

STATEMENT BY MORTEZA MIR MOHAMMAD (ISLAMIC REPUBLIC OF IRAN), ON BEHALF OF THE GROUP OF 77 AND CHINA, ON THE APPLICATION OF ARTICLE 19, FIFTH COMMITTEE OF THE GENERAL ASSEMBLY, ITEM 122: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS

New York, 26 March 2001

Mr. Chairman,

The Group of 77 and China have examined the report of the Secretary-General which relates to the possible biannual calculation for and application of Article 19 and the use of a “net to net” comparison for those calculations.

It remains our view that the Charter provisions to pay assessed contributions in full and on time are legally binding on all Member States, and that a possible strengthening of Article 19 is no substitute to our binding commitment to the Charter. Member States, especially the major contributor, have a first charge legal obligation to pay their contributions to the UN promptly, in full and without conditions in accordance with Article 17 of the Charter and with the Financial Regulations and Rules of the United Nations. As for the method of calculating arrears, the report recalls that the current procedures are consistent with the relevant decisions of the General Assembly which, in their turn, are consistent with Article 19. In other words, there is no legal reason to change the current methodology.

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 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. 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, specially given the economic hardship of many developing countries, the significant increase in the number of Member States falling under Article 19.

The question remains as to how this measure can improve the Organization’s financial situation. Would it represent an improvement in the application of Article 19? Does it result in Member States subsequently paying in full and on time? In fact, adoption of this measure would not reduce the financial problems of the Organization. Yet, it could very well harm a significant number of Member States, predominantly those that can least afford it.

The grave financial situation of the United Nations is a cause of serious concern to our Group. Last December, by approving resolutions on the two scales of assessments, the membership took an important decision to financially “save” the Organization. In practical terms, the financial cost resulting from the new scales was borne largely by developing Member States. Developing countries should not be called on to assume further financial burdens. Yet the new proposed approach would have a negative impact on many developing countries.

In accordance with the provisions of the General Assembly resolution 55/5A, the Committee on Contributions will consider issues relating to the application of Article 19 further during its sixty-first session in 2001. The Group of 77 will examine the report of the Committee of Contribution, when available, and will consider if any further action is required.

Thank you, Mr. Chairman.

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