



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MS. KAREN LOCK, PERMANENT MISSION OF SOUTH AFRICA TO THE UNITED NATIONS, ON AGENDA ITEM 122: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS, IN THE PLENARY OF THE GENERAL ASSEMBLY (New York, 22 December 2006)

Madame President,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 122, entitled the "Scale of assessments".
2. By adopting the resolution on the scale of assessments for the period 2007 to 2009, the Assembly has reaffirmed that the principle of the "capacity to pay" remains the fundamental criterion in determining how the expenses of the Organisation should be apportioned among its Member States. The Group of 77 and China joins this consensus and remains ready to ensure that the Organisation receives adequate and predictable financing in order to successfully implement the numerous mandates that Member States have bestowed upon it. The final outcome does not reflect some of the concerns of developing countries but we believe that it is a good outcome for the Organisation.
3. The Group of 77 and China wishes to thank the co-ordinator, Mr. Morteza Mir Mohammed, for the manner in which he has guided the Committee during the negotiations. We furthermore wish to thank our negotiating partners for the constructive manner in which the negotiations were conducted. The Group also appreciates the invaluable assistance that the Fifth Committee received from the Chairman of the Committee on Contributions and the Secretariat.

Madam President,

4. The negotiations on the scale of assessments are traditionally challenging and Member States at times were faced with very difficult decisions. The Group of 77 and China, however, is encouraged that the negotiations were transparent, conducted in a spirit of compromise and that all the negotiating groups and delegations shown good faith throughout. This enabled the Committee to arrive at a consensus decision. We also appreciate the invaluable support provided by you, Madam President, and your Office during the negotiations.
5. Turning to the resolution, the Group of 77 and China welcomes the reaffirmation in the resolution that the determination of the scale of assessments shall remain the prerogative of the General Assembly. The resolution further reaffirmed that the Committee on Contributions is a technical body and, in its consideration of the elements of future methodologies, should be guided by relevant General Assembly resolutions and the rules of procedure of the General Assembly. We also welcome the reaffirmation that the scale of assessments should continue to reflect the fundamental principle of capacity to pay. To this end, we wish to state our position on a number of fundamental principles relating to the elements of the methodology of the scale of assessments.
6. Firstly, the Group of 77 and China holds the view that the main element affecting and distorting the application of the principle of capacity to pay is the ceiling. This is contrary to the intention of the General Assembly, when it agreed to set a maximum assessment rate for the main contributor, that the application of the ceiling should not distort the principle of capacity to pay. It also places an unfair burden on the rest of the membership.

7. It will be recalled that, in accordance with General Assembly resolution 55/5 C, the rationale for reducing the ceiling to 22 per cent was to facilitate the payment of contributions and arrears by the main contributor and thereby improving the financial situation of the United Nations. The consensus decision in 2000 was based on the understanding that the rationale for requesting the reduction will be honoured. The Group of 77 and China believes that the “compact” arrived at in 2000 remains to be honoured by the main contributor and it thus would be incumbent upon the General Assembly to continue to undertake the review as stated in paragraph 2 of its resolution 55/5C. Despite our opposition to unilateral attempts to artificially reduce the ceiling, the Group of 77 and China in 2000 and once again now in 2006, join the consensus for the sake of the financial well being of the Organisation.

8. Secondly, the Group of 77 and China wishes to emphasize that the low per capita income adjustment is an integral part of the scale methodology since its existence in 1948. We strongly support maintaining it as a fundamental element of the methodology and will continue to oppose any attempts to undermine the principle and application of this adjustment. The General Assembly from the beginning has recognised that the “comparative income per head of population” should be taken into account in order to “prevent anomalous assessments resulting from the use of comparative estimates of national income”. The Group, therefore, opposed attempts to introduce a multiple gradient and thereby applying a different criterion to some developing countries by ignoring the impact that large populations place on the capacity of developing countries to pay. We will continue to oppose attempts to shift the burden resulting from the reduction of the ceiling to developing countries. The proposal for a multiple gradient was not fair or just and undermined the principle of capacity to pay.

9. Thirdly, the Group of 77 and China maintains the position that the debt burden adjustment reflects an important factor in the capacity to pay of Member States and should be maintained as an integral element of the scale methodology based on the debt stock approach. We were concerned by the attempts of developed countries in this negotiation to eliminate the debt burden adjustment. We wish to place on record that we will not support any attempts to undermine or change this crucial element of the methodology.

Madam President,

10. The Group of 77 and China was concerned that, once again, a number of Member States faced substantial increases in their rates of assessment. We consequently submitted a concrete proposal for a phasing-in mechanism that was aimed at finding a technical solution to this recurring and endemic problem. Whilst we appreciate the positive response that our proposal received from some delegations, it is regrettable that it was not included in the final consensus outcome. This difficulty was finally solved through the redistribution of points received from the Russian Federation and mitigation provided by other developing countries in the Group of 77 and China. We appreciate the gesture by the Russian Federation and other developing countries to assist in mitigation. The Group, however, expects that the Committee on Contribution will focus on this question and make proposals to address such increases through a phasing-in mechanism in order not to impose an excessive burden on Member States, particularly developing countries, facing large increases in their rates of assessment.

Madam President,

11. In conclusion, as we are nearing the end of this session, I have the honour to convey to you the gratitude of the Group of 77 and China for your guidance and able leadership. You have steered us through very difficult times and instilled a sense of transparency in our deliberations. I

also wish to pay tribute to the Member States of the Group of 77 and China for their unity and support to South Africa during our chairmanship. In the face of attempts to divide developing countries, we were heartened by the solidarity and commitment of the Group to this Organisation.

I thank you.

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