

Statement by H. E. Mr. S. R. Insanally, Ambassador / Permanent Representative of the Republic of Guyana, Chairman of the Group of 77 on agenda item 125 : Scale of Assessment for the Apportionment of the Expenses of the United Nations, in the Fifth Committee of the 54th Session of the United Nations General Assembly

New York, 18 October 1999

Madame Chairman,

The Group of 77 and China attaches great importance to Agenda Item 125, Scale of Assessments for the apportionment of the expenses of the United Nations. We therefore welcome the opportunity to review it at this 54th United Nations General Assembly.

Our comments will be based largely on the Committee on Contributions report A/54/11, which its Chairman says, has been good enough to introduce with impressive stamina.

Let me say first that the G-77 and China holds to the view that the resources provided to the Organization must be commensurate with its mandates, and further that Member States have a legal obligation to bear these expenses as apportioned by the General Assembly. The Organization cannot be expected to discharge its many responsibilities and to fund its activities if it is not provided with adequate resources.

As has been agreed, these assessed contributions are based on the principle of the "capacity to pay", which remains the fundamental criterion in the apportionment of the expenses of the United Nations. In any adjustment of the scale, therefore, the G-77 and China cannot accept any variation to this principle.

Madame Chairman,

The Group of 77 and China regrets the fact that the Committee on Contributions has not been able, despite its best efforts, to make concrete recommendations on the elements of scale of assessments methodology and the procedural aspects of the application of Article 19 of the Charter. Our Group is of the view that the Committee on Contributions should continue consideration of the elements and make recommendations to facilitate the work of the Committee. The Committee on Contributions must fulfill its role as an expert advisory body in conformity with its original terms of reference.

Madame Chairman,

The Group wishes to remind that the low per capita income adjustment should remain an integral part of the scale methodology in order to provide relief to developing countries. Moreover, it is our view that the gradient should be revised from 80% to the highest possible level in order to make the scale of assessments fair and equitable. We would also wish to emphasize that special consideration should be given to those developing countries that have crossed, or are in the process of crossing, the threshold of the low per capita income and which otherwise might be assigned a disproportionate burden that would affect their capacity to pay. Therefore, mitigation of the effects of discontinuity should be incorporated in the present scale. The Group will put forward concrete proposals that would give these countries sufficient time to adjust to the scale-to-scale increase without additional burden to developing countries.

Let me add, Madame Chairman, the debt burden adjustment should be maintained as an integral element of scale methodology, and that the income measure should be on the basis of the Gross National Product (GNP).

Our Group would also like to express its support to the Committee's conclusion that the market exchange rates should be used for the scale of assessments, excepts in cases where its use would cause excessive fluctuations and/or distortions in the income of Member States, or other appropriate conversion rates.

We would also like to emphasize that the floor should remain at 0.001 per cent.

On the question of a ceiling, there should be a review, bearing in mind that the ceiling should not be arbitrary so as to obscure the relationship between a country's capacity to pay and the rate of assessment applicable to it. The current ceiling rate of 25 per cent, the maximum any country is assessed for, is already a departure from the principle of capacity to pay and, therefore, we do not see how it could be lowered any further.

The Group is of the view that a new element on the floor for permanent members of the Security Council in the scale of assessments should not be included. The conclusion of such an element would be contrary to the principle of capacity-to-pay and thus be improper.

The proposal for the annual recalculation of scale of assessments is not in conformity with the principles contained in the original terms of reference of the Committee on Contributions. Moreover, the Committee on Contributions has highlighted a number of procedural and practical questions which render the proposal for annual recalculation impractical. The proposal should, in our view, not be pursued further by the Committee on Contribution or the Fifth Committee.

Madame Chairman,

Since the Committee on Contribution has so far not been able to submit concrete recommendations on the procedural aspects of the application of Article 19, the Group accepts the need to consider sympathetically requests of those Member States, in particular developing countries, that are temporarily experiencing genuine economic difficulties. Accordingly, we believe the General Assembly should continue to examine ways in which requests of those Member States for exemption under Article 19 due to conditions beyond their control could be considered in a timely manner. On this matter, the Group of 77 and China reaffirms the role of the General Assembly with regard to Article 19 of the Charter, and we also reaffirm the advisory role of the Committee on Contributions in accordance with Rule 160 of the Rules of the Procedure of the General Assembly.

Madame Chairman,

The Group of 77 and China maintain the view that the difficult and virtually chronic financial situation of the Organization is not linked in any way to the methodology of the scale of assessments. Revisions to the scale methodology will therefore, in our view, not solve the critical financial situation facing the Organization. Since it will neither change the level of resources to be made available to the Organization, nor will it guarantee payment of future assessments promptly and in full. In this regard, the financial difficulties of the United Nations can only be resolved if Member States, in particular the major contributors, take concrete actions in settling their arrears and honor faithfully their Charter obligations in paying their assessments in full, on time and without conditions. Any unilateral attempt to change the approved scale of assessments would contravene the provisions of the Charter and therefore be unacceptable.

Madame Chairman,

Since the agenda item before us for consideration is not related to the peace-keeping budget, but rather to the regular budget, we would wish to see the deliberations focussed on the issue of the scale of assessments for the regular budget. The proposals referred to in paragraphs 69-74 of the report A/54/11 should therefore not be pursued at this stage.

The Group of 77 and China, Madame Chairman, look forward to the informal consultations on this agenda item and is ready to engage in a constructive dialogue with all our partners in the various issues that have been raised.

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I thank you.

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