



**Statement on behalf of the Member States
of the European Union**

By

**H.E. Mr. Ioannis Vrailas
Deputy Head of the Delegation of the European Union to the United Nations**

67th Session of the General Assembly

Fifth Committee

**Item 134: Scale of assessments for the apportionment
of the expenses of the United Nations**

United Nations

New York

5 October 2012

Mr. Chairman,

I have the honour to speak on behalf of the Member States of the European Union.

The Acceding Country Croatia*, the Candidate Countries the former Yugoslav Republic of Macedonia*, Montenegro* and Iceland+, and the Countries of the Stabilisation and Association Process and potential candidates Albania and Bosnia and Herzegovina, as well as the Republic of Moldova align themselves with this declaration.

At the outset, I wish to thank Mr. Bernardo Greiver, Chairman of the Committee on Contributions, for presenting the Committee's report of its 72nd session, as well as Mr. Lionel Berridge, Chief of the Contributions and Policy Coordination Service, for the presentation of the Secretary-General's report on multi-year payment plans.

Mr. Chairman,

Let me first of all address the Committee on Contributions' review of the scale of assessments for the period 2013-2015. At a time when our Committee is tasked to prepare a decision on the methodology for the scale for the next three years, the Committee's review provides more than ever a valuable technical basis for our work during this session.

We want to stress the importance of making the right decisions on the scale of assessments, thereby ensuring the sustainability of the Organisation in line with our vision of a strong and efficient UN at the apex of the international system, as reaffirmed by the Foreign Ministers of the European Union Member States in their statement of 23 July.

* Croatia, the former Yugoslav Republic of Macedonia and Montenegro continue to be part of the Stabilisation and Association Process.

+ Iceland continues to be a member of the EFTA and of the European Economic Area.

Funding the Organisation is the joint responsibility of the whole membership and is essential to its effective functioning. The members' financial contributions to the Organisation should be based on their relative capacity to pay. It should be noted that the sum of the contributions of EU Member States still exceed by far their share of world GNI, so there cannot be any doubt that the current methodology does not sufficiently take into account the evolution of economic reality. There is still room to improve the methodology if it is to reflect a more equitable and balanced distribution of the financial responsibilities among Member States according to their capacity to pay.

It was in recognition of this that the General Assembly at its 64th session agreed to undertake a comprehensive review of all elements of the methodology, a review that regrettably never took place. For our part, the Member States of the EU have consistently expressed concerns regarding some serious problems in the current methodology, which are at the source of this situation. We are concerned to learn from the Committee on Contributions that the Low Per Capita Income Adjustment has become the largest element of redistribution in the methodology, considering that this redistribution benefits only to a limited extent the poorer members that it was originally created to support and that are in real need of the adjustment. The problems caused by the debt-burden adjustment, as observed by the Committee, are also worrying. Furthermore, with respect to the analysis of the Committee on Contributions, we would like to stress from the very beginning that, given the need to respect the capacity to pay, any option that would lead to further distortion of the capacity to pay is inconceivable for the EU Member States.

Mr. Chairman,

Let me continue by addressing the issue of the requests for exemption under Article 19. The EU Member States have constantly stressed that the payment of assessed contributions in full, on time and without condition is a fundamental duty of all member states. This position has not changed. Nevertheless, it has to be acknowledged that, for reasons beyond their control, some member states may, at times, face genuine, temporary difficulties in fulfilling their annual financial obligations to the United Nations.

Once arrears have accumulated, multi-year payment plans seem to be an effective tool to help member states to reduce their unpaid assessed contributions.

We are content to endorse the recommendations of the Committee on Contributions permitting the countries that requested exemption under Article 19 to vote in the General Assembly until the end of its 67th session.

Mr. Chairman,

In concluding, I would like to assure you and other members of this Committee of our readiness to cooperate and engage positively in the negotiations. We look forward to working with Member States of all groups towards an outcome which would better reflect the principle of capacity to pay. The Member States of the European Union remain fully committed to putting the United Nations' finances on a sound, sustainable and equitable basis.

I thank you, Mr. Chairman.