Introductory statement by the Chairman of the Committee on Contributions on the report of the Committee on its Seventy-first Session

(unofficial translation)

Mr. Chairman,

1. On behalf of the Committee on Contributions, let me convey to you and to the Bureau our congratulations on your election. We have every confidence in your ability to guide this Committee in its complex and challenging work during this session of the General Assembly. I should also like to take this opportunity, Mr. Chairman, to express our appreciation to your distinguished predecessor, His Excellency Mr. Gert Rosenthal, for his leadership of this Committee during the sixty-fifth session of the General Assembly.

Mr. Chairman,

2. It is my honour to introduce the report of the Committee on Contributions on its seventy-first session, held here in New York from 6 to 24 June 2011. This is before the Committee in document A/66/11.

Scale of assessments

3. Mr. Chairman, by its resolution 64/248, the General Assembly had decided to review all elements of the methodology of the scale of assessments, with a view to taking a decision before the end of its sixty-sixth session, to take effect, if agreed, for the 2013-2015 scale period. In the light of that decision, the Committee on Contributions made recommendations in its report A/65/11 to the Assembly, at the main part of the sixty-fifth session. The Assembly took note of the report but did not give further guidance for the work of the Committee.

4. At its recent meeting, the Committee carried out a further review of the elements of the current methodology, pursuant to rule 160 of the rules of procedure of the General Assembly and Assembly resolutions 58/1 B and 64/248. In doing so, the Committee attempted to address a number of issues that were raised by Member States in the Fifth Committee at the main part of its sixty-fifth session. The Committee's review of the methodology for the preparation of the scale of assessments pursuant to General Assembly resolution 64/248 is set out in chapter III, part A, of the Committee's report.

5. By its resolution 64/248, the General Assembly recognized that the current methodology can be enhanced, bearing in mind the principle of capacity to pay. In this regard, the Committee reaffirmed its recommendation that the scale of assessments continues to be based on the most current, comprehensive and comparable gross national income data and recommended that the Assembly encourage Member States which have not yet done so, to implement the System of National Accounts, 1993, and to report gross disposable income data as available. However, the Committee recognized that, at present, GNI is still the best available measurement of the capacity to pay.

6. As in the past, the Committee also considered alternative income measures in terms of defining adjustments to GDP to better reflect the capacity to pay, such as the utilization of the human development index and exponential functions in the scale methodology, but found no technical merit in their use.

7. The conversion factor has been an integral element of the scale methodology since its inception, to convert the GNI data received from Member States in their national currencies to a common monetary unit. The Committee recalled and reaffirmed its recommendation that conversion rates based on market exchange rates (MERs) should be used for the scale of assessments, except where that would cause excessive fluctuation and distortions in the gross national income (GNI) of some Member States expressed in United States dollars, in which case price-adjusted rates of exchange (PAREs) or other appropriate conversion rates should be employed. The Committee expressed its intention to continue to study this element on the basis of further input from the Statistics Division and in light of any guidance from the Assembly.

8. As regards the base period, the Committee recalled and reaffirmed its recommendation that, once chosen, there were advantages in using the same base period for as long as possible so as to smooth out, over the course of consecutive scale periods, the impact for every Member State.

9. The Committee recalled that the debt-burden adjustment had been an element of the scale methodology since 1986. Members of the Committee had divergent views on the adjustment. Some reiterated that the adjustment was conceptually unsound and, therefore, should not be part of the scale methodology while others indicated that it is an essential component of the scale methodology intended to alleviate the debt burden of Member States which negatively impacted on their capacity to pay.

10. In calculating the adjustment, total external debt rather than public debt had been used until now because of the greater availability of data and the lack of distinction between public and private debt in the data available. In recent years, the availability of data on public debt and publicly guaranteed debts has improved substantially and, as a result, members believed that refinements should be made to the current methodology on the basis of technical merit, for example, by utilizing the debt flow approach and basing it on public and publicly guaranteed debt instead of total external debt. The Committee decided to consider the question of the debt burden adjustment further at future sessions in the light of any guidance from the General Assembly.

Mr. Chairman,

11. The low per capita income adjustment has been an important element of the scale methodology from the outset. The Committee recalled that its terms of reference called for the consideration of comparative income per head of population in order to prevent anomalous assessments resulting from the use of comparative estimates of national income. At its seventy-first session, the Committee reviewed alternative ways of determining the threshold and their implications, but reaffirmed that the scale methodology should continue to take into account comparative income per head of population.

12. The Committee recalled the current levels set by the Assembly for the maximum assessment rate, or ceiling, of 22 per cent, the maximum rate for the least developed countries, or LDC ceiling, of 0.010 per cent, and the minimum assessment rate, or floor, of 0.001 per cent. The Committee noted that the application of the maximum ceiling and the LDC ceiling resulted in the redistribution of points in the scale of assessments.

Mr. Chairman,

13. The Committee also considered other suggestions and other possible elements of the scale methodology. The Committee carried out a detailed study of the question of annual recalculation. The main potential benefits and drawbacks to annual recalculation are described in chapter III A, section 5 (a) of the Committee's report. The Committee agreed to study the question of annual recalculation further at its future sessions, in the light of any guidance from the General Assembly.

14. The Committee also reviewed the questions of large scale-to-scale increases and discontinuity. This is described in chapter III A, section 5 (b) of the Committee's report. Some members expressed the view that annual recalculation was the only practical way to mitigate large scale-to-scale changes. Some Members suggested that one way of mitigating the effects of large scale-to-scale increases would be to phase in the increase in rates over a given three-year scale period.

15. The Committee also considered alternative remedial measures for dealing with the discontinuity of the low per capita income adjustment benefits experienced by Member States that cross the threshold between scale periods.

16. The Committee decided to continue to consider the feasibility of application of systematic measures of transitional relief for Member States facing large scale-to-scale increases in their assessment rates in the light of any guidance from the General Assembly.

Multi-year payment plans

Mr. Chairman,

17. In its resolution 57/4 B of 20 December 2002, and as subsequently reaffirmed in other resolutions, the General Assembly endorsed the conclusions and recommendations of the Committee on Contributions concerning multi-year payment plans. The results of the Committee's review of the latest report of the Secretary-General are contained in chapter IV of its report, which also contains updated information as at 24 June 2011, on the status of implementation of the plans submitted. The Committee recognized the efforts made by these Member States in implementing multi-year payment plans.

18. In its resolution 64/248, the General Assembly encouraged Member States in arrears with their assessed contributions to consider submitting multi-year payment plans. The Committee noted with concern that no new multi-year payment plans had been submitted in recent years, despite the encouragement of the Assembly and the proven success of the system.

19. The Committee also emphasized that the Committee and the Assembly should take the submission of a plan and its status of implementation into account as one factor in considering requests for exemption under Article 19 of the Charter.

Application of Article 19

Mr. Chairman,

20. The Committee considered six requests for exemption under Article 19 of the Charter that had been forwarded by the President of the General Assembly. All of the requests were received by the deadline specified in General Assembly resolution 54/237 C. Two of the Member States requesting an exemption had also submitted multi-year payment plans, and the Committee encouraged all Member States requesting an exemption to consider presenting a payment plan if they are in a position to do so.

21. As indicated in chapter V of its report, the Committee concluded, subject to a number of observations, that the failure of the six Member States - Central African Republic, Comoros, Guinea-Bissau, Liberia, Sao Tome and Principe and Somalia - to pay the full minimum amount to avoid the application of Article 19 was due to conditions beyond their control and recommended that they be permitted to vote until the end of the sixty-sixth session of the General Assembly.

Other matters

Mr. Chairman,

22. Under other matters, at the conclusion of the seventy-first session of the Committee, six Member States - the Central African Republic, the Comoros, Guinea-Bissau, Liberia, Sao Tome and Principe, and Somalia - were in arrears in the payment of their assessed contributions under the terms of Article 19 but had been permitted to vote in the Assembly until the end of the sixty-fifth session.

23. The Committee noted that, pursuant to the provisions of paragraph 12 (a) of General Assembly resolution 64/248, the Secretary-General had accepted in 2010 the equivalent of US $2,014,291.59 in a currency other than the United States dollar.

24. As you are aware, after the end of the Committee's session, the Republic of South Sudan was admitted to membership in the Organization. The assessment rate for the Republic of South Sudan will be considered by the Committee at its seventy-second session, to be held from 4 to 29 June 2012.

Thank you very much, Mr. Chairman.