, the floor adjustment and the adjustment for the least developed countries ceiling.

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 all other Member States except those affected by the floor and the least developed countries ceiling, using the track 1 approach from step 6 above.

12. An arithmetical 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 (2011–2013 and 2008–2013), were added together and divided by two.

Annex III

Explanation of exchange rates used in the scale methodology

1. As a general rule, the exchange rates used for the conversion of national currencies to United States dollars are annual averages of exchange rates as communicated to the International Monetary Fund (IMF) by the monetary authority of each Member State. These rates are published in the IMF publication *International Financial Statistics*. Exchange rates in *International Financial Statistics* are classified into three broad categories, reflecting the role of the authorities in determining the rates themselves and/or the multiplicity of the rates in a given country. The three categories are the market rate, describing an exchange rate determined largely by market forces; the official rate, describing an exchange rate determined by the authorities — sometimes in a flexible manner; and the principal, secondary or tertiary rate, for countries maintaining multiple exchange arrangements.

2. Official exchange rates include not only rates that have been officially determined and/or enforced, but also any reference or indicative exchange rate that is computed and/or published by the central bank. The calculation of such exchange rates is often based on market exchange rates, such as those used in interbank market transactions or in a combination of interbank and bank-client transactions in a specified observation period. The published exchange rate is used as a guideline for market participants or for accounting and customs valuation purposes, in exchange transactions with the government, and sometimes mandatorily in specific exchange transactions.[a]

3. As used by IMF, the term "market exchange rate" in the scale methodology could refer to one of the three types of annual average rates:

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

(b) Official rates, determined by government authorities;

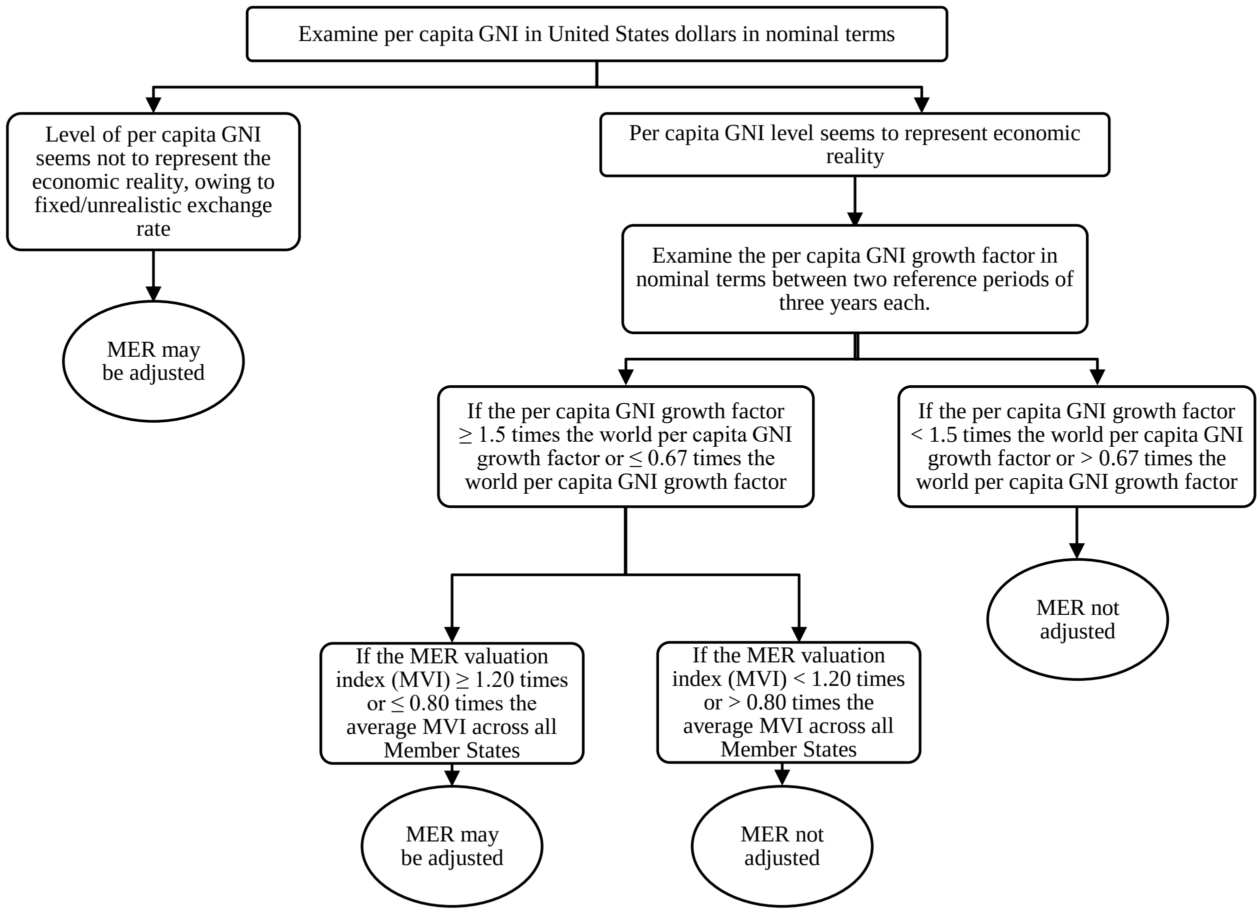
(c) Principal rates, for countries maintaining multiple exchange rate regimes.

4. For non-members of IMF, there are no market exchange rates available and the rates used are average annual United Nations operational rates of exchange. These rates are established primarily for accounting purposes and applied to all official United Nations transactions with respect to those currencies. The rates may take the form of official, commercial or tourist rates of exchange.

[a] International Monetary Fund, *Annual Report on Exchange Arrangements and Exchange Restrictions 2016* (Washington, D.C., October 2016), p. 13.

Annex IV

Systematic criteria to identify Member States for which market exchange rates may be reviewed for possible replacement



Abbreviations: GNI, gross national income; MER, market exchange rate.

Annex V

Review of scale-to-scale changes between the 2016–2018 scale and the 2019–2021 scale, calculated using the 2016–2018 scale methodology

Member State	2016–2018 scale	2018 update[b,c]	Percentage change	2016–2018 scale GNI share	2018 update scale GNI share	Percentage change	2018 update: average per capita GNI (United States dollars)	Average annual percentage change from 2011 to 2016: GDP: Nominal (United States dollars)	GDP: Real	Implicit price deflator[a]: United States dollars	Implicit price deflator[a]: National currency	Comments on the 2011 to 2016 period[d,e]
World	…	…	…	…	…	…	10 440	0.8	3.2	-2.4	…	
Afghanistan	0.006	0.007	16.7	0.026	0.027	5.6	626	4.2	5.1	-0.8	5.6	
Albania	0.008	0.008	0.0	0.018	0.016	-7.6	4 247	-0.1	2.0	-2.1	0.9	
Algeria	0.161	0.138	-14.3	0.267	0.240	-10.1	4 668	-0.2	3.3	-3.4	3.0	
Andorra	0.006	0.005	-16.7	0.005	0.004	-14.6	38 928	-2.5	-0.2	-2.4	0.6	
Angola	0.010	0.010	0.0	0.148	0.151	2.0	4 233	3.2	3.3	-0.1	10.0	
Antigua and Barbuda	0.002	0.002	0.0	0.002	0.002	4.0	12 903	4.1	2.6	1.5	1.5	
Argentina	0.892	0.915	2.6	0.752	0.751	-0.1	13 296	4.5	0.9	3.5	29.3	
Armenia	0.006	0.007	16.7	0.015	0.015	0.0	3 921	1.1	3.7	-2.5	1.7	
Australia	2.337	2.210	-5.4	1.910	1.751	-8.3	56 723	0.3	2.7	-2.4	1.1	
Austria	0.720	0.677	-6.0	0.588	0.537	-8.8	47 391	0.0	1.2	-1.2	1.8	
Azerbaijan	0.060	0.049	-18.3	0.085	0.074	-12.2	5 959	-5.4	1.2	-6.5	4.8	
Bahamas	0.014	0.018	28.6	0.011	0.014	24.8	27 738	1.8	-0.2	2.0	2.0	Revised national accounts data. Increased share in world GNI.
Bahrain	0.044	0.050	13.6	0.036	0.040	8.9	22 213	3.8	3.6	0.2	0.2	
Bangladesh	0.010	0.010	0.0	0.205	0.269	31.0	1 283	11.5	6.5	4.6	6.8	
Barbados	0.007	0.007	0.0	0.006	0.006	-4.6	15 082	0.6	0.6	0.0	0.0	
Belarus	0.056	0.049	-12.5	0.086	0.079	-7.9	6 373	-3.1	0.5	-3.6	32.3	
Belgium	0.885	0.821	-7.2	0.724	0.650	-10.1	44 142	-0.6	1.1	-1.6	1.4	
Belize	0.001	0.001	0.0	0.002	0.002	4.5	4 532	4.5	2.3	2.1	2.1	
Benin	0.003	0.003	0.0	0.010	0.012	11.0	847	4.1	5.2	-1.0	2.0	
Bhutan	0.001	0.001	0.0	0.002	0.002	9.1	2 381	5.7	5.9	-0.2	6.4	
Bolivia (Plurinational State of)	0.012	0.016	33.3	0.033	0.040	21.8	2 874	9.5	5.3	4.0	3.8	GDP growth is relatively higher than world GDP growth.

Member State	2016–2018 scale	2018 update[b,c]	Percentage change	2016–2018 scale GNI share	2018 update scale GNI share	Percentage change	2018 update: average per capita GNI (United States dollars)	Average annual percentage change from 2011 to 2016: GDP: Nominal (United States dollars)	GDP: Real	Implicit price deflator[a]: United States dollars	Implicit price deflator[a]: National currency	Comments on the 2011 to 2016 period[d,e]
Bosnia and Herzegovina	0.013	0.012	-7.7	0.025	0.023	-8.8	4 916	-0.3	1.6	-1.9	1.1	
Botswana	0.014	0.014	0.0	0.019	0.020	1.3	6 910	3.4	4.7	-1.2	6.9	
Brazil	3.823	2.948	-22.9	3.196	2.752	-13.9	10 261	-3.4	0.3	-3.7	7.9	The Member State moved below the LPCIA threshold in the 3-year base period.
Brunei Darussalam	0.029	0.025	-13.8	0.024	0.020	-16.3	36 990	-3.0	-0.5	-2.5	-2.3	
Bulgaria	0.045	0.046	2.2	0.073	0.070	-3.9	7 384	0.8	1.9	-1.1	1.9	
Burkina Faso	0.004	0.003	-25.0	0.015	0.014	-2.7	610	3.2	5.5	-2.2	0.8	Assessment is close to the floor.
Burundi	0.001	0.001	0.0	0.003	0.004	26.4	299	6.2	3.3	2.8	8.0	
Cabo Verde	0.001	0.001	0.0	0.002	0.002	-10.9	3 129	-0.3	1.9	-2.1	0.9	
Cambodia	0.004	0.006	50.0	0.017	0.021	23.8	1 056	10.1	7.1	2.8	2.2	Assessment is close to the floor. GDP growth is relatively higher than world GDP growth.
Cameroon	0.010	0.013	30.0	0.036	0.042	17.0	1 414	3.5	4.8	-1.2	1.8	GDP growth is relatively higher than world GDP growth.
Canada	2.921	2.734	-6.4	2.388	2.166	-9.3	46 307	-0.8	2.1	-2.9	1.3	
Central African Republic	0.001	0.001	0.0	0.003	0.002	-16.4	399	-1.9	-5.0	3.2	6.4	
Chad	0.005	0.004	-20.0	0.017	0.016	-4.8	890	1.6	2.7	-1.1	2.0	Assessment is close to the floor.
Chile	0.399	0.407	2.0	0.326	0.323	-1.2	13 940	2.3	3.5	-1.1	3.6	
China	7.921	12.005	51.6	11.760	14.730	25.3	7 898	10.2	7.2	2.8	2.8	GDP growth is relatively higher than world GDP growth. Increased share in world GNI.
Colombia	0.322	0.288	-10.6	0.452	0.419	-7.3	6 667	-0.4	4.2	-4.4	3.5	
Comoros	0.001	0.001	0.0	0.001	0.002	101.7	1 559	1.2	3.8	-2.5	0.5	
Congo	0.006	0.006	0.0	0.016	0.016	4.4	2 520	-4.9	0.0	-4.9	-2.0	
Costa Rica[f]	0.047	0.062	31.9	0.057	0.065	14.7	10 453	7.3	3.8	3.4	4.0	Increased share in world GNI. GDP growth is relatively higher than world GDP growth.
Côte d'Ivoire	0.009	0.013	44.4	0.034	0.042	24.0	1 412	6.7	6.9	-0.1	2.9	GDP growth is relatively higher than world GDP growth.

Member State	2016–2018 scale	2018 update[b,c]	Percentage change	2016–2018 scale GNI share	2018 update scale GNI share	Percentage change	2018 update: average per capita GNI (United States dollars)	Average annual percentage change from 2011 to 2016: GDP: Nominal (United States dollars)	GDP: Real	Implicit price deflator[a]: United States dollars	Implicit price deflator[a]: National currency	Comments on the 2011 to 2016 period[d,e]
Croatia	0.099	0.077	-22.2	0.081	0.069	-14.7	12 437	-2.5	0.3	-2.9	0.7	Decreased share in World GNI.
Cuba	0.065	0.080	23.1	0.097	0.107	10.6	7 166	6.0	2.4	3.5	3.5	Revised national accounts data. Increased share in world GNI. Nominal GDP growth is relatively higher than world GDP growth.
Cyprus	0.043	0.036	-16.3	0.035	0.029	-18.8	25 552	-3.9	-0.8	-3.1	-0.1	
Czechia	0.344	0.311	-9.6	0.281	0.246	-12.3	17 726	-1.0	1.8	-2.8	1.3	
Democratic People's Republic of Korea	0.005	0.006	20.0	0.021	0.022	1.8	667	3.1	1.1	2.0	3.1	1968 SNA. Assessment is close to the floor. Nominal GDP growth is relatively higher than world GDP growth.
Democratic Republic of the Congo	0.008	0.010	25.0	0.035	0.046	30.9	469	11.0	6.8	3.9	5.8	GDP growth is relatively higher than world GDP growth.
Denmark	0.584	0.554	-5.1	0.477	0.439	-8.1	59 009	-0.8	1.3	-2.1	0.9	
Djibouti	0.001	0.001	0.0	0.002	0.002	11.7	1 776	8.7	6.9	1.7	1.7	
Dominica	0.001	0.001	0.0	0.001	0.001	-3.8	6 790	2.8	0.5	2.3	2.3	
Dominican Republic	0.046	0.053	15.2	0.077	0.084	8.4	6 113	5.3	5.3	0.0	3.5	
Ecuador	0.067	0.080	19.4	0.112	0.125	11.1	5 957	6.0	3.4	2.5	2.5	
Egypt	0.152	0.186	22.4	0.347	0.405	16.6	3 344	5.1	14.1	-7.9	1.4	Increased share in world GNI. GDP growth is relatively higher than world GDP growth.
El Salvador	0.014	0.012	-14.3	0.031	0.028	-9.4	3 446	4.4	2.7	1.7	1.7	
Equatorial Guinea	0.010	0.016	60.0	0.017	0.015	-11.6	9 922	-6.0	-1.3	-4.7	-1.8	The Member State graduated in June 2017 from LDC status and no longer benefits from the LDC ceiling. The Member State moved below the LPCIA threshold in the 3-year base period.
Eritrea	0.001	0.001	0.0	0.004	0.005	41.5	853	15.4	4.6	10.4	10.4	1968 SNA.
Estonia	0.038	0.039	2.6	0.031	0.031	-0.4	17 718	3.0	3.4	-0.3	2.7	
Eswatini	0.002	0.002	0.0	0.005	0.005	-15.6	2 711	-2.9	2.8	-5.6	6.1	

Member State	2016–2018 scale	2018 update[b,c]	Percentage change	2016–2018 scale GNI share	2018 update scale GNI share	Percentage change	2018 update: average per capita GNI (United States dollars)	Average annual percentage change from 2011 to 2016: GDP: Nominal (United States dollars)	GDP: Real	Implicit price deflator[a]: United States dollars	Implicit price deflator[a]: National currency	Comments on the 2011 to 2016 period[d,e]
Ethiopia	0.010	0.010	0.0	0.057	0.082	42.8	634	16.3	9.6	6.1	13.6	
Fiji	0.003	0.003	0.0	0.005	0.005	9.8	4 715	6.8	3.1	3.6	5.2	
Finland	0.456	0.421	-7.7	0.373	0.334	-10.5	46 583	-0.6	0.3	-0.9	2.1	
France	4.859	4.427	-8.9	3.972	3.507	-11.7	40 251	-1.2	1.0	-2.2	0.8	
Gabon	0.017	0.015	-11.8	0.020	0.019	-3.7	7 716	-0.4	4.7	-4.9	-2.0	
Gambia	0.001	0.001	0.0	0.001	0.001	-5.8	462	0.6	2.2	-1.6	6.0	
Georgia	0.008	0.008	0.0	0.020	0.019	-3.4	3 681	3.6	4.5	-0.9	3.9	
Germany	6.389	6.090	-4.7	5.222	4.823	-7.6	45 109	0.3	1.7	-1.4	1.6	
Ghana	0.016	0.015	-6.3	0.053	0.051	-3.5	1 444	4.9	7.0	-2.0	15.9	
Greece	0.471	0.366	-22.3	0.385	0.290	-24.6	19 632	-7.1	-3.3	-3.9	-1.0	Decreased share in world GNI.
Grenada	0.001	0.001	0.0	0.001	0.001	8.3	8 414	4.7	2.9	1.8	1.8	
Guatemala	0.028	0.036	28.6	0.065	0.077	18.6	3 676	8.8	3.7	4.9	3.9	GDP growth is relatively higher than world GDP growth.
Guinea	0.002	0.003	50.0	0.008	0.011	33.9	686	4.0	5.5	-1.4	6.2	Assessment is close to the floor. GDP growth is relatively higher than world GDP growth.
Guinea-Bissau	0.001	0.001	0.0	0.001	0.001	0.8	605	5.0	3.6	1.3	4.4	
Guyana	0.002	0.002	0.0	0.004	0.004	11.8	4 106	7.2	4.3	2.8	3.1	
Haiti	0.003	0.003	0.0	0.011	0.011	1.5	793	2.2	2.8	-0.6	7.4	
Honduras	0.008	0.009	12.5	0.023	0.025	7.1	2 116	5.3	3.6	1.7	5.0	
Hungary	0.161	0.206	28.0	0.181	0.163	-9.8	12 678	-0.7	2.0	-2.6	2.5	The Member State was reclassified as a high-income economy by the World Bank. It moved above the LPCIA threshold in the 3-year base period.
Iceland	0.023	0.028	21.7	0.018	0.022	19.2	50 836	7.3	3.6	3.6	3.4	Increased share in world GNI.
India	0.737	0.834	13.2	2.411	2.624	8.8	1 543	5.7	7.0	-1.2	5.3	
Indonesia	0.504	0.543	7.7	1.134	1.185	4.5	3 535	3.6	5.4	-1.8	4.7	
Iran (Islamic Republic of)	0.471	0.398	-15.5	0.668	0.596	-10.7	5 787	-2.0	1.6	-3.5	15.9	

Member State	2016–2018 scale	2018 update[b,c]	Percentage change	2016–2018 scale GNI share	2018 update scale GNI share	Percentage change	2018 update: average per capita GNI (United States dollars)	Average annual percentage change from 2011 to 2016: GDP Nominal (United States dollars)	GDP Real	Implicit price deflator[a] United States dollars	Implicit price deflator[a] National currency	Comments on the 2011 to 2016 period[d,e]
Iraq	0.129	0.129	0.0	0.230	0.230	-0.2	4 977	5.5	10.1	-4.2	-4.0	1968 SNA.
Ireland	0.335	0.371	10.7	0.273	0.294	7.4	47 675	5.4	7.0	-1.4	1.6	
Israel	0.430	0.490	14.0	0.351	0.387	10.3	37 050	5.3	3.6	1.6	2.0	
Italy	3.748	3.307	-11.8	3.063	2.620	-14.5	33 549	-2.2	-0.4	-1.9	1.1	
Jamaica	0.009	0.008	-11.1	0.019	0.018	-6.9	4 779	1.0	0.8	0.3	6.5	
Japan	9.680	8.564	-11.5	7.912	6.789	-14.2	40 414	-2.3	1.0	-3.3	0.2	
Jordan	0.020	0.021	5.0	0.041	0.046	13.5	3 998	6.5	2.6	3.9	3.9	1968 SNA.
Kazakhstan	0.191	0.178	-6.8	0.228	0.224	-1.8	9 725	-1.3	4.3	-5.3	8.9	
Kenya	0.018	0.024	33.3	0.064	0.079	25.1	1 306	9.9	5.6	4.1	8.5	GDP growth is relatively higher than world GDP growth.
Kiribati	0.001	0.001	0.0	0.000	0.000	23.8	2 929	2.5	3.5	-0.9	2.6	
Kuwait	0.285	0.252	-11.6	0.233	0.200	-14.4	40 267	-0.7	3.6	-4.1	-3.3	1968 SNA.
Kyrgyzstan	0.002	0.002	0.0	0.008	0.009	4.7	1 141	6.0	4.8	1.2	8.5	
Lao People's Democratic Republic	0.003	0.005	66.7	0.011	0.017	49.7	1 938	13.7	7.6	5.6	5.5	Assessment is close to the floor. Revised national accounts data. Increased share in world GNI. GDP growth is relatively higher than world GDP growth.
Latvia	0.050	0.047	-6.0	0.041	0.038	-8.2	14 238	2.5	3.3	-0.8	2.3	
Lebanon	0.046	0.047	2.2	0.058	0.062	6.5	8 422	4.4	1.7	2.6	2.6	
Lesotho	0.001	0.001	0.0	0.004	0.004	-2.8	1 318	-0.7	3.8	-4.3	7.5	
Liberia	0.001	0.001	0.0	0.002	0.003	32.4	447	13.4	6.3	6.7	6.7	
Libya	0.125	0.030	-76.0	0.102	0.044	-57.4	5 324	-24.2	-32.4	12.2	13.9	Decrease in GDP. The Member State moved below the LPCIA threshold in both the 3- and 6-year base periods.
Liechtenstein	0.007	0.009	28.6	0.006	0.007	11.8	138 564	1.6	1.1	0.6	-0.4	Increased share in world GNI.
Lithuania	0.072	0.071	-1.4	0.059	0.056	-4.9	14 505	2.4	3.5	-1.1	1.9	
Luxembourg	0.064	0.067	4.7	0.053	0.053	0.7	72 538	1.6	2.9	-1.2	1.8	
Madagascar	0.003	0.004	33.3	0.013	0.015	10.5	479	1.3	2.6	-1.3	5.8	Assessment is close to the floor.

Member State	2016–2018 scale	2018 update[b,c]	Percentage change	2016–2018 scale GNI share	2018 update scale GNI share	Percentage change	2018 update: average per capita GNI (United States dollars)	Average annual percentage change from 2011 to 2016: GDP		Implicit price deflator[a]		Comments on the 2011 to 2016 period[d,e]
								Nominal (United States dollars)	Real	United States dollars	National currency	
Malawi	0.002	0.002	0.0	0.009	0.008	-11.5	339	-4.4	3.8	-7.9	19.5	
Malaysia	0.322	0.341	5.9	0.384	0.395	2.8	9 941	2.5	5.1	-2.4	1.8	
Maldives	0.002	0.004	100.0	0.003	0.005	70.5	9 243	8.5	5.7	2.7	5.9	Assessment is close to the floor. GDP growth is relatively higher than world GDP growth.
Mali	0.003	0.004	33.3	0.013	0.017	28.4	769	4.7	8.2	-3.3	-0.3	Assessment is close to the floor. GDP growth is relatively higher than world GDP growth.
Malta	0.016	0.017	6.3	0.013	0.013	3.7	23 584	4.3	5.3	-0.9	2.1	
Marshall Islands	0.001	0.001	0.0	0.000	0.000	-1.8	4 525	2.7	1.7	1.0	1.0	
Mauritania	0.002	0.002	0.0	0.007	0.006	-2.9	1 185	1.2	4.5	-3.1	0.9	
Mauritius	0.012	0.011	-8.3	0.015	0.016	1.9	9 548	3.4	3.7	-0.3	2.1	
Mexico	1.435	1.292	-10.0	1.592	1.497	-5.9	9 163	0.3	2.9	-2.6	4.0	
Micronesia (Federated States of)	0.001	0.001	0.0	0.000	0.000	4.2	3 480	1.8	-0.2	1.9	1.9	
Monaco	0.010	0.011	10.0	0.008	0.008	0.3	169 702	3.2	5.5	-2.2	0.8	
Mongolia	0.005	0.005	0.0	0.014	0.014	4.9	3 692	7.6	8.6	-0.9	6.9	
Montenegro	0.004	0.004	0.0	0.006	0.006	-5.3	7 036	0.9	2.0	-1.1	2.0	
Morocco	0.054	0.055	1.9	0.132	0.134	1.2	2 969	1.8	4.3	-2.4	0.1	
Mozambique	0.004	0.004	0.0	0.019	0.019	-0.5	518	1.2	6.5	-5.0	5.3	
Myanmar[b]	0.010	0.010	0.0	0.073	0.081	10.3	1 181	-54.2	7.2	-57.2	5.0	1968 SNA.
Namibia	0.010	0.009	-10.0	0.016	0.016	-4.5	4 994	0.0	4.8	-4.5	7.2	
Nauru	0.001	0.001	0.0	0.000	0.000	-16.2	10 067	8.3	18.8	-8.8	-5.5	
Nepal	0.006	0.007	16.7	0.026	0.028	8.9	746	4.4	4.0	0.4	7.0	
Netherlands	1.482	1.356	-8.5	1.211	1.074	-11.3	48 481	-1.2	1.0	-2.2	0.7	
New Zealand	0.268	0.291	8.6	0.219	0.230	5.3	38 399	4.2	3.0	1.1	1.7	
Nicaragua	0.004	0.005	25.0	0.013	0.015	20.3	1 938	7.1	5.3	1.6	6.7	Assessment is close to the floor. GDP growth is relatively higher than world GDP growth. Increased share in world GNI.

Member State	2016–2018 scale	2018 update[b,c]	Percentage change	2016–2018 scale GNI share	2018 update scale GNI share	Percentage change	2018 update: average per capita GNI (United States dollars)	Average annual percentage change from 2011 to 2016: GDP: Nominal (United States dollars)	GDP: Real	Implicit price deflator[a]: United States dollars	Implicit price deflator[a]: National currency	Comments on the 2011 to 2016 period[d,e]
Niger	0.002	0.002	0.0	0.009	0.010	5.7	381	4.9	6.0	-1.1	2.0	
Nigeria	0.209	0.250	19.6	0.538	0.609	13.1	2 612	1.5	3.6	-2.0	6.9	
Norway	0.849	0.754	-11.2	0.694	0.597	-13.9	88 477	-2.4	1.6	-4.0	1.5	
Oman	0.113	0.115	1.8	0.092	0.091	-1.0	17 374	2.7	4.7	-1.9	-1.9	
Pakistan	0.093	0.115	23.7	0.317	0.365	15.4	1 494	6.9	4.5	2.3	5.9	Increased share in world GNI.
Palau	0.001	0.001	0.0	0.000	0.000	24.9	12 089	8.3	3.1	5.1	5.1	
Panama[f]	0.034	0.045	32.4	0.043	0.060	39.2	11 759	11.9	7.2	4.3	4.3	GDP growth is relatively higher than world GDP growth. Increased share in world GNI.
Papua New Guinea	0.004	0.010	150.0	0.017	0.028	67.3	2 735	8.0	5.6	2.3	4.7	Assessment is close to the floor. GDP growth is relatively higher than world GDP growth. Increased share in world GNI.
Paraguay	0.014	0.016	14.3	0.032	0.035	9.2	4 060	5.4	4.7	0.6	3.7	
Peru	0.136	0.152	11.8	0.227	0.241	6.5	5 921	4.5	4.6	-0.2	2.8	
Philippines	0.165	0.205	24.2	0.393	0.448	14.0	3 397	7.3	6.1	1.2	2.0	Increased share in world GNI.
Poland	0.841	0.802	-4.6	0.687	0.635	-7.5	12 659	-0.3	3.0	-3.2	1.2	
Portugal	0.392	0.350	-10.7	0.320	0.277	-13.6	20 191	-2.5	-0.5	-2.0	1.0	
Qatar	0.269	0.282	4.8	0.220	0.224	1.7	71 677	3.6	5.3	-1.6	-1.6	
Republic of Korea	2.039	2.267	11.2	1.666	1.794	7.7	27 135	4.4	3.0	1.3	1.4	
Republic of Moldova	0.004	0.003	-25.0	0.011	0.010	-5.0	1 920	2.6	4.0	-1.3	6.9	Assessment is close to the floor.
Romania	0.184	0.198	7.6	0.251	0.241	-4.0	9 212	2.0	3.1	-1.1	3.1	
Russian Federation	3.088	2.405	-22.1	2.524	2.194	-13.1	11 635	-3.0	1.3	-4.2	9.3	The Member State was reclassified as an upper-middle-income economy by the World Bank and now benefits from debt burden adjustment. Decrease in nominal GDP. The Member State moved below the LPCIA threshold in the 3-year base period.

Member State	2016–2018 scale	2018 update[b,c]	Percentage change	2016–2018 scale GNI share	2018 update scale GNI share	Percentage change	2018 update: average per capita GNI (United States dollars)	Average annual percentage change from 2011 to 2016: GDP		Implicit price deflator[a]		Comments on the 2011 to 2016 period[d,e]
								Nominal (United States dollars)	Real	United States dollars	National currency	
Rwanda	0.002	0.003	50.0	0.009	0.010	12.1	683	6.6	7.3	-0.6	4.5	Assessment is close to the floor. GDP growth is relatively higher than world GDP growth.
Saint Kitts and Nevis	0.001	0.001	0.0	0.001	0.001	9.2	15 233	4.3	3.3	1.0	1.0	
Saint Lucia	0.001	0.001	0.0	0.002	0.002	-0.1	7 102	1.9	0.4	1.6	1.6	
Saint Vincent and the Grenadines	0.001	0.001	0.0	0.001	0.001	-0.3	6 643	2.0	1.1	0.8	0.8	
Samoa	0.001	0.001	0.0	0.001	0.001	0.3	4 049	3.2	2.2	1.1	1.6	
San Marino	0.003	0.002	-33.3	0.002	0.002	-20.5	44 900	-4.8	-3.3	-1.5	1.5	Assessment is close to the floor.
Sao Tome and Principe	0.001	0.001	0.0	0.000	0.000	20.9	1 672	10.2	4.5	5.5	8.7	
Saudi Arabia	1.146	1.172	2.3	0.937	0.928	-0.9	22 903	3.4	4.6	-1.1	-1.1	
Senegal	0.005	0.007	40.0	0.019	0.024	24.2	1 240	2.1	3.8	-1.6	1.4	GDP growth is relatively higher than world GDP growth. Increased share in world GNI.
Serbia	0.032	0.028	-12.5	0.058	0.051	-12.3	5 489	-0.5	0.8	-1.3	4.8	
Seychelles	0.001	0.002	100.0	0.001	0.002	8.8	13 278	6.7	4.8	1.7	3.4	Assessment is close to the floor. The Member State was reclassified as a high-income economy by the World Bank. It moved above the LPCIA threshold in both the 3- and 6-year base periods.
Sierra Leone	0.001	0.001	0.0	0.005	0.005	12.8	575	6.1	4.5	1.5	9.6	
Singapore	0.447	0.485	8.5	0.365	0.384	5.1	53 519	4.6	4.0	0.6	0.8	
Slovakia	0.160	0.153	-4.4	0.130	0.121	-7.4	16 964	0.0	2.6	-2.5	0.4	
Slovenia	0.084	0.076	-9.5	0.068	0.060	-12.5	22 043	-1.2	0.8	-2.0	1.0	
Solomon Islands	0.001	0.001	0.0	0.001	0.001	24.8	1 735	7.8	3.4	4.3	4.0	
Somalia	0.001	0.001	0.0	0.002	0.002	-13.3	93	3.5	2.6	0.9	-3.6	1968 SNA.
South Africa	0.364	0.272	-25.3	0.511	0.433	-15.3	6 041	-3.9	1.9	-5.7	6.0	Decreased share in world GNI.
South Sudan	0.003	0.006	100.0	0.011	0.019	76.0	1 268	-13.1	-3.1	-10.4	49.4	Assessment is close to the floor. Revised national accounts data. Increased share in world GNI.

Member State	2016–2018 scale	2018 update[b,c]	Percentage change	2016–2018 scale GNI share	2018 update scale GNI share	Percentage change	2018 update: average per capita GNI (United States dollars)	Average annual percentage change from 2011 to 2016: GDP: Nominal (United States dollars)	GDP: Real	Implicit price deflator[a]: United States dollars	Implicit price deflator[a]: National currency	Comments on the 2011 to 2016 period[d,e]
Spain	2.443	2.146	-12.2	1.997	1.700	-14.9	27 866	-2.4	0.4	-2.8	0.2	
Sri Lanka	0.031	0.044	41.9	0.079	0.099	26.0	3 673	6.2	5.8	0.3	4.7	GDP growth is relatively higher than world GDP growth.
Sudan	0.010	0.010	0.0	0.077	0.081	4.8	1 620	9.5	2.0	7.4	26.7	1968 SNA.
Suriname	0.006	0.005	-16.7	0.006	0.006	-7.7	8 098	-4.7	0.6	-5.2	8.6	
Sweden	0.956	0.906	-5.2	0.782	0.718	-8.2	56 392	0.9	2.3	-1.4	1.5	
Switzerland	1.140	1.151	1.0	0.932	0.912	-2.1	84 326	2.3	1.6	0.7	-0.3	
Syrian Arab Republic[b]	0.024	0.011	-54.2	0.064	0.034	-47.1	1 330	-23.2	-12.9	-11.8	29.3	1968 SNA. Decrease in GDP.
Tajikistan	0.004	0.004	0.0	0.013	0.013	3.8	1 198	3.5	6.2	-2.5	7.5	
Thailand	0.291	0.307	5.5	0.495	0.504	1.8	5 617	3.2	3.0	0.2	2.0	
The former Yugoslav Republic of Macedonia	0.007	0.007	0.0	0.014	0.014	-3.5	4 971	2.2	2.5	-0.3	2.8	
Timor-Leste	0.003	0.002	-33.3	0.006	0.004	-28.4	2 634	-7.4	-1.0	-6.5	-6.5	Revised national accounts data. Decreased share in world GNI. Assessment is close to the floor. Decrease in GDP.
Togo	0.001	0.002	100.0	0.005	0.006	35.8	656	4.6	6.0	-1.4	1.6	Assessment is close to the floor. GDP growth is relatively higher than world GDP growth.
Tonga	0.001	0.001	0.0	0.001	0.001	-6.1	4 146	0.9	1.6	-0.7	1.8	
Trinidad and Tobago	0.034	0.040	17.6	0.027	0.031	14.8	17 700	1.4	0.0	1.4	2.2	
Tunisia	0.028	0.025	-10.7	0.061	0.056	-7.3	3 832	-0.9	1.4	-2.3	4.5	
Turkey	1.018	1.371	34.7	1.077	1.149	6.8	11 336	1.9	6.4	-4.3	7.5	Revised national accounts data. Increased share in world GNI. The Member State moved above the LPCIA threshold in both the 3- and 6-year base periods.
Turkmenistan	0.026	0.033	26.9	0.040	0.046	14.4	6 386	8.2	9.8	-1.5	2.0	GDP growth is relatively higher than world GDP growth.
Tuvalu	0.001	0.001	0.0	0.000	0.000	-8.5	5 097	2.4	3.6	-1.1	2.4	1968 SNA.
Uganda	0.009	0.008	-11.1	0.035	0.033	-4.8	642	4.2	4.4	-0.2	7.6	

								Average annual percentage change from 2011 to 2016				
								GDP		Implicit price deflator[a]		
Member State	*2016–2018 scale*	*2018 update*[b,c]	*Percentage change*	*2016–2018 scale GNI share*	*2018 update scale GNI share*	*Percentage change*	*2018 update: average per capita GNI (United States dollars)*	*Nominal (United States dollars)*	*Real*	*United States dollars*	*National currency*	*Comments on the 2011 to 2016 period*[d,e]
Ukraine	0.103	0.057	-44.7	0.239	0.162	-32.2	2 757	-6.1	-1.5	-4.6	15.9	Decrease in GDP.
United Arab Emirates	0.604	0.616	2.0	0.493	0.487	-1.2	40 905	3.1	4.6	-1.4	-1.4	
United Kingdom of Great Britain and Northern Ireland	4.463	4.567	2.3	3.647	3.616	-0.9	42 355	1.4	2.1	-0.7	1.6	
United Republic of Tanzania	0.010	0.010	0.0	0.051	0.060	16.4	862	7.4	6.9	0.5	8.0	
United States of America	22.000	22.000	0.0	22.572	23.575	4.4	56 494	3.7	2.1	1.6	1.6	
Uruguay	0.079	0.087	10.1	0.065	0.069	6.1	15 268	4.6	3.1	1.4	8.6	
Uzbekistan	0.023	0.032	39.1	0.068	0.086	26.4	2 150	9.4	7.7	1.6	12.7	GDP growth is relatively higher than world GDP growth.
Vanuatu	0.001	0.001	0.0	0.001	0.001	0.6	3 023	3.0	2.1	0.9	2.8	
Venezuela (Bolivarian Republic of)[b]	0.571	0.728	27.5	0.485	0.596	22.9	14 746	9.3	-2.9	12.5	74.1	Increased share in world GNI. Nominal GDP growth is relatively higher than world GDP growth.
Viet Nam	0.058	0.077	32.8	0.191	0.230	20.6	1 894	10.0	6.0	3.8	6.7	GDP growth is relatively higher than world GDP growth.
Yemen	0.010	0.010	0.0	0.043	0.037	-12.3	1 078	-2.6	-12.3	11.0	10.6	
Zambia	0.007	0.009	28.6	0.025	0.030	19.3	1 459	1.0	4.9	-3.8	9.3	Revised national accounts data. Increased share in World GNI.
Zimbabwe	0.004	0.005	25.0	0.015	0.020	28.0	963	8.6	6.5	1.9	1.9	Assessment is close to the floor. GDP growth is relatively higher than world GDP growth.

(Footnotes on following page.)

(Footnotes to annex V)

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Abbreviations: GDP, gross domestic product; GNI, gross national income; LDC, least developed country; LPCIA, low per capita income adjustment; SNA, System of National Accounts.

[a] The implicit price deflator is calculated as GDP at current prices divided by GDP at constant prices.

[b] "2018 update" refers to the update of the 2016–2018 scale using data available in June 2018 for the period 2011–2016.

[c] Using United Nations operational rates of exchange for Myanmar (2011–2012) and the Syrian Arab Republic (2011–2016) and modified conversion rates for the Bolivarian Republic of Venezuela (2014–2016).

[d] All Member States compile their GNI using either the 1993 SNA or the 2008 SNA, except those identified with the comment "1968 SNA".

[e] Comments are provided for those Member States with a 20 per cent or more change in scale from the 2016–2018 scale to the 2018 update scale.

[f] Member States with a per capita GNI above the LPCIA threshold, but with a debt-adjusted per capita GNI below the LPCIA threshold of $10,440.

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