



EGYPT

**G77 Chairmanship
2018**

**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY HE AMBASSADOR
MOHAMED EDREES, PERMANENT REPRESENTATIVE OF EGYPT TO THE UNITED
NATIONS, ON AGENDA ITEM 140: SCALE OF ASSESSMENTS FOR THE
APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS AND AGENDA ITEM
149: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF
UNITED NATIONS PEACEKEEPING OPERATIONS, AT THE MAIN PART OF THE
SEVENTY-THIRD SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS
GENERAL ASSEMBLY
(New York, 9 October 2018)**

Madam Chair,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 140, entitled "Scale of assessments for the apportionment of the expenses of the United Nations" and on agenda item 149, entitled "Scale of assessments for the apportionment of the expenses of United Nations Peacekeeping Operations".

2. The Group of 77 and China thanks Ambassador Bernardo Greiver, Chair of the Committee on Contributions, and Mr. Chandru Ramanathan, Acting Controller of the Office of Programme Planning, Budget and Accounts for introducing their respective reports.

Madam Chair,

3. On the scale of assessments for the apportionment of the expenses of the United Nations, the Group of 77 and China reaffirms its longstanding position that the Organisation must be provided with sufficient financial resources. Without adequate resources, the Organisation cannot implement mandates effectively. All Member States should therefore fulfil their legal obligations to bear the expenses of the Organisation, in accordance with the Charter of the United Nations, and pay their assessed contributions in full, on time, and without conditions. It is unrealistic to continuously demand more of the Organisation while unilaterally withholding contributions.

4. The Group of 77 and China stresses that the special and genuine difficulties faced by some developing countries that prevent them from temporarily meeting their financial obligations should be fully taken into account. The Group therefore emphasizes the importance of dealing with Article 19 on an urgent basis, and endorses the Committee on Contributions' recommendation that Comoros, Sao Tome and Principe, and Somalia be permitted to vote until the end of the seventy-third session of the General Assembly. This Committee should act on the requests of these countries at the earliest opportunity.

5. On the issue of multi-year payment plans, the Group appreciates the efforts made by Member States who have honoured their commitments under those plans. We reiterate that multi-year payment plans should remain voluntary. The Group encourages Member States with significant arrears to also consider multi-year payment plans in meeting their obligations to the Organisation.

Madam Chair,

6. In its Ministerial Declaration of 27 September 2018, the Group outlined key longstanding principles of its position.

7. First, the current methodology for the preparation of the scale of assessments reflects changes in the relative economic situations of Member States. We reaffirm the principle of "capacity to pay" as the fundamental criterion in the apportionment of the expenses of the United Nations. We reject any change to the elements of the current methodology for the preparation of the scale of assessments aimed at increasing the contributions of developing countries.

8. Second, the Group of 77 and China emphasizes that the core elements of the current methodology of the scale of assessments, such as base period, Gross National Income, conversion rates, low per capita income adjustment, gradient, floor, ceiling for Least Developed Countries, and debt burden adjustment must be kept intact. They are not negotiable.

9. Third, the Group of 77 and China reiterates that the current maximum assessment rate or ceiling was fixed as a political compromise. It is contrary to the principle of the capacity to pay, and a fundamental source of distortion in the scale of assessments. The Group of 77 and China note the observation by the Committee on Contributions that the maximum assessment rate has resulted in a reduction of 5.26 percentage points. Only one country has benefited from this reduction. In dollar terms, the maximum ceiling represents a discount of approximately \$142 million dollars for a single Member State. We urge the General Assembly to review this arrangement, in accordance with paragraph 2 of resolution 55/5 C.

10. Fourth, the Group of 77 and China emphasizes that organisations which have an enhanced observer status at the United Nations giving them the rights and privileges usually only applied to observer states, such as the right to speak in the general debate of the General Assembly and the right of reply, should also have the same financial obligations to the United Nations as observer states. We urge the General Assembly to consider a decision on an assessment for such organisations.

Madam Chair,

11. The Group of 77 and China notes that applying the current methodology to the 2019-2021 scale will lead to substantial increases in the contributions of many developing countries. In fact, according to the updated data in the report of the Committee on Contributions, the share of the scale of assessments for the regular budget borne by members of the G77 and China in the 2019-2021 scale period will increase to 25.477%, which is approximately three times the share borne by the G77 in the 2007-2009 period. In the meantime, developed countries' scales of assessment continue to decrease. Even so, as responsible members of the United Nations, the Group of 77 and China reaffirms our commitment to fulfilling our financial responsibilities.

12. The Group recalls that the rationale for reducing the ceiling to 22% in 2000 was to facilitate the payment of arrears, and thereby improve the financial situation of the United Nations. The Group will request detailed information on the history of payment of arrears, to determine whether this rationale has been met over the 18 years since.

13. In addition, the Group of 77 and China rejects any attempt to unilaterally withhold contributions as a tool to pressure the United Nations. This is contrary to both the letter and spirit of the Charter, which upholds the principle of sovereign equality of all Member States. We emphasize as well that any attempt to change the methodology, to unfairly and further shift the burden of financing this Organisation to developing countries, will only generate unproductive discussions without consensual outcomes.

Madam Chair,

14. Turning to the scale of assessments for the apportionment of peacekeeping operations, the Group of 77 and China reiterates that peacekeeping is an indispensable function of the United Nations. We stress in the strongest terms that all peacekeeping operations should be provided with the necessary resources to implement their mandates. All Member States should fulfil their legal obligations to bear the expenses of the Organisation, in accordance with the Charter of the United Nations, and pay their assessed contributions in full, on time, and without conditions.

15. The Group of 77 and China reaffirm once again the principles that underpin the financing of peacekeeping operations, that this Assembly has adopted since resolution 1874 (S-IV) of 27 June 1963. At the highest levels, the Group of 77 and China have affirmed that the current principles and guidelines for the apportionment of the expenses of peacekeeping operations, approved by the General Assembly in its relevant resolutions, should constitute a basis for any discussion on the peacekeeping scale. Our Ministers have stressed that the peacekeeping scale must clearly reflect the special responsibilities of the permanent members of the Security Council for the maintenance of peace and security. Our Ministers also recalled that the economically less developed countries have limited capacity to contribute towards the budgets of peacekeeping operations. They emphasized that any discussion on the system of discounts applied to the peacekeeping scale should take into account the conditions of developing countries whose current positions must not be negatively affected. The Ministers stressed, in this regard, that no member of the Group of 77 and China that is not a permanent member of the Security Council, should therefore be categorised above level C.

16. In view of their special responsibilities for the maintenance of peace and security, the Group of 77 and China calls for the permanent members of the Security Council to continue to shoulder their respective premiums of peacekeeping financing based on their capacity to pay as well as the agreed scale of assessments. Over the years, the arbitrary and unilateral withholding of assessments has led to shortfalls in liquidity for the Organisation, which has forced the Secretariat to borrow from closed peacekeeping missions. This is not in line with proper budgetary practices. The challenges in cashflow due to the wilful withholding of assessments have also had a disproportionate impact on other member states, especially troop- and police-contributing countries, who render the greatest service in the maintenance of peace and security. The Group of 77 and China notes that only one permanent member

of the Security Council, who is also a member of this Group, has paid their assessments in full as of 30 September 2018. We urge the other permanent members to similarly uphold their responsibilities.

Madam Chair,

17. The Group of 77 and China rejects attempts by developed countries to shift obligations to developing countries. Developing countries should not be arbitrarily targeted to move to higher levels or forced to accept reductions in their discounts for peacekeeping contributions. The developed countries are welcome to voluntarily contribute more than their calculated scales.

18. The peacekeeping scale should also reflect the principle of common but differentiated responsibilities between developed and developing countries. Developing countries should not be assigned to the same level of contributions as developed countries on the sole basis of their per capita incomes. The exclusive use of this single measure ignores the difficult and unique circumstances faced by developing states, which cannot be expected to contribute to peacekeeping operations on the same level as developed countries. Further, special consideration should continue to be given to Least Developed Countries, and they should continue to be assessed at the lowest level in the scale.

19. The Group of 77 and China recalls that the current levels of discounts for the peacekeeping scale were created in 2000 together with the 22% maximum ceiling for a single Member State. Developing countries were compelled to give up discounts of 80% or 90% overnight in order to accommodate these new levels. The category of Level C was created in 2000 to afford developing countries a minimum discount of 7.5% in the peacekeeping scale. The Group of 77 and China reiterates that developing countries are not in a position to agree to any further reductions in their discounts.

20. The Group is also concerned that developing countries, including Small Island Developing States, have been repeatedly allocated to Level B of the scale since 2000. This violates the principles underlying the 2000 agreement which created the 22% maximum ceiling and the current levels of discounts for the peacekeeping scale. In this regard, the Group of 77 and China reiterates that no developing country that is not a permanent member of the Security Council should be classified above Level C in the peacekeeping scale.

Finally, Madam Chair,

21. The Group of 77 and China emphasizes that negotiations on all Fifth Committee agenda items including the present one must be conducted in an open, inclusive, and transparent manner which upholds the legitimacy and competency of the Fifth Committee as the sole Main Committee of the General Assembly entrusted with responsibilities for administrative, financial, and budgetary matters. We affirm the unity and solidarity of all our Members on this item and we reiterate our strong opposition to decision-making in small-group configurations.

I thank you, Madam Chair.