



**STATEMENT ON BEHALF OF GROUP OF 77 AND CHINA BY MR. IMTIAZ HUSSAIN, MINISTER, PERMANENT MISSION OF PAKISTAN TO THE UNITED NATIONS, ON AGENDA ITEM 132: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS, AT THE FIFTH COMMITTEE DURING THE MAIN PART OF THE 62ND SESSION OF THE GENERAL ASSEMBLY (New York, 8 October 2007)**

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on item 132, scale of assessments for the apportionment of the expenses of the United Nations.

2. The Group would like to express its appreciation to the Chairman of the Committee on Contributions, Mr. Bernardo Greiver for introducing the report of the sixty-fifth session of the Committee, as contained in document A/62/11, and to the Controller, Mr. Warren Sach, for introducing the report of the Secretary-General in document A/62/70.

Mr. Chairman,

3. The scale of assessment and status of contribution are issues of fundamental importance for the Member States. Bearing in mind the difficult compromise on the scale of assessment in December 2006, we should avoid another round of divisive discussion on elements of the methodology of the scale of assessment, which may better be held in the future Sessions.

4. The Group of 77 and China would like to reaffirm that Member States under the Charter have a legal obligation to bear the financial expenses of the Organization, in accordance with their capacity to pay. However, we acknowledge that some Member States may temporarily not be able to meet their financial obligations as a consequence of genuine economic difficulties and circumstances beyond their control.

5. The Group of 77 and China having carefully reviewed the requests and representations for exemption made by the Central African Republic, the Comoros, Guinea-Bissau, Somalia, Tajikistan, Liberia, and Sao Tome and Principe, agrees with the recommendation of the COC that these Member States could not pay the full minimum amount necessary to avoid the application of Article 19 due to conditions beyond their control. The Group therefore supports the recommendation of the Committee on Contribution to exempt these States from the application of article 19 and the permission to exercise their right to vote until the beginning of the 63rd session of the General Assembly. Given the time constraints in the budget year, the Group is ready to take action on the proposed draft resolution without informal consultations as soon as possible.

Mr. Chairman,

6. The Group of 77 and China notes the information on multi-year payment plans by states with significant arrears of contributions. The Group would like to reiterate that it is essentially a voluntary mechanism to reduce the unpaid assessed contributions and a way to demonstrate commitment to meeting financial obligations to the United Nations. The Group would like to stress that the performance of the concerned Member States in this context should be judged by taking into account their difficult situation. The Group of 77 and China would like to express its appreciation to

Georgia and Niger for fully paying their arrears and would encourage the remaining states to follow their example.

Mr. Chairman,

7. The Group takes note of the recommendations of the Committee Contributions on elements of the methodology for the preparation of the scale of assessment. The Group support the recommendations to encouraging Member States to adopt the 1993 SNA as well as on using the conversion rates based on Market Exchange Rates(MER) for scale of assessment, except where that would cause excessive fluctuations and distortions in the GNI of some Member States expressed in the U.S. dollars at MERs and that in such cases Price Adjusted Rates of Exchanges or other appropriate conversions should be used.

8. The Group would like to emphasize that the core elements of the current methodology of the scale of assessment such as base period, GNI, conversion rates, low per capita income adjustment, gradient, floor, ceiling for LDCs and debt stock adjustment must be kept intact and are not negotiable. We would also like to reiterate that the current maximum assessment rate, or ceiling, had been fixed as a political compromise and is contrary to the principle of the capacity to pay and a fundamental source of distortion in the scale of assessment.

9. With respect to the apportionment of the expenses of the United Nations, one of the major concerns of the Group has been the abrupt and sharp increases experienced by some developing countries in the rates of their assessments from one scale period to another, especially having regard to the guidelines of General Assembly resolution 55/5B concerning the application of different elements of the scale methodology where there are excessive fluctuations and distortions. In this context, the Group would urge the Committee on Contributions to pay closer attention to ensure that in the application of any methodology approved by the General Assembly, careful attention be given to avoid such exorbitant increases between one scale cycle and another. Similarly, efforts should also be made to reduce to the barest minimum possible, anomalies arising from the application of the existing methodology especially in relation to the relative contributions of the developed as opposed to developing countries. In the context of this intergovernmental framework, the Group would also urge the Committee on Contribution to review measures that could be applied to address cases of excessive increase for developing countries.

10. The Group of 77 and China also notes that the question of annual recalculation of the scale was raised in the report of the Committee on Contributions, but we doubt that given its inherent limitations this model can ever be the basis for a consensus. It would be prudent to drop this from further consideration.

Mr. Chairman,

11. The Group is conscious of the settling the issue of scale of assessment of the successor States of Former Yugoslavia. We have always been ready to resolve this issue. However, once again the information before us is inadequate to make an informed decision.

I thank you Mr. Chairman.