



STATEMENT BY AMBASSADOR DUMISANI S. KUMALO, PERMANENT REPRESENTATIVE OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS AND CHAIRMAN OF THE GROUP OF 77, ON AGENDA ITEM 122: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS, IN THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY (New York, 9 October 2006)

Mr. Chairman,

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 for the apportionment of the expenses of the United Nations”.

2. The Group of 77 and China wishes to thank the Chairman of the Committee on Contributions, Mr. Bernardo Greiver, for introducing the report of the Committee (A/61/11). We also wish to thank the Chief of the Contributions Services, Mr. Mark Gilpin, for his introduction of the report of the Secretary-General on multi-year payment plans (A/61/68). The Group appreciates the invaluable assistance that the Fifth Committee traditionally receives from the Chairman of the Committee on Contributions and the Secretariat, which, we believe will again be crucial in enabling Member States to reach an early and satisfactory outcome of the negotiations for the scale of assessments for 2007 to 2009.

Mr. Chairman,

3. The Group of 77 and China reaffirms the long-standing position that the financial resources provided to the Organization must be commensurate with its mandates, and that Member States have a legal obligation to bear these expenses as apportioned by the General Assembly. The Organization cannot be expected to implement its legislative mandates and programmes effectively if it is not provided with adequate resources. It is therefore crucial to ensure that we pay our assessed contributions in full, on time and without any conditions.

4. We also wish to reaffirm that the principle of the “capacity to pay” is the fundamental criterion in determining the scale of assessments for the apportionment of the expenses of the United Nations. In this context, the Group wishes to stress that developing countries should not be assessed at a rate higher than their capacity to pay as a result of any adjustments in the scale.

Mr. Chairman,

5. The Group holds the view that the main element that has affected the application of the principle of capacity to pay is the ceiling. The Committee will recall that the rationale for reducing the ceiling to 22 per cent was to facilitate the payment of arrears and thereby improve the financial situation of the United Nations. Despite our opposition to unilateral attempts to modify the ceiling, the Group of 77 and China in 2000 for the sake of the financial well-being of the Organisation joined consensus on the question of the ceiling. The consensus decision however was based on the understanding that the rationale for requesting the reduction will be honoured. Indications six years later are that the rationale for requesting a reduction of the ceiling has not been met. It now will be incumbent upon the General Assembly to undertake the review as stated in paragraph 2 of its resolution 55/5C.

6. The Group of 77 and China supports the recommendation of the Committee on Contributions that the scale of assessments should be based on the most current, comprehensive and comparable data available for Gross National Income (GNI). We also support employing market exchange rates for the scale of assessments, except in cases where its use would cause excessive fluctuations and/or distortions in the GNI of Member States, in which case price-adjusted rates of exchange (PARE) or other appropriate conversion rates should be used.

7. We note the reference to Purchasing Power Parity (PPP) in the report of the Committee on Contributions. The Group shares the view that PPP does not provide a useful measure of capacity to pay and does not meet the criterion that the data used in the scale should be reliable, verifiable and comparable. The Group will not support any proposal to use Purchasing Power Parity in preparing the scale of assessments.

8. The Group of 77 and China wishes to emphasize that the low per capita income adjustment is an integral part of the scale methodology and has been in existence since 1948. We strongly support maintaining it as an element of the methodology.

9. The debt burden adjustment reflects an important factor in the capacity to pay of Member States. It should be maintained as an integral element of scale methodology based on the debt stock approach. We also support

maintaining the floor at 0.001 per cent and the maximum assessment rate for Least Developed Countries at the current level of 0.01 percent.

10. The Group of 77 and China notes that, once again, a number of Member States face substantial increases in their rates of assessment. We support the view that such increases should be phased in during the scale period so as not to impose an excessive burden on those Member States, particularly developing countries.

11. The Group of 77 and China notes the reference in the report to introducing a minimum assessment rate for permanent members of the Security Council. We also note from the report that such a proposal is contrary to the principle of capacity to pay.

12. The Group wishes to restate its previous position that proposal for the annual recalculation of the scale of assessments is not in conformity with the principles contained in the original terms of reference of the Committee on Contributions. Moreover, the Committee on Contributions has highlighted, in its previous reports, a number of procedural and practical questions that render the proposal for annual recalculation impractical.

Mr. Chairman,

13. We have carefully reviewed the requests by Member States for exemption under Article 19 of the United Nations Charter. The Group of 77 and China concurs with the conclusion of the Committee on Contributions that the failure of the Central African Republic, Comoros, Georgia, Guinea-Bissau, Liberia, Niger, Somalia and Tajikistan to make the minimum payment necessary to avoid the application of Article 19 was due to conditions beyond their control. We also recognise the need to extend our sympathetic understanding to the request made by Sao Tome and Principe, as contained in document A/C.5/61/3.

14. We further support the requests of these nine Member States for permission to exercise the right to vote and concur that they should be permitted to vote until the end of the 61st session of the General Assembly. The Group of 77 and China trusts that every effort will be made to ensure that requests for exemption under Article 19 are submitted to the Committee on Contributions in accordance with the provisions of resolution 54/237C.

15. On the question of multi-year payment plans, the Group of 77 and China appreciates the efforts made by those Member States that submitted payment plans and honoured the commitments that they have made under the plans. The Group reiterates that multi-year payment plans should remain a voluntary mechanism. It must also not be used to pressure Member States that are already in difficult situations. The submission of multi-year payment plans is definitely not a requirement for granting waivers under Article 19. The Group wishes to encourage Member States with significant arrears to consider submitting multi-year payment plans if they are in a position to do so.

16. In conclusion, Mr. Chairman, on the question of the unpaid assessments of the Former Yugoslavia, we took note of the comments made by the delegation of Slovenia on behalf of the successor States and look forward to considering proposals that may facilitate an early conclusion of the matter.

I thank you, Mr. Chairman.