



STATEMENT BY MR. K.P.K. KUMARAN, MEMBER OF PARLIAMENT AND MEMBER OF THE INDIAN DELEGATION, ON AGENDA ITEM 122: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS IN THE FIFTH COMMITTEE OF THE 61ST SESSION OF THE UN GENERAL ASSEMBLY ON OCTOBER 09, 2006

Mr. Chairman,

At the outset kindly accept the congratulations of my delegation on your election as the Chairman of the Fifth Committee. We also extend our felicitations to the other members of the Bureau on their election. We are confident that under your stewardship, the Fifth Committee would undertake constructive deliberations during this session. I assure you of my delegation's fullest cooperation during the discussions that lie ahead.

I would also like to express our appreciation to the Chairman of the Committee on Contributions, Mr. Bernardo Greiver, for introducing the report of the Committee, and to the Chief of the Contributions Services, Mr. Mark Gilpin, for his introduction of the report of the Secretary-General on multi-year payment plans.

My delegation aligns itself with the statement made by the Distinguished Permanent Representative of South Africa on behalf of the Group of 77.

Mr. Chairman,

We support the conclusions of the Committee on Contributions on the applications before it for exemption from the application of the provisions of Article 19. We endorse the recommendation to permit the concerned member states to vote in the General Assembly until the end of the 61st UNGA session.

We have taken note of the Committee's observations on the positive contribution of the multi-year payment plans in encouraging and assisting member states to reduce their unpaid assessed contributions. We acclaim those Member States that are making efforts to meet their obligations under their respective voluntary plans. In particular, we commend Iraq for completing its

payments under its multi-year payment plan which has enabled it to free itself from the provisions of Article 19. We also welcome the submission of Liberia's multi-year payment plan. We fully appreciate the position of those member states in arrears that are not, at this point in time, in a position to submit their multi-year payment plans. It is our solemn duty to stand by these members state in their time of need. In that spirit, we also support Tajikistan's request for writing off its arrears for peacekeeping that accumulated before 2000 in view of the difficulties faced by the friendly people of Tajikistan during that period. However, there is no justification whatsoever for developed countries to be in arrears.

Mr. Chairman,

My delegation reiterates our common understanding that the financing of our organization is based on the fundamental and inviolable principle of "capacity to pay" of member states. We are conscious that statistics can be utilized by the clever to justify any argument. However, that is not what the United Nations is all about. We strongly believe that the member states must be assessed for their contributions according to their means, so that membership of the United Nations does not become a source of penury and hardship. At the same time, it is also important for the Organization to maintain its financial solvency in order to enable it to perform its mandated tasks. We are, therefore, convinced that the primary source of distortion in the "capacity to pay" principle resides in the 22% ceiling that was imposed on the assessment of one member state to encourage the payment of arrears and thereby improve the financial situation of the United Nations. Six years down the road, time has come for us to assess the impact of that ceiling in achieving its declared goal and to take appropriate measures in the light of that assessment.

The financial well-being of the United Nations is in the interest of all its member states. Accordingly, we call upon all member states to pay their assessed contributions in full, on time, and without conditions; to do so constitutes not only a legal obligation but also a moral one.

Mr. Chairman,

With regard to the methodology of the scale of assessments for the period 2007-2009, we endorse the Committee's recommendation that the scale of assessments for the period 2007-2009 should be based on the most current, comprehensive and comparable data available for Gross National Income(GNI). However, we should be vigilant, that in pursuit of latest data, the criticality of comprehensiveness and comparability of data should not be compromised. We also agree with the Committee's recommendation that conversion rates should be based on Market Exchange Rates for the assessments for the period 2007-

2009, except where that would cause excessive fluctuations and distortions in the GNI of some member states.

On other elements of the scale of assessment, we would like to reiterate that from the point of view of simplicity, technical soundness and smoothing of short-term fluctuations, we prefer a six-year base period. This is particularly so since the present scale, based on an average of the machine scales of six years' and three years' data was merely a compromise, is lacking in technical merit and did not altogether smoothen out short term fluctuations in GNI data. We are also wary about the proposal for annual recalculation as it would, in all probability, be less stable besides being unpredictable and adding to needless administrative costs.

On debt-burden adjustment, we are in favour of the current debt stock approach as it is the true indicator of indebtedness of an economy. In our understanding, a debt is a debt which is a liability and has to be repaid either in the short term or long term. In the same light, we should also examine the appropriateness or otherwise of the current application of the debt burden adjustment to higher income countries.

My delegation believes that the amount of low per-capita income adjustment is an integral part of the scale of assessment process since its inception and it should continue to be distributed only among Member States above the threshold and not among all Member States.

My delegation opposes any large scale increases in the rates of assessments of developing countries. Similarly, we are cognizant of the fact that the floor level of assessment was lowered from .01 percent to .001 percent. Nevertheless, we would be open to examining if this still imposes an excessive burden on some of the smaller Member States. This is especially true for least developed countries and small island developing states.

On the crucial issue of ceiling, we would urge the Committee on Contribution deliberate further to analyze its impact on the scale of assessments of other member states.

Finally, we urge the Secretariat to cooperate with those Member States that have difficulties in collating and submitting national income statistics on time. As a result, in one case, Angola, the assessment has risen by an astronomical percentage. We have to examine how to mitigate these unreasonable increases, so that member states are not assessed unjustly.

Mr. Chairman,

My delegation looks forward to discussing the above issues in greater detail during informal consultations of this Committee with a view to providing guidance to the Committee on Contributions on the important work before it at its next session.

Thank you Mr. Chairman.

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