

Statement by Morteza Mir Mohammad (Islamic Republic of Iran), on behalf of the Group of 77 and China, on agenda item 125: Scale of assessments for the apportionment of the expenses of the United Nations

New York, 15 October 2001

Mr. Chairman,

1. 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.
2. We would like to thank the Chairman of the Committee on Contributions for introducing the report of the Committee (A/56/11). A significant part of that report is devoted to the application of Article 19 of the Charter and measures to encourage the timely, full and unconditional payment of assessed contributions.
3. The Group of 77 and China reiterates that Member States have a binding legal obligation to pay assessed contributions to the UN on time, in full and without condition in accordance with Article 17 of the Charter and that a possible strengthening of Article 19 is no substitute to this binding commitment.
4. As for the method of calculating arrears, the report of the COC clearly states that the procedures currently used are consistent with the relevant decisions of the General Assembly which, in turn, are consistent with Article 19.
5. The proposals in paragraphs 5 and 6 of General Assembly resolution 55/5A sought to improve the Organization's precarious financial situation. Yet the illustrative information provided in the report of the Secretary-General (A/55/789) indicates that calculating arrears on a twice-yearly and "net to net" bases would probably increase the number of developing countries affected by Article 19. The Committee on Contributions concluded in para. 20 of its report that the two changes proposed would potentially affect a significant number of Member States, mainly developing countries, which could have consequences for decisions to be taken under Article 108 of the Charter. This would not, however, improve the financial situation of the United Nations. If all Member States which according to the information fall under Article 19 pay the minimum amount to recover their right to vote based on the "net to net approach", it would increase the UN's cash balance by a mere US\$ 9 millions. However, by adopting that approach we risk, the significant increase in the number of Member States falling under Article 19, predominantly those that can least afford it, which may compromise the democratic nature of the United Nations.
6. The financial situation of the United Nations is a cause of concern to our Group. The financial cost resulting from the new scales approved last December was borne largely by developing Member States, some of which are experiencing a devastating economic situation which has been worsened by the current global recession and should not be called on to assume further financial burdens.
7. Thus the Group of 77 and China cannot consider any changes to the current procedures for the application of Article 19, such as the net net comparison or the biennial calculation of arrears.