

STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. MUHAMMAD YUSSUF,
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LEVEL OPEN-ENDED WORKING GROUP ON THE FINANCIAL SITUATION OF THE UNITED
NATIONS

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Mr. Chairman,

The Group of 77 and China regrets that the Working Group on the Financial Situation has not been able to make any progress in our deliberations on the draft decision which addresses the central issue for resolving the crisis of payment. In spite of commendable efforts made by the two Co-Vice-Chairmen to prepare the draft decision and to lead the Working Group in its search for providing a sound financial basis for the Organization, the absence of political will on part of some Member States has been an impediment to desirable progress. As always, the Group of 77 and China came prepared to engage in a constructive dialogue. Unfortunately, certain Member States are not taking this opportunity to evolve a process of serious negotiations.

With regard to the second part of the paper, the G-77 and China noted the content of document WGFS/97/4 dealing with the methodology for the scale of assessment for the regular budget and the peacekeeping scales. The Group reiterates that the question of improving the financial situation should not be linked to the current methodology of the scales of assessments. In so far as the regular budget scale is concerned, the Group concurs with the ruling of the Chair.

As regards the discussions on the peacekeeping scales, the Group of 77 and China would like to reiterate its position as enunciated in its position paper dated 5 February 1996 (WGFS/33), and which stems from the highest political levels in our Governments, which is as follows:

1. The peace-keeping scales of assessment is distinct from the Regular Budget scales of assessment in recognition of the fact by the General Assembly, that peace-keeping involves a heavy expenditure on Member States which necessitates a different method of apportioning such expenditures.

Various General Assembly resolutions adopted by consensus, in particular resolutions 1874 (S-IV) of 27 of June 1963 and 3101 (XXVIII) of 11 of December 1973 have laid down important guidelines and principles on the peace-keeping operations scale. We believe that the continued differentiation in apportioning the expenditures between the regular budget and peace-keeping is imperative. The financing of peacekeeping must reflect the special responsibilities of the States permanent members of the Security Council. Further, the relatively greater capacity of the more developed among the Member States to pay larger amounts for peace-keeping and the limited capacity of the less developed countries to meet such expenditures, is a reasonable premise based on economic realities. This distinction is still valid and must be preserved.

2. The current ad hoc scale for peace keeping which has been effective for over 20 years, have stood the test of time. The existing system which divides expenditure amongst the four Groups on the basis of established percentages should now be institutionalized, and I emphasize that it should be institutionalized.

The establishment of objective criteria for placement of countries, including new and recent members, in the four groups could be further examined. Such criteria should take into account not only a country's National Income but also other prevailing circumstances including its level of development and its overall socio-economic situation.

3. Proposals for fixing a premium or surcharge to be borne by members of the Security Council are not acceptable.

4. The special scale for peace-keeping operations should be retained according to the established principle of "collective but differentiated" responsibility. The establishment of a ceiling and a floor for the Permanent Members of the Security Council is totally unacceptable, because it is not in keeping with the principles and guidelines of the relevant General Assembly resolutions.

Thank you, Mr. Chairman.