

**STATEMENT BY AMBASSADOR CHIEF ARTHUR C.I. MBANEFO, PERMANENT REPRESENTATIVE OF NIGERIA 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, 2 October 2000**

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Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China.

2. Since I am addressing the Fifth Committee for the first time this session, I would like to congratulate you on your election as Chairman of the Fifth Committee of the 55th Session of the General Assembly. We would also like to congratulate the other members of the Bureau on their respective elections. We wish you well in guiding our deliberations so as to bring the work of the Committee to a successful conclusion and assure you of our full cooperation. We are confident that you will conduct our work in a fair and transparent manner.

3. The Group of 77 and China attach great importance to agenda item 122, scale of assessments for the apportionment of the expenses of the United Nations. We therefore welcome the opportunity to review it at this 55th United Nations General Assembly.

4. We would like to thank the Chairman of the Committee on Contributions for introducing the report of the Committee (A/55/11). However, the Group regrets that the Committee did not provide enough guidance to the Fifth Committee on the scale methodology.

5. The Group of 77 and China hold to the view 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 if it is not provided with adequate resources.

6. We also wish to reaffirm that the principle of the "capacity to pay" is the fundamental criterion in the apportionment of the expenses of the United Nations, and in this context, 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,

7. The Group of 77 and China wish to emphasize that the low per capita income adjustment should remain an integral part of the scale methodology in order to provide relief to developing countries. The Group emphasizes that the methodology for the low per capital income adjustment must be subject to a comprehensive discussion, with a view to increasing both the threshold, as indicated in proposal "C" of resolution 54/237 D, and the gradient from their current levels so as to make the scale of assessments fair and equitable.

8. We would also wish to emphasize that special consideration should be given to those developing countries that have crossed, or are in the process of crossing, the threshold of the low per capita income and which otherwise might be assigned a disproportionate burden that would affect their capacity to pay. Therefore, mitigation of the effects of discontinuity should be incorporated in the next scale.

9. We reiterate our support to limit to 25 percent for developing countries previously benefiting from the application of the scheme of limits, the effects of the end of the scheme of limits on an annual basis for the first four years of the post-transition period.

10. Let me add, Mr. Chairman, that the debt burden adjustment should be maintained as an integral element of scale methodology based on the total debt stock, and that the income measure should be on the basis of the Gross National Product (GNP) using a statistical base period of 6 years.

11. Our Group would also like to express its support to the Committee's conclusion that the market exchange rates should be used for the scale of assessments, except in cases where its use would cause excessive fluctuations and/or distortions in the income of Member States, or other appropriate conversion rates, such as price-adjusted rates of exchange (PARE) or weighted average rate, as reflected in official IMF publications (*International Financial Statistics*) for countries maintaining multiple exchange rates, should be used.

12. We would also like to emphasize that the floor should remain at 0.001 per cent and that the maximum assessment rate for LDCs should not exceed the current level of 0.01 percent.

13. On the question of the ceiling, this matter should be reviewed bearing in mind the fact that the ceiling should not be arbitrary so as to obscure the relationship between a country's capacity to pay and the rate of assessment applicable to it. Any unilateral attempt to modify the scale of assessments through conditionalities, which are contrary to the principles of the UN Charter, is unacceptable. Any modification of the current ceiling would be considered only if it spreads the burden of payment, among the major contributors without affecting G-77 and China.

14. The Group is of the view that a new element on the floor for permanent members of the Security Council in the scale of assessments should not be included. The inclusion of such an element shall be contrary to the principle of capacity to pay.

15. The 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 which render the proposal for annual recalculation impractical. The proposal should, in our view, not be pursued further by the Committee on Contribution or the Fifth Committee.

Mr. Chairman,

16. On the application of Article 19, the Group accepts the need to consider the requests for exemption from the application of Article 19, in particular developing countries that are temporarily experiencing genuine economic difficulties. Accordingly, we believe the General Assembly should continue to examine ways in which requests of those Member States for exemption under Article 19 due to conditions beyond their control could be considered in a timely manner. On this matter, the Group of 77 and China reaffirm the role of the General Assembly with regard to Article 19 of the Charter, and we also reaffirm the advisory role of the Committee on Contributions in accordance with Rule 160 of the Rules of the Procedure of the General Assembly.

Mr. Chairman,

17. The Group of 77 and China maintain the view that the difficult financial situation of the Organization is not linked in any way to the methodology of the scale of assessments. Revisions to the scale methodology will therefore, in our view, not solve the critical financial situation facing the Organization, since it will neither change the level of resources to be made available to the Organization, nor will it guarantee payment of future assessments promptly and in full. In this regard, the financial difficulties of the United Nations can only be resolved if Member States, in particular the major contributor, take concrete actions in settling their arrears and honour faithfully their Charter obligations in paying their assessments in full, on time and without conditions.

Mr. Chairman,

18. Finally, the Group of 77 and China, Mr. Chairman, look forward to the informal consultations on this agenda item and is ready to engage in a constructive dialogue with all our partners in the various issues that have been raised.

I thank you.