



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR MAHLATSE MMINELE, DEPUTY PERMANENT REPRESENTATIVE OF SOUTH AFRICA TO THE UNITED NATIONS ON AGENDA ITEM 138: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS AND ON AGENDA ITEM 147: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF UNITED NATIONS PEACEKEEPING OPERATIONS, AT THE MAIN PART OF THE SEVENTIETH SESSION OF THE FIFTH COMMITTEE OF THE UN GENERAL ASSEMBLY (New York, 8 October 2015)**

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 138, entitled "Scale of assessments for the apportionment of the expenses of the United Nations" and on agenda item 147, entitled "Scale of assessments for the apportionment of the expenses of United Nations Peacekeeping Operations".

The Group of 77 and China thanks Mr. Bernardo Greiver, Chairperson of the Committee on Contributions, for introducing the report of the Committee's seventy-fifth session, as contained in document A/70/11. We also thank Mr. Lionelito Berridge, Chief: Contributions and Policy Coordination Service, for introducing the reports of the Secretary-General on multi-year payment plans, as contained in document A/70/69, and on the implementation of General Assembly resolutions 55/235 and 55/236, as contained in document A/70/331.

Mr. Chairman,

On agenda item 138, entitled "Scale of assessments for the apportionment of the expenses of the United Nations", the Group reaffirms its long-standing position that the Organization must be provided with sufficient financial resources.

Without adequate resources, the Organization cannot implement mandates effectively. All Member States should therefore fulfill their legal obligations to bear the expenses of the Organization, in accordance with the Charter of the United Nations and pay their assessed contributions in full, on time and without conditions. We stress that the special and genuine difficulties faced by some developing countries that prevent them from temporarily meeting their financial obligations should be fully taken into account. The Group thus emphasizes the importance of dealing with the issue of Article 19 on an urgent basis and endorses the Committee on Contributions' recommendation that the Comoros, Guinea-Bissau, Sao Tome and Principe, Somalia and Yemen be permitted to vote until the end of the seventieth session of the General Assembly. We stress that this Committee should act promptly on the requests of these countries at the earliest opportunity.

On the issue of multi-year payment plans, the Group appreciates the efforts made by those Member States that have submitted multi-year payment plans and that have honoured their commitments under those plans. At the same time, we reiterate that multi-year payment plans should remain voluntary and should not be used as a way to exert pressure on Member States that are already in difficult circumstances. They should also not be included as a factor when considering applications for exemption under Article 19 of the Charter.

Mr. Chairman,

The Group of 77 and China, as expressed in its Ministerial Declaration of 24 September 2015, underlines that the current methodology for the preparation of the scale of assessments reflects the changes in the relative economic situations of the United Nations Member States. We reaffirm the principle of "capacity to pay" as the fundamental criterion in the apportionment of the expenses of the United Nations and reject any change to the elements of the current methodology for the preparation of the scale of assessments aimed at increasing the contributions of developing countries.

In this regard, the Group of 77 and China emphasizes that the core elements of the current methodology of the scale of assessments, such as base period, Gross National Income, conversion rates, low per capita income adjustment, gradient, floor, ceiling for Least Developed Countries and debt stock adjustment must be kept intact and are not negotiable. Also, as expressed in its Ministerial Declaration, the Group of 77 and China stresses that the current maximum assessment rate, or ceiling, has 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 assessments. In this context, they urge the General Assembly to undertake a review of this arrangement, in accordance with paragraph 2 of General Assembly resolution 55/5 C. The Group also emphasizes that organizations which have an enhanced observer status at the United Nations giving them the rights and privileges usually only applied to observer states, such as the right to speak in the general debate of the General Assembly and the right of reply, should also have the same financial obligations to the United Nations as observer states. In this context, the Group urges the General Assembly to consider a decision on an assessment for such organizations.

Mr. Chairman,

The Group of 77 and China notes that the length of the report of the Committee on Contributions has grown from 43 pages in A/69/11 to 79 pages in A/70/11, an increase of 84%. We appreciate receiving the considered opinions of the Committee on Contributions, but we emphasize that more detailed analysis must be applied to all elements of the methodology equally. Whereas the sections on debt burden adjust and low per capita income adjustment in the report have ballooned from 19 paragraphs in 4 pages from A/69/11 to 24 paragraphs in 7 pages in A/70/11, the section on the ceiling has remained at 4 paragraphs in half a page for both documents. This marked disparity results in unequal levels of understanding for different elements of the methodology. The Group will seek to supplement our knowledge of the more neglected elements during informal consultations in order to facilitate a genuinely comprehensive understanding of the methodology.

The Group of 77 and China notes that applying the current methodology to the 2016-2018 scale will lead to substantial increases in the contributions of many developing countries, which nonetheless as responsible members of this organization remain committed to fulfilling their financial responsibilities. The Group maintains that the main element that has affected the application of the principle of capacity to pay is the 22% ceiling. The Committee will recall that the rationale for reducing the ceiling to 22% in 2000 was to facilitate the payment of arrears and thereby improve the financial situation of the United Nations. We will closely analyze the briefing on improving the financial situation of the United Nations on 15 October to determine if this rationale has been met. We emphasize that any attempt to change the methodology to unfairly and further shift the burden of financing the Organization to developing countries will only generate unproductive discussions without consensual outcomes.

Mr. Chairman,

At the outset, on agenda item 147, entitled "Scale of assessments for the apportionment of the expenses of United Nations Peacekeeping Operations", the Group stresses that we regard peacekeeping operations as an indispensable function of the United Nations. We emphasize that all peacekeeping operations should be provided with all the necessary resources in order for them to implement mandates. All Member States should fulfill their legal obligations to bear the expenses of the Organization, in accordance with the Charter of the United Nations and pay their assessed contributions in full, on time and without conditions.

The Group of 77 and China considers it of the utmost importance to reaffirm the principles that underlie the financing of peacekeeping operations as contained in General Assembly resolutions 1874 (S-IV) of 27 June 1963, 3101 (XXVIII) of 11 December 1973 and 55/235 of 30 January 2001. The Group wishes to share with this Committee the decision that was adopted in its Ministerial Declaration of 24 September 2015, and I quote:

"The Ministers affirmed that the current principles and guidelines for the apportionment of the expenses of peacekeeping operations approved by the General Assembly in its relevant resolutions should constitute a basis for any discussion on the peacekeeping scale. In this regard, the Ministers stressed that the peacekeeping scale must clearly reflect the special responsibilities of the permanent members of the Security Council for the maintenance of peace and security. The Ministers also recalled that the economically less developed countries have limited capacity to contribute towards the budgets of peacekeeping operations. In this context, the Ministers emphasized that any discussion on the system of discounts applied to the peacekeeping scale should take into account the conditions of developing countries whose current positions must not be negatively affected. The Ministers stressed, in this regard, that no member of the Group of 77 and China that is not a permanent member of the Security Council, should therefore be categorized above level C."

In view of their special responsibilities for the maintenance of peace and security, the permanent members of the Security Council are requested to continue to shoulder their respective premiums for peacekeeping financing based on their capacity to pay as well as the agreed scale of assessments. The Group rejects attempts by developed countries to shift obligations to developing countries. Developing countries should not be arbitrarily targeted to move to higher levels or forced to accept reductions in their discounts for their peacekeeping contributions. The developed countries are welcome to voluntarily contribute more than their calculated scales.

The peacekeeping scale should also reflect the principle of common but differentiated responsibilities between developed and developing countries. Developing countries should not be assigned to the same level of contributions as developed countries on the sole basis of their per capita incomes.

The exclusive use of this single measure ignores the difficult and unique circumstances faced by developing states, which cannot be expected to contribute to peacekeeping operations on the same level as developed countries. Furthermore, special consideration should continue to be given to least developed countries, and they should continue to be assessed at the lowest level in the scale.

The Group of 77 and China recalls that the current levels of discounts for the peacekeeping scale were created in 2000 together with the 22% maximum ceiling for the major contributor. Developing countries were compelled to give up discounts of 80% or 90% overnight in order to accommodate these new levels. The category of Level C was created in 2000 to afford developing countries a minimum discount of 7.5% in the peacekeeping scale. The Group of 77 and China stresses that

developing countries are not in a position to agree to any further reductions in their discounts.

The Group is also concerned that developing countries, including Small Island Developing States, have been repeatedly allocated to Level B of the scale since 2000. This violates the principles underlying the 2000 agreement which created the 22% maximum ceiling and the current levels of discounts for the peacekeeping scale. In this regard, the Group of 77 and China reiterates that no developing country that is not a permanent member of the Security Council should be classified above Level C in the peacekeeping scale.

Mr. Chairman,

The Group of 77 and China emphasizes that negotiations on all Fifth Committee agenda items including the present one must be conducted in an open, inclusive and transparent manner which upholds the legitimacy and competency of the Fifth Committee as the sole Main Committee of the General Assembly entrusted with responsibilities for administrative, financial and budgetary matters. We affirm the unity and solidarity of all our Members on this item and we reiterate our strong opposition to decision-making in small group configurations.

I thank you, Mr. Chairman.