



PAKISTAN

PERMANENT MISSION TO THE UNITED NATIONS

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AGENDA ITEM 122:

SCALE OF ASSESSMENT FOR
THE APPORTIONMENT OF THE
EXPENSES OF THE UNITED
NATIONS

STATEMENT

BY

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New York
9TH October 2006

Mr. Chairman,

As I take the floor for the first time during the 61st session, allow me to felicitate you and the members of the bureau of the 5th Committee on your election. In this session the Committee has before it, several important issues, which would have a far reaching impact on the future of the United Nations. I am confident that your vast diplomatic experience would be an invaluable asset in dispensing with this onerous responsibility. We assure you of our cooperation in this endeavour.

2. I would also like to thank the distinguished Chairman of the Committee on Contribution for introducing the report of that Committee. The Report of the Committee on Contribution provides useful information on the deliberations of the Committee and whole range of proposals that the Committee had before it during its last session. We particularly appreciate the balanced report that the Committee has put forward in the absence of clear guidance from the General Assembly.

Mr. Chairman,

3. The issue of scale of assessment is indeed one of the most important items before the Committee during 61st session. The divergence of views on this subject makes it even more challenging. Reconciling different interests and viewpoints would need flexibility and spirit of compromise.

4. We believe that the unanimous agreement on the principle of the "capacity to pay" as the basis for the scale methodology for the assessment and apportionment of the UN expenses provides us with a solid starting point. Preserving the concept of "capacity to pay" is vital for equitable sharing of the UN expenses while taking into account the limitations of the developing and least developed Member States in this regard.

5. The adjunct to this fundamental principle is the low-income relief to the countries with low per capita income. It has been an integral part of the scale methodology since its inception and remains as relevant and important today. This measure provides for modest but necessary compensation to the low income countries. Given the negative impact of global political and

economic developments on economies of the poor countries, the gradient or the rate of relief needs to be restored to its former level of 85%.

6. Despite some positive initiatives from developed countries, the overall debt of many developing countries has remained unsustainable and debt servicing has figured as a major liability on their balance sheets. The current discount is based on debt stock adjustment and should be maintained as such.

7. In the context of the collection of the data for the scales assessment, we fully support the recommendation of the Committee on Contributions, for assessing the scales on the "most current, comprehensive and comparable data of the Gross National Income". Calculation of national income on the basis of methodologies like purchasing power parity, in COC's view, is logistically incompatible. No up-to-date comparable data for most of the Member States is available and its application would create huge distortions resulting in colossal increases in the scales of the countries with low incomes. This proposal has no sound technical and moral basis and should not figure in our deliberations.

Mr. Chairman

8. We believe that in order to achieve consensus on this important issue we would need to work on the premise of capacity to pay giving maximum relief to the developing and the least developed countries. The respite so provided to these countries may be an insignificant percentage of the total scales but would indeed be significant help for them. Similarly, the issue of large scale-to-scale increases also warrants our attention. We should avoid abrupt and massive changes in the assessments of the members. We believe that we should seriously consider raising the income gradient for low income countries. Any move to disturb the current methodology in this context would open the wider issue of renegotiating the ceiling or maximum contribution, on which we managed to advance a difficult consensus just few years ago.

9. We must remind ourselves that our contributions to the UN budget vary according to our capacity to pay. We are grateful to the countries who have for a long time shouldered greater responsibility than others. However, using financial contribution to create political leverage and attempts to introduce new concepts such as "responsibility within the organization" as a

basis for assessing the scale will be divisive and add to the atmosphere of confrontation in the Assembly. We should avoid further polarization. Using the current methodology, with appropriate adjustments provides the most reasonable basis for a consensus. The adjustment of contributions on the basis of the objective criteria of the country's capacity to pay provides the most reasonable basis for a compromise on this issue.

10. Finally, the UN can deliver and fulfill all mandated programs and activities, only if it is provided with adequate resources. The financial crisis which the UN faced in the recent past must be avoided in future. In this regard, timely and full payment of contributions by Member States is of critical importance. On its part, Pakistan has always met its financial obligations, in full and on time. We are prepared to contribute to any process that helps make the UN a financially sound Organization capable of fulfilling its global responsibilities. I would like to assure you and the Committee of our support and cooperation in this process.

Thank you, Mr. Chairman.