

Introductory statement by the Chairman of the Committee on Contributions on the report of the Committee on its eighty-second session

Mr. Chairman,

1. On behalf of the Committee on Contributions, let me convey to you and to the Bureau our congratulations on your election. I should also like to take this opportunity to express our appreciation to your distinguished predecessor, His Excellency Mr. Mher Margaryan, for his leadership of this Committee during the seventy-sixth session of the General Assembly.

2. It is my honour to introduce the report of the Committee on Contributions on its eightysecond session, held here in New York from 6 - 24 June 2022. This is before the Committee in document A/77/11.

3. In this session we begin the cycle for the next triennial scale of assessment, the challenges are more complex due to the uncertainty in which we live;

- In this next scale we will have the effects of the most difficult years that we have experience throughout the world due to COVID-19;
- In the next scale we are also going to see the effects of the economics difficulties that we are going through and;
- In the next scale we are going to have the effects of the increase in inflation with which we are living. Inflation is not a friend of the scale because it alters the result, affects income, increases interest rates and increases the burden of external debt. In some cases exchange rate becomes more volatile and we are going to face the problem of differences between inflation measured in local currencies and inflation measured in US dollars, the conversion unit we use for comparability.

All of this makes knowledge, experience but also empathy for others more necessary than ever. As Chairman of the Committee, I am proud to introduce the result of the joint work of the members of the Committee, the Secretariat and the Statistics Division. In this report there are answers to the questions that arose during the last session, and we hope it will be useful for your deliberations. Our job is to help you to do your job and we are ready to work together, taking into account what members states need together with what's best for our United Nations. Mr. Chairman,

4. While adopting the current <u>scale of assessments</u> in resolution 76/238, the General Assembly by the same resolution also requested the Committee, in accordance with its mandate and the rules of procedure of the Assembly, to review and make recommendations on the elements of the methodology of the scale of assessments in order to reflect the capacity of Member States to pay. The results of the Committee's review of the elements of the methodology pursuant to resolution 76/238, are detailed in chapter III, of the report now before you in document A/77/11.

Mr. Chairman,

5. The <u>income measure</u> is a first approximation of capacity to pay. Based on its review of this element, the Committee recalled and reaffirmed its recommendation that the scale of assessments be based on the most current, comprehensive and comparable data available for gross national income (GNI). The Committee expressed support for the ongoing efforts by the United Nations Statistics Division to enable Member States to submit national accounts data on a timely basis with the required scope, detail and quality.

6. The GNI data received from Member States in their national currencies must be converted to a common monetary unit through the use of <u>conversion rates</u>. The Committee reaffirmed its recommendation that conversion rates based on market exchange rates should be used for the scale of assessments, except in cases where that would cause excessive fluctuations and distortions in GNI of some Member States expressed in United States dollars.

7. Income data expressed in United States dollars must be averaged over a designated <u>base</u> <u>period</u>. Based on its review of this element, the Committee agreed that, once chosen, there were advantages in using the same base period for as long as possible.

Mr. Chairman,

8. The <u>debt-burden adjustment</u> has been an element of the scale methodology since 1986. At this session, members of the Committee continued to have divergent views on the adjustment. However, the Committee noted that the unavailability of data was no longer a factor in determining whether to base the debt-burden adjustment on (a) total external debt or public external debt; and (b) the debt-stock approach or the debt-flow approach. Data is now available on public external debt and on the actual repayments. The Committee decided to further consider the question of the debt burden adjustment at future sessions in the light of guidance from the General Assembly.

9. The <u>low per capita income adjustment</u> has been part of the methodology since the preparation of the first scale of assessments. The adjustment continues to be an essential element in the scale methodology. The Committee considered options for revising the low per capita income adjustment, and members expressed different views on the merits of various alternatives.

10. The Committee agreed that an alternative approach for establishing the threshold could be the world average per capita debt-adjusted GNI (instead of the unadjusted per capita GNI used in

the current methodology). The Committee also agreed that another alternative approach for establishing the threshold could be an inflation-adjusted threshold. The Committee decided to consider further the low per capita income adjustment in the light of guidance from the General Assembly.

Mr. Chairman,

11. The current methodology includes a maximum assessment rate, or <u>ceiling</u>, of 22 per cent, a maximum rate for the least developed countries, or <u>LDC ceiling</u>, of 0.010 per cent, and a minimum assessment rate, or <u>floor</u>, of 0.001 per cent. The Committee decided to further consider these elements in the light of guidance from the General Assembly.

12. The Committee also considered <u>other suggestions and other possible elements of the scale</u> <u>methodology</u>. The Committee's review of <u>large scale-to-scale changes in rates of assessment and</u> <u>discontinuity</u>, <u>annual recalculation</u> and <u>safeguard measures</u> is detailed in chapter III B. The Committee decided to further study these issues in the light of guidance from the General Assembly.

Mr. Chairman,

13. In order to be able to identify the impact of new data on the <u>scale of assessments for the</u> <u>period 2022-2024</u>, the Committee decided to consider the application of the new data to the methodology used in preparing the current scale. The results are shown in Annex IV of the Committee's report for information.

14. 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 <u>multi-year payment plans</u>. The results of the Committee's review of the latest report of the Secretary-General are contained in chapter IV of its report. The Committee reiterated its recommendation that the General Assembly encourage those Member States in arrears under Article 19 of the Charter to consider submitting multi-year payment plans.

Mr. Chairman,

15. As regards <u>Article 19</u>, three requests for exemption had been forwarded by the President of the General Assembly. As indicated in chapter V of its report, the Committee concluded that the failure of the three Member States –the Comoros, 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 seventy-seventh session of the General Assembly.

Thank you very much, Mr. Chairman.