



OPCW

Conference of the States Parties

Twelfth Session
5 – 9 November 2007

C-12/DEC.6
7 November 2007
Original: ENGLISH

DECISION

ADJUSTMENT TO THE SCALE OF ASSESSMENT FOR ARGENTINA FOR 2003

The Conference of the States Parties,

Recalling that Article VIII, paragraph 7, of the Chemical Weapons Convention (hereinafter “the Convention”) and Regulation 5.1 of the OPCW Financial Regulations require that annual contributions to meet the costs of the OPCW’s activities be paid by States Parties in accordance with the United Nations (UN) scale of assessments, adjusted to take into account differences in membership between the UN and the OPCW;

Recalling also that Article VIII, subparagraph 21(b), of the Convention and Financial Regulation 3.6 of the OPCW Financial Regulations stipulate that the Conference of the States Parties (hereinafter “the Conference”) shall decide on the scale of assessments to be paid by States Parties;

Considering Argentina’s *note verbale*, dated 8 August 2002, to the OPCW (see Annex 1), forwarding the recommendation of the UN Committee on Contributions to the General Assembly to fix the rate of assessment for Argentina at 0.969 per cent in 2003 (instead of the previously applicable rate for 2001 to 2003 of 1.149 per cent);

Bearing in mind that it adopted the OPCW’s scale of assessments for 2003 at its Seventh Session (C-7/DEC.18, dated 11 October 2002) wherein Argentina’s assessed contribution was approved in the amount of EUR 735,243 (based on the previously applicable UN rate of assessment of 1.149 per cent);

Bearing in mind also that the Director-General formally informed Argentina of its 2003 assessed contribution based on the aforementioned decision by the Conference in accordance with OPCW Financial Regulation 5.3;

Noting the decision of the UN General Assembly (resolution A/RES/57/4 B, dated 29 January 2003), fixing the rate of assessment for Argentina in 2003 at 0.969 per cent as an ad hoc adjustment (see Annex 2); and

Taking into account that the aforementioned decision of the UN General Assembly noted that its decision “should have no automatic implication for the apportionment of the expenses of the specialized agencies or the International Atomic Energy Agency”;



Hereby:

Approves, based on UN resolution A/RES/57/4 B, which, on an ad hoc basis, fixed the UN's rate of assessment for Argentina for 2003 at 0.969 per cent (from 1.149 per cent), the retroactive adjustment to the OPCW's scale of assessment for Argentina for 2003, adjusted to take into account differences in membership between the UN and the OPCW;

Decides that the resulting reduction of EUR 113,748 to Argentina's assessed contribution to the OPCW for 2003 should be offset against Argentina's outstanding contributions in accordance with Financial Regulation 5.6; and

Decides further that the retroactive adjustment of the scale of assessment for Argentina for 2003 should not have any retroactive impact on any of the other assessment rates issued by the OPCW for 2003.

Annexes (English only):

Annex 1: *Note verbale* from Argentina (dated 8 August 2002)

Annex 2: UN General Assembly Resolution A/RES/57/4 B (dated 29 January 2003)

Annex 1

Embajada
de la
República Argentina

CMS Reg. #
01353

RECEIVED

9 - AUG 2002
IN-254/02
Budget & Finance Office

OINr. 31/02

**REF: RECOMMENDATION OF THE ONU COMMITTEE ON
CONTRIBUTIONS**

The Embassy of Argentina presents its compliments to the Organization for the Prohibition of Chemical Weapons - Administration Division- and has the honour to forward -in reference to the contribution of the Argentine Republic to the ONU- the Recommendation that has been approved by the Committee on Contributions of the United Nations in its 62nd. Session.

The above-mentioned recommendation shall be considered for its approval by the General Assembly in its next session to be held from September to December of the current year.

To that end, please find attached the copy of the relevant paragraphs of the Report of the Committee on Contributions (A/57/11).

The Embassy of Argentina avails itself of this opportunity to renew to the Organization for the Prohibition of Chemical Weapons - Administration Division- the assurances of its highest consideration.

The Hague, August 8th, 2002



*Organization for the Prohibition of Chemical Weapons
Administration Division
The Hague*

"B. Argentina

78. The Committee had before it the text of a letter dated 14 May 2002 from the President of the General Assembly to the Chairman of the Committee on Contributions, transmitting letters dated 10 May 2002 and 24 May 2002 from the Permanent Representative of Argentina to the United Nations addressed to the Chairman of the Committee on Contributions. It also heard an oral representation by the Permanent Representative of Argentina to the United Nations.

79. In its written and oral representations, Argentina provided information concerning its current unprecedented economic crisis. Following a period of dynamic expansion in the 1990s, the Argentine economy had fallen into recession in mid-1998. From 2001, however, the recession had become a depression, with GDP shrinking by 4.5 per cent in 2001 and investment falling by 15.9 per cent. Those trends had also been manifested in a financial and banking crisis and, in December 2001, a first freeze on bank deposits. The Government had also been forced to suspend payments on all its public debt and break the one-to-one link between the peso and the United States dollar, with an initial 40 per cent devaluation of the peso. The exchange rate was now floating, and currently stood at about 3.8 pesos to the dollar, although restrictions on bank withdrawals were still in effect. IMF projections anticipated a further contraction of the Argentine economy in 2002, of 10 to 15 per cent, and no real growth before 2004. The current depression had already led to a steep rise in unemployment, 18.3 per cent by the end of 2001, and poverty, with 35 per cent of the residents of greater Buenos Aires below the poverty line.

80. Given the unprecedented nature of the crisis and the recent large increases in its rate of assessment, Argentina requested a reduction of its rate of assessment for 2003, under the provisions of rule 160 of the rules of procedure of the General Assembly, on the basis that its capacity to pay was substantially reduced. It also requested that its placement for the purposes of peacekeeping assessments be lowered from level F, given the reduction in its per capita GNI.

81. As regards Argentina's request for placement in another level for the purpose of peacekeeping assessments, the Committee recalled that it had no mandate to consider the system of adjustments for establishing peacekeeping rates of assessment.

82. The Committee expressed sympathy for Argentina's situation, and a variety of different views and concerns were expressed about how best to respond to its request.

83. Several members considered that the situation clearly fell under the provisions of the second sentence of rule 160 of the rules of procedure of the General Assembly, regarding "substantial changes in relative capacity to pay".

84. On the other hand, concern was expressed that changing Argentina's rate of assessment under the second sentence of rule 160 without clear and objective criteria would create an unfortunate precedent and would lead to a proliferation of such requests. It was recalled that other Member States facing severe economic problems had either been refused a reduction of their rates of assessment or had decided not to request a decrease, since the reduction in their GNI would lead to lower assessment rates in future scales. Another view was that the readjustment of the present rate of assessment would de facto affect the next scale of assessments.

85. In general, however, the Committee agreed that the situation of Argentina was indeed extraordinary and the result of a chain of events that were exceptional in nature, with compounded negative effects over the last four years, and that some measure of relief was appropriate. In that context, the Committee recognized that, unlike the situation of Afghanistan, this was not a problem of availability of reliable data. The economic crisis facing Argentina had begun after the base period for the current scale. In the view of some members, it was therefore difficult to fit any relief measure within the methodology for the current scale.

86. The Committee expressed concern that whatever measure was adopted should not undermine the current scale methodology. The Committee therefore did not agree to the suggestion that the scale should be adjusted on the basis of projected future income figures. It recalled, however, that under the current scale, Argentina had picked up points, as it was above the threshold for the low per capita income adjustment. The Committee therefore considered reducing or eliminating that increase in points as an ad hoc measure of relief for Argentina in 2003. It also considered retroactively applying PARE to Argentina's data for 1996 to 1998, in line with the adjustment of the Member States listed in paragraph 96 of the Committee's report on its sixtieth session.³

87. Some members did not share the view that the use of PARE as a conversion rate for the calculation of Argentina's GNI fell within the methodology of the current scale of assessments. They felt that 0.969 per cent, Argentina's share of total membership GNP in the

period 1993-1998, was a more appropriate figure for an ad hoc adjustment.

88. Some members of the Committee noted that the case of Argentina illustrated that, for the purposes of the future consideration of the elements of the methodology of the scale of assessments, a base period subject to annual recalculation, and based on the most updated economic data available, would considerably limit the scope for requests for the change of assessments due to economic developments subsequent to the establishment of the scale. Other members expressed dissenting views.

Conclusions and recommendations

89. The Committee on Contributions recalled its role, under rule 160 of the rules of procedure of the General Assembly, of advising the Assembly on appeals by Members for a change of assessments.

90. The Committee agreed that Argentina's capacity to pay had been seriously affected by recent developments, which were sufficiently exceptional in terms of economic, financial and social disruption to warrant consideration in that context.

91. The Committee observed that those developments had taken place after the base period used in the preparation of the scale of assessments for the period 2001-2003.

92. The Committee recalled that the application of the methodology for the preparation of the current scale of assessments involved an increase from 0.969 per cent, Argentina's share of total membership GNP in the period 1993-1998, to 1.149 per cent, its rate of assessment for 2003.

93. The Committee recommended that the General Assembly fix a rate of assessment for Argentina of 0.969 per cent in 2003 as an ad hoc adjustment.

94. Some members of the Committee, while not wishing to hinder the attainment of consensus on this issue, expressed their preference for the use of the current PARE methodology in order to estimate a more appropriate rate of assessment for Argentina for 2003. They noted that this would be the most appropriate solution from a technical point of view, falling within the methodology for the current scale of assessments. They also noted that this approach would yield a rate of assessment of 0.88342 per cent in 2003."

Annex 2

United Nations

A/RES/57/4 B



General Assembly

Distr.: General
29 January 2003

Fifty-seventh session
Agenda item 117

Resolution adopted by the General Assembly

[on the report of the Fifth Committee (A/57/429/Add.1)]

57/4. Scale of assessments for the apportionment of the expenses of the United Nations

B*

The General Assembly,

Recalling its resolutions 47/217 of 23 December 1992, 55/5 B of 23 December 2000, 56/240 E of 27 March 2002, 56/243 A of 24 December 2001, 56/243 B of 27 March 2002, 57/1 of 10 September 2002 and 57/3 of 27 September 2002,

Recalling also rule 160 of the rules of procedure of the General Assembly,

Having considered the report of the Committee on Contributions on its sixty-second session,¹

Having also considered the reports of the Secretary-General on the application of Article 19 of the Charter of the United Nations² and on multi-year payment plans,³

Having further considered the letter dated 27 December 2001 from the Secretary-General addressed to the President of the General Assembly,⁴

Welcoming the admission of Switzerland and Timor-Leste to membership of the United Nations,

Multi-year payment plans

1. *Endorses* the conclusions and recommendations of the Committee on Contributions concerning multi-year payment plans, as contained in paragraphs 17 to 23 of its report;¹

* Consequently, resolution 57/4 of 27 September 2002 becomes resolution 57/4 A.

¹ *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 11 (A/57/11).*

² A/57/60.

³ A/57/65.

⁴ A/56/767.

A/RES/57/4 B

2. *Urges* all Member States to pay their assessed contributions in full, on time and without imposing conditions, in order to avoid the difficulties being experienced by the United Nations;

Appeals by Members for a change of assessments

3. *Decides* to fix the rates of assessment in 2003 for Afghanistan at 0.001 per cent and for Argentina at 0.969 per cent, as ad hoc adjustments;

4. *Requests* the Committee on Contributions to elaborate further on the criteria regarding ad hoc adjustments of the rates of assessment for consideration and approval by the General Assembly, in keeping with rule 160 of the rules of procedure of the Assembly, so as to facilitate further its consideration of such adjustments;

5. *Emphasizes* the need to seek to preserve the integrity of the scale of assessments;

6. *Notes* that the decision contained in paragraph 3 above is not a precedent and that future appeals by Member States under rule 160 of the rules of procedure will be considered on a case-by-case basis;

7. *Also notes* that this decision should have no automatic implication for the apportionment of the expenses of the specialized agencies or the International Atomic Energy Agency;

Assessment of new Member States

8. *Reaffirms* the current methodology of the scale of assessments, as approved in its resolution 55/5 B;

9. *Decides* that the rate of assessment for Switzerland, admitted to membership of the United Nations on 10 September 2002, should be 1.274 per cent for the years 2002 and 2003;

10. *Decides also* that the rate of assessment for Timor-Leste, admitted to membership of the United Nations on 27 September 2002, should be 0.001 per cent for the years 2002 and 2003;

11. *Decides further* that the contributions of Switzerland and Timor-Leste for the regular budget, the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 and the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 for the year 2002 should be calculated on the basis of one twelfth of their relevant rates of assessment for the year 2002 per full calendar month of membership;

12. *Decides* that Switzerland should be credited with a corresponding proportion of its non-member State assessment for the year 2002;

13. *Decides also* that the contributions of Switzerland and Timor-Leste for the year 2002 should otherwise be applied to the same basis of assessment as for other Member States;

14. *Decides further* that the assessments of Switzerland and Timor-Leste for the year 2002 should be taken into account as miscellaneous income in accordance with regulation 5.2 (c) of the Financial Regulations and Rules of the United Nations;

A/RES/57/4 B

15. *Decides* that for the year 2003, the rates of assessment for Switzerland and Timor-Leste should be added to the scale of assessments established by the General Assembly in its resolution 55/5 B;

16. *Decides also* that, in accordance with financial regulation 5.8, the advances of Switzerland and Timor-Leste to the Working Capital Fund should be calculated by the application of their rates of assessment for the year 2002 to the authorized level of the Fund and should be added to the Fund, pending their incorporation in a 100 per cent scale for the Fund for the biennium 2004–2005;

Outstanding assessed contributions of the former Yugoslavia

17. *Decides* to consider further the question of the outstanding assessed contributions of the former Yugoslavia at its fifty-eighth session;

Other matters

18. *Endorses* the recommendation of the Committee on Contributions contained in paragraph 125 of its report¹ concerning the financing of the final budget appropriations for the biennium 2000–2001.

*78th plenary meeting
20 December 2002*