

Agenda Item 122: Scale of Assessments

Statement by Mr. Kamallesh Sharma, PR on October 2, 2000

Mr. Chairman,

It gives us great pleasure to see you Chair the deliberations of the Fifth Committee of the 55th Session of the General Assembly. Please accept our hearty congratulations on your appointment to the Chair. We wish you, and your Bureau, all success in your work and assure you of our full cooperation.

My delegation associates itself with the Statement made by the delegation of Nigeria on behalf of the Group of 77.

India views all aspects of the reform and renewal of the United Nations to be important goals that require to be pursued vigorously. We believe that systemic reform would significantly strengthen the organization. This was adequately emphasized in the statements made by a vast majority of the membership during the Millennium Summit earlier this month.

We would like to thank Mr. Ugo Sessi, Chairman of the Committee on Contributions for introducing the Report of his Committee contained in document A/55/11. This Committee would have benefited had the CoC, in accordance with its mandate, recommended a scale for the apportionment of expenses, if necessary, by proposing an additional option. We do, however, note that the Committee, *inter alia*, had time constraints. In not being able to recommend an agreed set of data for the purpose of calculating the next scale, apparently for the first time ever, the CoC has thrown up a challenge to the Fifth which the collective membership of the organization will have to now contend with.

The problem faced by the Committee on Contributions, and now by the Fifth Committee, is in many ways unique. As we all know, the crucial point at question is the ceiling. Should it stay as it is or should it be lowered? There is, of course, nothing sacrosanct about the present ceiling; even at this level, it represents a departure from the principle of capacity to pay. If it is to be changed, member States would have two objectives in mind in lowering it. Firstly, it should be brought down to a level where no contributors would have a preponderant weight simply because of the volume of their contributions; in other words, the sacrifice of the principle of the capacity to pay would lead to a more equitable distribution of burden among a larger group of countries with the economic capacity to share it. Secondly, it should ensure that the United Nations would not again have to undergo the travails it has suffered over the last five years and more, with assessed contributions being withheld.

If the Fifth Committee is to look at a change, we would ask if it would meet these two objectives. Can it be guaranteed that assessed contributions are never withheld in the future? Secondly, would the functional benefit of lowering the ceiling release the UN from undue dependence upon a very few major contributors?

This delegation will pursue its support to the adoption of a scale that is both equitable and fair, and one that is acceptable to the general membership of this organization. For achieving this, negotiations must be conducted in a transparent manner, and in keeping with the established rules, regulations and procedures that we have all agreed upon in this organisation.

We believe that the General Assembly should approve a scale that would also safeguard the financial stability of the organization in the long-term. India would be willing to accommodate modifications to the scale if they spread the burden of payment, more broadly, among the major contributors. Equity with financial predictability and stability should be the motto. Since the scale that is eventually adopted would represent a very delicate political balance, as sovereign equals we should attach a preeminent importance to a consensual approach.

Mr. Chairman,

On some of the more important observations and the recommendations made by the Committee on Contributions, our views are as follows:

- I. On the income measure, we agree that the GNP should continue to be the basis.
- II. On the base period, we agree with the conclusion that it should be a multiple of the scale period. A spirit of understanding and accommodation would be necessary to agree upon a six-year period.
- III. On the conversion rates, Market Exchange Rates (MERs) should be used; their replacement by Price Adjusted Rates of Exchange (PAREs), or other appropriate conversion rates, should be resorted to only where excessive fluctuations or distortions in the income of member States is brought about through usage of MERs.
- IV. The debt burden adjustment should be retained in the scale methodology. Since the overall level of debt *per se* constitutes a burden, this should be based on the “debt stock approach”.
- V. On the low per capita income adjustment, we note the Committee’s reaffirmation of the continuing relevance and importance of the LPCIA and it being a basic element of the methodology from the very beginning. In keeping with the pronouncements of the CoC on the subject, we concur with the G-77 on the need for an upward revision of the gradient from the current level.
- VI. On the floor, we agree with the CoC.
- VII. On the Ceilings, while a maximum assessment rate for the LDCs, of 0.01%, is acceptable to us, the question of reducing the maximum assessment rate is an element on which a consensus political decision would be necessary, in keeping with what we have stated earlier on this element.
- VIII. Reimbursements to troop contributors: We endorse the Committee’s view that member States should be reimbursed promptly and fully, the costs incurred by them

towards their troops and equipment. This would, inter alia, ensure continued legislative and parliamentary support for peacekeeping operations. In this connection, we would draw the attention of all members to the clarion calls made in the General Assembly this year, and in the years past, for all delegations to pledge payments of their assessed contributions, and arrears, in full, without conditions, and against a specified time schedule.

IX. On the subject of annual recalculation, we note that the Committee will consider the question further at an appropriate future session.

X. Exemptions under Article 19: We continue to believe that exemptions should be provided if it has been proved, beyond doubt, to the General Assembly that the failure of member States to pay their assessed contributions in time is due to conditions beyond their control.

XI. On the budgetary surpluses, we prefer distribution of the surplus to member-States that are current with their obligations.

In conclusion, Mr. Chairman, let me add that the various elements of the scale methodology would need to be agreed to by consensus as a package. A piece-meal approach is best avoided.