



PEOPLE'S REPUBLIC OF CHINA
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(TRANSLATION)

Statement by Ambassador WANG Min,

Deputy Permanent Representative of China to the U.N.

at the Fifth Committee of the 67th Session of the UNGA on Agenda item
134:Scale of assessments for the apportionment of the expenses of the UN

(Oct. 5 2012)

Mr. Chairman,

The Chinese Delegation would like to take this opportunity to congratulate you and other members of the Bureau on your election. I believe your rich experience and outstanding abilities will provide effective guidance to the work of this committee.

The Chinese Delegation would like to thank Mr. Bernardo Greiver, Chairman of the Committee on Contributions for introducing the report of the 72nd Session of the committee. I also thank Mr. Lionel Berridge, chief of Contributions and Policy Coordination Service, for his introduction of the multi-year payment plans. After careful and meticulous consideration, the experts of the Committee on Contributions came up with the recommendation on the scale of assessments for the period 2013-2015,

which provides a good basis for our consideration. China commends their work in this regard.

Mr. Chairman,

The Chinese Delegation notes that according to the report of the committee, quite a number of member states of the Group of 77 and some emerging economies, including China, may witness a big increase in their assessment rates in the coming three years. By sharp contrast, the assessment rates for developed countries will be reduced significantly across the board. In this context, the statement made by Ambassador Mourad Benmehidi, Permanent Representative of Algeria on behalf of the Group of 77 and China clearly manifested our sincere will to honor our solemn fiscal commitment to the U.N. and fully displayed our spirit of reason, pragmatism, consultation and cooperation. The Chinese Delegation endorses the statement by Ambassador Mourad Benmehidi, Permanent Representative of Algeria and wishes to make the following observations:

First, the scale of assessments of the U.N. must be formulated strictly in accordance with the principle of capacity to pay, which is a fundamental principle explicitly set out in the Rules of Procedure of the General Assembly ever since the inception of the U.N., and has all along been reaffirmed by relevant GA resolutions. The discussion of the scale of assessments in the Fifth Committee should follow the Rules of Procedure

of the General Assembly and provisions of GA resolutions, and safeguard the authority and efficacy of such rules and resolutions. Proposals and ideas put forward by member states should also be in line with this principle.

Secondly, measurement of a country's capacity to pay requires a comprehensive and integrated perspective which takes into account both the gross national income and more importantly the per capita income of the country. While the former is the basis, it is the latter that is the decisive factor. Given the differences among countries in terms of size, development stage, level of economic development and wealth owned by nationals, it is only natural that different countries have different capacities to pay. With developing countries constrained by weak economic foundation and the onerous task of poverty eradication, it's fair to say that they are leagues behind developed countries in terms of overall living standards and quality of life of nationals. Ignoring per capita income and simply using gross national income to measure the actual capacity to pay of developing countries is partial and unfair.

Thirdly, the application of the principle of capacity-to-pay necessitates the consistent application of low per capita income adjustment to all qualified member states and the impermissibility of discriminatory practices. Universal application of "low per capita income adjustment" has invariably been the consistent practice in determining the assessment

rates for member states since the very beginning. Adjustment threshold and per capita income remain the only criteria for determining whether a member state is qualified for “low per capita income adjustment”, and no other factors should be included. It is the logical requirement and innate nature of “low per capita income adjustment” that the same adjustment rate be applied to all qualified member states. The existing formula of “low per capita income adjustment” has already solved the problem of granting different adjustments to countries with different levels of low per capita income. Such proposals as “multiple adjustment rates” or putting an artificial ceiling on adjustment are in essence subversion of the “low per capita income adjustment” element.

Fourthly, the scale methodology of the U.N. should remain relatively stable and avoid frequent and drastic adjustments. The current methodology is the result of long and hard negotiations and full consultations among all member states. It is a consensus based on the principle of capacity to pay that has taken into consideration various factors and accommodated positions of all sides. It works to ensure stability in the scale methodology and predictability of the assessment rates and reduce uncertainties to a minimum. As such, it is conducive to maintaining a stable and sound fiscal foundation for the U.N., and is of great importance to the normal functioning of the organization. Since 2001, the current methodology has been applied for four scale cycles,

during which the global economy has undergone tremendous changes. Practice has shown that though it is not perfect, the current methodology can adequately reflect the evolvement of the economic situation of member states as well as the principle of capacity to pay. It therefore remains an effective methodology and is in the interest of the general membership.

Mr. Chairman,

As stated by the report of the Committee on Contributions, according to the current methodology, China's assessment rate may experience another significant increase in the coming three years, with the actual amount of increase one of the biggest among all member states. With the Chinese economy severely affected by the global financial crisis and the ensuing European debt crisis, such a big increase will undoubtedly constitute a heavy burden for China. Here I would like to emphasize that despite its relatively fast economic growth and significant total volume of economy, China remains a developing country. It has a huge population with a tremendous number of people living in poverty and its economic development is very uneven. These are indisputable facts of China's national situation. Evaluating China's capacity to pay should be done in an objective and reasonable way and should not be separated from China's national conditions and the overall international economic environment.

Mr. Chairman,

The item of the scale of assessments is one of the important tasks of the Fifth Committee during this session of the General Assembly. Past experience tells us that this is an arduous task, which can only be accomplished through full cooperation among member states. The Chinese delegation calls on all member states to participate constructively in the consideration and consultations in the spirit of reason, pragmatism, consultation and cooperation, so that we can further build and expand consensus based on the report of the Committee on Contributions and the considerations of the previous sessions of the General Assembly in order to reach consensus at an early date on the scale of assessments for the period 2013-2015.

Thank you Mr. Chairman.