



General Assembly

Distr.  
RESTRICTED

A/CN.2/R.570/Add.11  
11 June 1993  
ENGLISH  
ORIGINAL: RUSSIAN

COMMITTEE ON CONTRIBUTIONS  
Fifty-third session  
14 June-2 July 1993

REPRESENTATIONS BY MEMBER STATES

Addendum

AZERBAIJAN

[10 June 1993]

The Permanent Mission of the Azerbaijani Republic to the United Nations presents its compliments to the Committee on Contributions and its members and has the honour to submit to the Committee, in accordance with rule 160 of the rules of procedure of the General Assembly, a number of considerations relating to the decision on the scale of assessments to the regular budget of the United Nations, adopted by the General Assembly at its forty-seventh session in December 1992 in accordance with the recommendations of the Committee on Contributions. Under the new scale of assessments, Azerbaijan's contribution has been assessed at 0.22 per cent.

1. Azerbaijan was admitted to the United Nations in March 1992 as a new independent State in accordance with all the relevant procedures established by the Charter of the United Nations. Although Azerbaijan gained its independence as a result of the collapse of the former Union of Soviet Socialist Republics, it has never claimed to be a successor to the Soviet Union. Consequently, in the opinion of the Azerbaijani Government, the amount of our country's contribution to the regular budget of the United Nations should be assessed independently, without reference to the contribution of the former USSR.

2. The data of the statistical offices of the former USSR for the years 1980-1989, which were used to calculate Azerbaijan's contribution to the regular budget of the United Nations, do not reflect the real economic potential of the Republic and its real capacity to pay. This fact has been recognized by experts from the International Monetary Fund (IMF) and the World Bank and was reflected in their reports.

In particular, in the aide-mémoire entitled "Estimates of per capita income for the former Soviet Union", prepared by the World Bank for the 634th meeting of the Development Assistance Committee, the per capita income in Azerbaijan (in constant 1991 prices) for 1990 and 1991 was estimated at \$1,700 and \$1,670, respectively, which is almost 40 per cent lower than the figure that served as the basis for calculating our country's contribution to the regular budget of the United Nations.

At the same time, it is generally recognized that the official rouble-per-dollar exchange rate used by the statistical offices of the former USSR was artificially inflated for propagandistic purposes and did not reflect the real situation in international foreign-exchange markets. As a result of detailed studies carried out by IMF, it has been estimated that the real exchange rate for the years 1980-1989 fluctuated between 1.7-3.0 roubles to the dollar. The use of these indicators urgently requires substantial corrections to the estimates of per capita income for those years in Azerbaijan and, of course, should be reflected in the amount of Azerbaijan's contribution to the regular budget of the United Nations.

We should also like to point out that, according to the statistical data available to Government agencies and departments of Azerbaijan, in the 1980s approximately 20 per cent of the national income produced in Azerbaijan was exported from the Republic without compensation, in keeping with the economic policy of the central Government of the USSR.

3. Since the beginning of the 1990s, the Azerbaijani Republic's capacity to pay has declined sharply. The general crisis caused by the rupture of traditional economic ties among the former republics of the USSR has not spared Azerbaijan.

In 1992 and the beginning of 1993, the situation continued to deteriorate. This was by and large due to Armenia's undeclared war against our country, as a result of which Azerbaijan has lost approximately 10 per cent of its territory, and another 10 per cent is directly affected by the conflict. The lost territories accounted for a considerable share of agricultural production, in particular food production. Livestock production in particular, has decreased twofold. The harvest of cotton, which is one of Azerbaijan's principal sources of foreign currency has fallen almost by half.

There are in Azerbaijan, a country with a population slightly higher than 7 million, more than 550,000 refugees, which includes over 200,000 refugees from Armenia. The provision of food, shelter and the minimum means of subsistence to hundreds of thousands of people consumes a sizeable part of the State budget of Azerbaijan. It is safe to say that, without assistance from the international community, Azerbaijan will not be able to deal effectively with its refugee problem.

In 1992, production in Azerbaijan fell at a rate of nearly 20 per cent. During the first five months of 1993, the volume of the national income produced fell by another 20 per cent as compared with the same period in 1992. The most serious factor in Azerbaijan's reduced capacity to pay is the decline in petroleum output and the production of petroleum products, whose export accounts for more than 50 per cent of Azerbaijan's foreign currency reserves.

4. In the light of the foregoing, the Government of Azerbaijan appeals to the Committee on Contributions to consider, at its annual session, the possibility of submitting new recommendations to the General Assembly on the amount of Azerbaijan's contribution, which would reflect the Republic's real capacity to pay and the economic situation after the collapse of the Soviet Union and Azerbaijan's accession to independence.

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