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Chair: Mr. Bhattarai (Nepal)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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The meeting was called to order at 10.10 a.m.

Organization of work (A/C.5/70/1; A/C.5/70/L.1)

1. **The Chair** said that the Committee must work in a spirit of transparency, trust and efficiency, and that consensus on all matters was required if it was to conclude its work within the allocated time.

2. He invited members to consider the proposed programme of work of the Committee for the main part of the session and the note on the status of preparedness of the relevant documentation (A/C.5/70/L.1). A separate list on the status of documentation would be issued for the first and second parts of the resumed session. He wished to highlight some of the recommendations made by the General Committee in its first report (A/70/250) and adopted by the General Assembly at its 2nd plenary meeting. With regard to the rationalization of work, the General Assembly had requested each Main Committee to further discuss its working methods at the beginning of every session, and had invited the Chairs of the Main Committees, at the seventieth session, to brief the Ad Hoc Working Group on the Revitalization of the Work of the General Assembly, as appropriate, on their committees' discussions of working methods.

3. The Committee should complete its work for the main part of the session by 11 December 2015. In view of financial constraints, meetings of the Main Committees, including informal meetings, should start promptly at 10 a.m. and be adjourned by 6 p.m. In accordance with past practice, the requirement that at least one quarter of the members be present in order to declare a meeting open and to permit debate to proceed should be waived. The General Committee had drawn attention to rules 99 (b), 106, 109, 114 and 115 of the rules of procedure of the General Assembly regarding the conduct of meetings.

4. Efforts should be made to reduce the number of resolutions adopted, and resolutions should not contain requests for reports from the Secretary-General unless such reports were strictly necessary for the implementation of those resolutions or for the continued consideration of an item. Resolutions should be short and action-oriented. In addition, the Main Committees should merely take note of the reports of the Secretary-General or of subsidiary bodies which did not require a decision and should neither debate

nor adopt resolutions on them unless specifically requested to do so.

5. **Mr. Mminele** (South Africa), speaking on behalf of the Group of 77 and China, said that the Committee's increasingly heavy workload made it crucial that Member States receive reports well in advance. While the Group appreciated the recent improvements made and the ongoing efforts of the Secretariat, the ability of Member States to consider the reports and adequately prepare for the negotiations was still being undermined by the late issuance of documentation. Unfortunately, the date of issuance of reports was determining the Committee's programme of work, rather than the importance attached to an item by Member States.

6. The Group welcomed the balanced programme of work prepared by the Bureau and understood that it would be amended throughout the session in the light of the progress made. It trusted that careful consideration would be given to the scheduling of items to ensure that the introduction of items involving a large volume of reports would be distributed evenly. It also trusted that the programme of work would be realistic and would reflect the interests of the membership as a whole. In addition, sufficient time should be allocated for the effective consideration of important items, and the Bureau should coordinate with the Secretariat and the Advisory Committee to ensure timely presentation of reports.

7. The Group considered all agenda items to be equally important for the effective functioning of the Organization. Member States had a collective responsibility to take decisions that would enable the Organization to perform its mandates effectively and efficiently, and negotiations should be conducted in an open, inclusive and transparent manner rather than in small groups. Lastly, the Committee should conclude its work within a reasonable time frame, without unnecessary extensions.

8. **Mr. Kisoka** (United Republic of Tanzania), speaking on behalf of the Group of African States, said that the Group appreciated the fact that a number of reports had already been issued and, in view of the Committee's heavy workload, it encouraged all stakeholders to ensure that remaining reports were made available on time to facilitate the smooth discharge of the Committee's responsibilities. The Group would pay close attention to numerous agenda items throughout the session and would seek

information on the arrangements in place for the implementation of the new mandates related to financing of development and the sustainable development goals so that they could be incorporated in the budget proposal under consideration.

9. A speedy decision was needed on requests submitted under Article 19 of the Charter in order to enable the Member States concerned to fully participate in the work of the General Assembly. Lastly, negotiations should be conducted in an open, inclusive and transparent manner and within the agreed time frame.

10. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that discussions on the scales of assessment for the regular and peacekeeping budgets should be guided by the principle of capacity to pay and should take account of the development challenges faced by developing countries in Latin America and the Caribbean, and around the world. With the exception of the ceiling, the current methodology used to prepare the scales adequately reflected fluctuations in the relative economic situation of Member States and constituted a sound formula for apportioning the expenses of the United Nations. CELAC members therefore opposed any changes to the current methodology.

11. CELAC remained concerned at the distortion caused by the financing of special political missions under the regular budget, which placed a great strain on the resources available for such other purposes as financing of development. That issue must be resolved as a matter of urgency to allow special political missions to work more effectively and efficiently. A special and separate account should be established for special political missions and it should be budgeted, funded and reported on annually with a financial period of 1 July to 30 June. The permanent members of the Security Council had a special responsibility for the maintenance of international peace and security, and that should be reflected in their contributions to the financing of all peace and security operations, including special political missions.

12. CELAC was fully committed to a holistic reform of special political missions based on the proposals of the Secretariat and the related recommendations of the Advisory Committee and it would therefore engage in discussions with other States in order to reach a

satisfactory decision on the matter. The establishment of a separate account for those missions was becoming more urgent with every year that the Committee failed to act.

13. Member States must be provided with all documents necessary to carry out their work within the Committee efficiently and ensure quality negotiations. The Secretariat must therefore ensure timely distribution of documents in all working languages, as mandated by the General Assembly over the years. Lastly, the Organization could not function properly without full and timely payment of contributions by Member States, and CELAC therefore urged all Member States to pay their contributions and condemned any unilateral act against any Member State designed to complicate payment of its assessed contributions.

14. **Mr. Vrailas** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, Georgia, the Republic of Moldova and Ukraine, said that the Committee had an especially heavy agenda and completing its programme of work before the scheduled deadline would require a collective effort by all Member States. In addition, it was important that all required documentation should be submitted in a timely manner and circulated simultaneously in all official languages, especially documents on time-bound issues that had implications for the 2016-2017 regular budget. Timely issuance of documentation was vital to ensure the inclusivity and transparency of the negotiations that were required to reach successful outcomes.

15. The principles of effectiveness, efficiency and budgetary discipline were crucial as emerging and growing challenges gave rise to new functions and new mandates, which would, in turn, require new approaches. The Organization must take full advantage of the potential of a more effective United Nations workforce supported by ongoing reforms relating to Umoja and mobility. The United Nations must manage for results and outcomes, rather than focus on outputs, and must demonstrate effective use of resources and reprioritization of mandates and the consequent redeployment of resources.

16. The Committee must avoid a piecemeal approach, which substantially increased an already agreed programme budget. The European Union and the other delegations on whose behalf he spoke would therefore continue to question the incremental and unpredictable nature of United Nations budgets and would introduce reform proposals on that matter. The Organization must apply the same strict budgetary discipline to United Nations budgets that Member States were applying themselves. The delegations on whose behalf he spoke would work with all other members of the Committee and the Secretariat on the basis of the proposed budget of \$5.568 billion to consider new approaches that would lead to a more sustainable path for the Organization. It would also continue to scrutinize the budgets of the special political missions.

17. The General Assembly had stressed the need for a comprehensive solution to the problem of recosting and had requested the Secretary-General to take into account some improvements in the methodology. The members of the European Union would continue working to address recosting for 2014-2015 and 2016-2017 in a comprehensive way. In addition, they looked forward to receiving more detailed proposals for the implementation of the sustainable development goals and financing for development processes taking into account the principles of effectiveness, redeployment and reprioritization.

18. As staunch supporters of the United Nations and of multilateralism, the members of the European Union were committed to providing the resources necessary for the Organization to conduct its work but firmly believed that there was still substantial room for improving its efficiency and effectiveness. They also looked forward to considering the proposals of the International Civil Service Commission (ICSC) on the comprehensive review of the compensation system for Professional staff and the proposals on the financing of major construction projects.

19. With regard to the scale of assessments for the regular budget and the rates of assessments for peacekeeping operations, a more balanced way of sharing the responsibility for funding the Organization was essential. However, the most vulnerable countries should be protected against excessive assessments, while all Member States with the capacity to do so should take a larger share of the Organization's expenses.

20. **Mr. Minami** (Japan) said that the Committee must not extend its work beyond the scheduled deadline as it had done in previous years. Given that mutual trust had been strengthened during the sixty-ninth session, his delegation was confident that a consensus would be reached on all agenda items in accordance with General Assembly resolution 41/213 and that the Committee would conclude its work on time. His delegation looked forward to a constructive discussion on all matters with a view to achieving the common goal of a more effective and efficient United Nations.

21. **Ms. Coleman** (United States of America) said that the United Nations remained a powerful forum for cooperation in pursuit of peace and prosperity, but it could still be far more effective and must continue to strive for greater efficiencies. Her delegation appreciated the efforts of the Secretary-General to streamline activities, increase accountability and promote efficiency. With Umoja, the Secretariat would for the first time have in place a powerful tool that managers could use to analyse effectiveness and prioritize resource allocation across the Organization, while the global service delivery model provided an opportunity for a long overdue restructuring that other parts of the United Nations system had already undertaken. As part of that restructuring, the United Nations must take a bottom-up approach to budgeting to eliminate obsolete mandates and free up resources for higher impact activities. Her delegation remained deeply frustrated by the reliance on incremental budgeting.

22. The recommendations of ICSC on how to make compensation more modern, simple and cost-effective warranted serious consideration and action at the seventieth session. The Organization could not simply return to business as usual and allow unsustainable budget growth. Instead it must continue the progress that had been made in promoting sustainable budget levels that balanced Member State financial constraints with the need to ensure that the Organization had the means to carry out its mission. The only viable United Nations was an affordable one and achieving budget discipline was imperative even in the context of new mandates. The Organization must prioritize and shift resources from activities that had run their course to those that deserved investment. The sustainable development goals represented an agenda for the world but those goals were to be achieved by Member States themselves. As a

result, any related budget requests should be closely scrutinized to avoid duplication of efforts.

23. The Committee must keep the larger reform agenda in mind as it considered budget requests for the final appropriations for the bienniums 2014-2015 and 2016-2017. Given the significant one-time expenses incurred in the 2014-2015 budget, such as the funding of the United Nations Mission for Ebola Emergency Response and the resolution of the capital master plan, the Committee must approve a budget that was substantially lower than the budget for the biennium 2014-2015. The growing constraints on taxpayers around the world demanded nothing less than the utmost fiscal responsibility. Her delegation welcomed the proposed freezing of the equivalent of 68 posts under the 2016-2017 budget, but viewed that as a down payment on deeper reforms to come. The significant investments made by Member States in the enterprise resource planning system demanded much bolder action than the freezing of just 0.5 per cent of posts. In addition, the ongoing practice of recosting must be abolished since it undermined the very principle of budget discipline. Good management required reprioritizing and making budget cuts when necessary, and when a budget was adopted in December, every manager within the Secretariat should live within that budget.

24. Her delegation firmly supported the principle of consensus and would do everything in its power to achieve it. However, consensus did not mean forcing a decision on a minority and her delegation encouraged the members of the Group of 77 and China not to lose sight of the fact that all Member States shared a common purpose in achieving a United Nations that was vibrant, innovative and effective. Too often, work in the Committee was pitched in zero-sum terms. However, a United Nations that was effective and sustainable was important for all Member States.

25. **Mr. Guo Xuejun** (China) said that his delegation hoped that negotiations would be conducted in a spirit of partnership, democratic consultation and win-win cooperation, and that they would lead to results that were satisfactory to all parties. It also urged all Member States to work together to complete the programme of work within the established time frame. Lastly, his delegation was concerned at the delay in the preparation of documents and hoped that the Secretariat and the Advisory Committee would be able

to distribute documents on all agenda items in a timely manner in order to facilitate discussion.

26. **Mr. Chung Byung-ha** (Republic of Korea) said that all Member States needed to demonstrate cooperation, open-mindedness and a commitment to consensus so that the Committee would be able to complete its heavy programme of work by the agreed deadline.

27. The scale of assessments should reflect Member States' capacity to pay in an equitable and sustainable manner. To that end, the Committee needed to carefully examine the debt-burden adjustment and the low per capita income adjustment, as they often led to a discrepancy between a country's capacity to pay and its rate of assessment.

28. The Secretary-General had proposed \$5.57 billion before recosting for the regular budget for the biennium 2016-2017, which was slightly higher than the budget outline level agreed upon in December 2014. His delegation welcomed the efforts of the Secretary-General to pursue financial efficiency but encouraged him to continue striving for efficiency and effectiveness when examining the effects of newly adopted mandates on actual expenditure during the seventieth session. In that regard, his delegation looked forward to seeing improvements in the efficiency of the Organization with the implementation of the International Public Sector Accounting Standards and Umoja. Lastly, noting that 70 per cent of the regular budget was spent on staff costs, his delegation appreciated the efforts to improve the existing system of salaries, allowances and benefits and would engage in further constructive discussions on that matter.

29. **Mr. Khalizov** (Russian Federation) said that discussions on the unprecedented range of complex issues before the Committee at the current session should lead to the adoption of balanced and effective decisions by consensus. Recalling that the Committee would be examining the second performance report for the current biennium and the proposed budget for the next biennium, he emphasized that any requests for additional appropriations must be well founded, given the substantial extra financial demands resulting from the approval of a large number of new mandates in recent years. In addition, the Secretariat should increase budget effectiveness, transparency and discipline. To that end, his delegation was willing to seek savings within existing resources on the

understanding that they would not have a negative impact on the implementation of the mandates approved by intergovernmental bodies. It would therefore closely scrutinize the proposal of the Secretariat to reduce expenditure on programme support services in connection with the expected benefits from the introduction of Umoja .

30. Concerning the scale of assessments, the current methodology and calculations would lead to a significant increase in contributions for the Russian Federation and other Member States. The level of assessments should reflect countries' capacity to pay, and the current methodology was on the whole in line with that principle. His delegation trusted that, as in previous years, the decision on the scale of assessments would reflect the interests of all Member States.

31. The Organization's numerous ongoing reform initiatives, and reports on those initiatives, had been occupying increasing amounts of the Committee's time. The Committee could not take rapid and considered decisions if, as was frequently the case, it was presented with proposals that were vague and lacked clear information on financial, legal, staffing and programme implications. It was not surprising that such practices had led to long delays in approval or to the deletion of initiatives from the agenda. The connection between those reform initiatives and the content and final cost of the Organization's large-scale infrastructure plans in locations including New York, Geneva, Addis Ababa and Bangkok must not be ignored. The Committee should pursue synergy and rational expenditure by considering the reform initiatives and infrastructure plans in close association with each other. Examples included flexible working arrangements and the global service delivery model.

32. **Ms. Rodríguez Pineda** (Guatemala) said that that every six years the Committee examined three important items at the same time: the biennial budget, the scale of assessments for the regular budget and the financing of peacekeeping operations. Those issues were complex and reflected the commitment of Member States to implement the mandates given by the General Assembly and the Security Council. Her delegation urged Member States to reach substantive agreements on those issues within the allocated time and in accordance with the proposed programme of work.

33. Measures were needed to improve the Committee's working methods and ensure that Member States' contributions were used in the most efficient manner possible without any adverse effect on the implementation of intergovernmental decisions and mandates. In that connection, it would be useful to share relevant best practices and lessons learned.

34. Budget negotiations were clearly very political and complex, but her delegation was confident that the Committee could reach agreement on the basis of the budget outline and other previous commitments. Key review processes were under way in peacekeeping operations, peacebuilding and other areas, and her delegation hoped that the negotiations would be conducted in a spirit of good faith, trust and pragmatism.

35. **The Chair** said that he took it that the Committee approved the proposed programme of work on the understanding that the Bureau would take into account the views expressed and make any necessary adjustments.

36. *It was so decided.*

37. **The Chair** suggested that a deadline of 23 October should be set for the submission of candidacies for appointments to fill vacancies in subsidiary bodies and other appointments and that the elections should be held on 6 November. He took it that the Committee had no objection to the suggestion.

38. *It was so decided.*

Agenda item 138: Scale of assessments for the apportionment of the expenses of the United Nations (A/70/11 and A/70/69)

Agenda item 147: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations (A/70/331)

39. **Mr. Griever** (Chairman of the Committee on Contributions), introducing the report of the Committee on Contributions on its seventy-fifth session (A/70/11), said that the report contained the results of the review by the Committee on Contributions of elements of the methodology of the scale of assessments pursuant to General Assembly resolution 67/238.

40. On the basis of its review of the income measure, which constituted a first approximation of capacity to

pay, the Committee had recalled and reaffirmed its recommendation that the scale of assessments for the period 2016-2018 should be based on the most current, comprehensive and comparable data available for gross national income (GNI). Noting the limitations in the data set available for the preparation of the scale, the Committee had expressed support for efforts by the Statistical Division to enable Member States to submit national accounts data on a timely basis with the required scope, detail and quality. It had also recommended that the General Assembly should encourage Member States to submit the required national accounts questionnaires under the System of National Accounts (SNA), 1993 or 2008, on a timely basis.

41. Conversion rates were required in order to be able to express in a common monetary unit GNI data reported in national currencies. The Committee on Contributions had reaffirmed its recommendation that conversion rates based on market exchange rates (MERs) should be used, except when doing so would cause excessive fluctuations and distortions in GNI of some Member States expressed in United States dollars, in which case price-adjusted rates of exchange (PAREs) or other appropriate conversion rates should be applied. The Committee had decided to use United Nations operational rates of exchange for Myanmar and the Syrian Arab Republic.

42. GNI data must be averaged over a designated base period. As the various advantages and disadvantages of both shorter and longer base periods were well known, the base period under the current scale methodology was the result of a compromise; the average of data from both a three- and a six-year base period was used. The Committee had revisited the possibility of calculating the scale using the average of two base periods and noted that there was no technical reason to change the current combined approach. It had agreed that, once a base period had been chosen, there were advantages in using the same base period for as long as possible.

43. During its extensive review of the debt-burden adjustment, the Committee on Contributions had noted that the unavailability of data was no longer a factor in determining whether to base the debt-burden adjustment on total external debt or public external debt; and whether the debt-stock approach or the debt-flow approach should be used. Data were now available on public external debt and on the actual

repayment period. The Committee had decided to consider further the question of the debt-burden adjustment at future sessions in the light of guidance from the General Assembly.

44. While the Committee on Contributions had agreed that the low per capita income adjustment continued to be needed, it had considered various alternatives. One such alternative involved establishing the threshold on the basis of the world average per capita debt-adjusted GNI to address the asymmetry of comparing the debt-adjusted GNI of Member States against a threshold based on unadjusted GNI. Another possible alternative was an inflation-adjusted threshold. The low per capita income adjustment threshold would be fixed in real terms instead of being set at the current average world per capita income for the scale base period. The Committee on Contributions had decided to consider the low per capita income adjustment further in the light of guidance from the General Assembly.

45. The current methodology included a maximum assessment rate, or ceiling, of 22 percent, a maximum assessment rate, or ceiling, for the least developed countries of 0.010 per cent, and a minimum, or floor, assessment rate of 0.001 per cent. The Committee had decided to consider those elements further in light of guidance from the General Assembly.

46. In connection with other suggestions and other possible elements for the scale methodology, the Committee had decided to study further the question of large scale-to-scale increases in rates of assessment and discontinuity in the light of guidance provided by the Assembly. The question of annual recalculation had also been examined and would be studied further at future sessions in the light of guidance from the Assembly.

47. The report contained the results from the application of new data, including decisions on data and conversion rates but excluding proposals for changes to the scale methodology, to the methodology used in preparing the current scale of assessments in order to identify the impact of the inclusion of such data in calculations for the 2016-2018 scale. The Committee also recommended that non-member States should be called upon to contribute for the period 2016-2018 based on a flat annual fee fixed at 50 per cent, which would be applied to notional rates of

assessment fixed at 0.001 per cent for the Holy See and 0.007 per cent for the State of Palestine.

48. The report contained a review of the latest report of the Secretary-General on multi-year payment plans (A/70/69) and updated information on the status of implementation of the remaining payment plan as at 26 June 2015. It had reiterated its recommendation that the Assembly should encourage those Member States in arrears under Article 19 of the Charter of the United Nations to consider submitting multi-year payment plans and had encouraged them to consult with the Secretariat as necessary for advice on the preparation of such plans.

49. The Committee had considered five requests for exemption under Article 19 of the Charter, and had urged the Member States concerned to address the growth in arrears by making annual payments exceeding current assessments in order to avoid further accumulation of debt. The Committee had concluded that the failure of the five Member States (the Comoros, Guinea-Bissau, Sao Tome and Principe, Somalia and Yemen) to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond their control and recommended that they should be permitted to vote until the end of the seventieth session of the General Assembly.

50. **Ms. Bartsiotas** (Controller), introducing the report of the Secretary-General on multi-year payment plans (A/70/69), said that six Member States had successfully implemented multi-year payment plans since the adoption of that system, which gave due consideration to the economic position of Member States and was voluntary in nature.

51. The report set out the status of implementation of the sole remaining plan, submitted by Sao Tome and Principe, as at 31 December 2014. Sao Tome and Principe had made a payment under its plan in June 2015, which had been reported to the Committee on Contributions at its seventy-fifth session. No new payments plans had been submitted in recent years, but several Member States had indicated that they were considering the matter.

52. Introducing the report of the Secretary-General on the implementation of General Assembly resolutions 55/235 and 55/236, she said that resolution 55/235 had established a new system whereby the rates of assessment for peacekeeping operations were based on the regular budget rates. That system was based on

a number of criteria, including average per capita GNI, which were used to place each Member State in a contribution level. It had also been decided in that context that those Member States with the lowest levels of per capital gross national product would receive the highest discount for which they were eligible, unless they decided to move to a higher contribution level. In its resolution 55/236, the Assembly had welcomed the voluntary commitment of certain Member States to contribute to peacekeeping operations at a rate higher than that required by their per capita income.

53. Pursuant to General Assembly resolution 67/239, the report contained the updated contribution levels for peacekeeping operations, which had been amended in accordance with established criteria and in conjunction with the review of the regular budget scale of assessments. Subject to any adjustments that might result from the General Assembly's review, the updated composition would be used to establish each Member State's peacekeeping rate of assessment for the period 2016-2018. While the effective rates would not be determined until a new regular budget scale was adopted, the report contained, for illustrative purposes, a table outlining those rates for the period 2016-2018 prepared on the basis of the existing structure of contribution levels.

54. **Mr. Mminele** (South Africa), speaking on behalf of the Group of 77 and China, said that the Organization must have resources commensurate with its legislative mandates, including for the implementation of peacekeeping operations. Member States should therefore pay their assessed contributions in full, on time and without conditions, although the special circumstances of some developing countries that prevented them temporarily from meeting their financial obligations should be taken into account.

55. He welcomed the efforts of Member States that had met their commitments under multi-year payment plans. Such plans should remain voluntary and should not be used as a means of exerting pressure on Member States that were already in difficult circumstances. Likewise, they should not be a factor in considering requests for exemption under Article 19 of the Charter. The Group endorsed the recommendation of the Committee on Contributions concerning the five Member States which had submitted requests under Article 19 and emphasized the need to consider such requests on an urgent basis.

56. As stated in its recent Ministerial Declaration, the Group underlined that the current methodology for the preparation of the scale of assessments reflected the changes in the relative economic situations of Member States. The Group reaffirmed capacity to pay as the fundamental criterion in the apportionment of the expenses of the United Nations and rejected any changes to the elements of the current methodology that were aimed at increasing the contributions of developing countries. Core elements such as the base period, gross national income, conversion rates, low per capita income adjustment, the gradient, the floor, the least developed countries ceiling and the debt-stock adjustment were not negotiable. The Assembly should, however, review the overall ceiling, which had been fixed as a political compromise and was in consequence at odds with the principle of capacity to pay and a distortion of the scale of assessments. The Group also emphasized that organizations with an enhanced observer status at the United Nations that enjoyed rights and privileges usually granted only to observer States should have the same financial obligations as such States. The Assembly should thus consider establishing an assessment for such organizations.

57. While the Group welcomed the increase in the length of the report of the Committee on Contributions by 84 per cent compared with the previous year's report, the disproportionate expansion of the sections pertaining to the debt-burden adjustment and the low per capita income adjustment in relation to the section on the ceiling underscored the need for a more even distribution of analysis in order to promote a comprehensive understanding of all elements of the scale. While the application of the current methodology would lead to substantial increases in the contributions of many developing countries, the ceiling remained the principal element affecting the application of the principle of capacity to pay. The Group would therefore closely analyse the upcoming briefing on improving the financial situation of the United Nations with a view to determining whether the rationale for reducing the ceiling to 22 per cent, namely, to improve the Organization's financial situation through facilitating the payment of arrears, had been upheld. Any attempt to shift further the burden of financing the Organization, including its peacekeeping operations, to developing countries would be unsuccessful.

58. Peacekeeping operations were an indispensable function of the United Nations. The Group had

reaffirmed in its Ministerial Declaration that the current principles and guidelines for the apportionment of the expenses of those operations should serve as the basis for any discussion of the peacekeeping scale. That scale should clearly reflect the special responsibilities of the permanent members of the Security Council for the maintenance of peace and security. As economically less developed countries had a limited capacity to contribute to the budgets of peacekeeping operations, any discussion of the system of discounts applied in calculating the peacekeeping scale should take account of the situation of such countries. In that regard, developing countries that were not permanent members of the Security Council should not be classified above contribution level C.

59. In keeping with the principle of common but differentiated responsibilities, the permanent members of the Security Council should continue to pay their respective premiums in addition to their regular rates of assessment, and developing countries should not be assigned to the same level of contributions as developed countries on the sole basis of their per capita income. The exclusive use of that measure failed to take into account the difficult and unique circumstances of developing States, which should continue to be assessed at the lowest level of the scale. Similarly, while developed countries were welcome to contribute above their calculated rates on a voluntary basis, developing countries should not be arbitrarily targeted to move to higher levels or forced to accept reductions in their respective discounts.

60. The Group was concerned that the application of the current system of discounts and the ceiling for the peacekeeping scale had resulted in a situation in which developing countries, including small island developing States, had been repeatedly assigned to level B, in violation of the principles underlying the creation of that system. Given that developing countries had been compelled to relinquish significant discounts to accommodate the new contribution levels and that level C had been created with the understanding that those countries would be afforded a minimum discount of 7.5 per cent, they were not in a position to agree to any further reductions in their discounts. Negotiations on the agenda items of the Fifth Committee should be open, inclusive and transparent in a manner befitting its competence as the sole Main Committee of the Assembly entrusted with administrative, financial and budgetary matters. The Group reaffirmed its unified

position on the current agenda items and its opposition to decision-making in small groups.

61. **Ms. Tan** (Singapore), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that all Member States should pay their assessed contributions in full, on time and without conditions, bearing in mind the genuine difficulties that prevented some developing countries from doing so. The longstanding consensus on the current scale methodology was a testament to Member States' confidence that the methodology was consistent with the principle of capacity to pay. ASEAN members would reject any proposals inconsistent with that principle.

62. Under the current scale methodology, the peacekeeping assessment rates of many developing countries would increase, while those of developed countries would decrease, as a reflection of the changes in those countries' relative economic positions. ASEAN was committed to contributing to the effective functioning of peacekeeping operations. In recognition of their special prerogatives, the permanent members of the Security Council should continue to absorb the discounts applied to the peacekeeping rates of assessment of other Member States. Those rates should take into account the special circumstances of developing countries, particularly those with deceptively high per capita incomes owing to their small populations. ASEAN was concerned at the automatic graduation of developing countries into level B, the de facto category for developed countries, which ran counter to the principle of proportional burden-sharing for peacekeeping financing among developed and developing countries. Any departure from that principle would require a comprehensive reassessment of the political agreement that had established the current peacekeeping scale and negotiated ceiling. In that context, ASEAN called for the reassignment to level C of all developing countries placed in level B.

63. **Mr. Al-Kuwari** (Qatar), speaking on behalf of the States members of the Gulf Cooperation Council, said that the Gulf Cooperation Council attached great importance to the role of regional organizations in achieving pacific settlement of local disputes, in accordance with Chapter VIII of the Charter of the United Nations. Multidimensional peacekeeping operations fulfilled a range of purposes, from maintaining international peace and security to

protecting human rights and promoting the rule of law, and should therefore be provided with sufficient resources to perform the tasks assigned to them.

64. The general principles set forth in General Assembly resolution 55/235 should form the basis of any discussion regarding the scale of assessments for the financing of peacekeeping operations, which was a collective responsibility of all Member States. The Gulf Cooperation Council was deeply concerned that the application of the current system of discounts had resulted in a situation whereby some of its members had been assigned to level B, the de facto level for more developed countries. In that connection, it rejected any pressure to accept the voluntary graduation of any member State of the Group of 77 and China to contribution level B.

65. **Mr. Rattray** (Jamaica), speaking on behalf of the Caribbean Community (CARICOM), said that the agenda items under discussion were of fundamental importance to CARICOM and the wider international community, as they addressed the means of ensuring that predictable and adequate resources were mobilized to allow the Organization to fulfil the purposes of its Charter. The financial stability of the United Nations depended on equitable burden-sharing among Member States for the expenses required to carry out its mandates.

66. Financing for peacekeeping operations was particularly crucial, as it enabled Member States to fulfil their collective responsibility to combat threats to international peace and to promote peace and security. In keeping with the principle of common but differentiated responsibilities, the peacekeeping scale should take into consideration the specific situations of small island developing States (SIDS) and countries with deceptively high per capita incomes owing to their small populations. The placement of developing countries above level C was unacceptable and inaccurately reflected the economic reality of the States concerned. In that regard, it was particularly regrettable that the Bahamas had been placed in level B, a category that should be reserved for developed countries. Moreover, English-speaking Caribbean countries grappled with unsustainably high public debt levels, and they and other developing countries with small, trade-dependent and exceptionally vulnerable economies could not be expected to bear the same financial burden as developed countries. CARICOM hoped that the Fifth Committee's negotiations would lead to the

establishment of quantitative methodological parameters that reflected the Community's vulnerabilities and other relevant economic and social factors. It looked forward to adopting a coherent methodology that was tenable, transparent, fair and suited to the particular circumstances of CARICOM countries.

67. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that all Member States should pay their assessed contributions in full, on time and without conditions, bearing in mind the obstacles faced by some developing countries. The General Assembly must be responsive to such difficulties. CELAC endorsed the recommendation of the Committee on Contributions concerning the requests for exemption under Article 19 of the Charter and emphasized the need to consider such requests on an urgent basis.

68. The principle of capacity to pay should serve as the main guide for deliberations on assessed contributions. As those contributions enabled delegations to support the work of the Organization in upholding the principles and purposes of the Charter of the United Nations, the scale of assessments was crucial to ensuring the equitable participation of all Member States in its activities. While the current scale methodology constituted a sound basis for apportioning the expenses of the Organization and should therefore not be amended, the General Assembly should undertake a review of the current ceiling, which had been fixed as a political compromise and was at odds with the principle of capacity to pay.

69. Peacekeeping operations were an essential function of the United Nations and should be supported by resources commensurate with their corresponding mandates. CELAC reaffirmed the principles that underlay the financing of peacekeeping operations, including the need for the permanent members of the Security Council to shoulder their respective premiums for peacekeeping financing.

70. She welcomed the efforts of Member States that had met their commitments under multi-year payment plans, which should remain voluntary and take into account the financial situation of the relevant Member States. They should not be used as a means of exerting pressure on Member States that were already in difficult circumstances and should not be a factor in considering requests for exemption under Article 19 of the Charter.

CELAC would work to ensure the prompt approval of those requests to allow Member States to contribute to the work of the Organization. The Community remained committed to fulfilling its financial obligations to the United Nations as determined on the basis of a methodology that faithfully reflected the economic reality of CELAC countries.

71. **Mr. Vrailas** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, said that funding the Organization was the joint responsibility of all Member States, in accordance with Article 17 of the Charter of the United Nations. As the largest collective financial contributors to the Organization, the member States of the European Union emphasized the importance of making appropriate decisions regarding the scale of assessments for the regular and peacekeeping budgets in order to ensure that the United Nations was sustainable, fit for purpose and increasingly more effective and efficient, in line with the priorities adopted by the Council of the European Union on 22 June 2015.

72. The current methodology had resulted in a scale of assessments that no longer accurately reflected Member States' capacity to pay and it needed to be improved to reflect a more equitable and balanced distribution of the financial responsibilities among Member States. The incremental review undertaken by the Committee on Contributions pursuant to General Assembly resolution 67/238 had provided detailed analysis of that methodology and its salient technical weaknesses, as well as an overview of the potential scope for improvement. The Committee's report (A/70/11), which included more refined observations and robust data, would provide a valuable technical basis for the Fifth Committee's negotiations on the methodology for the 2016-2018 scale. In particular, the report elucidated some of the issues that were distorting the principle of capacity to pay, including the lack of correspondence between the technical formulation of the low per capita income adjustment and its intended purpose as a form of targeted relief for countries with low per capita income. The European Union would participate constructively in negotiations with a view to achieving consensus on the improvement of the methodology, underscoring that

any proposals that deviated from Article 17 of the Charter and the principle of capacity to pay would be counterproductive.

73. With regard to the requests for exemptions under Article 19 of the Charter, he reiterated that the payment of assessed contributions on time, in full and without conditions was a fundamental duty of all Member States. Nevertheless, some States might face genuine temporary difficulties in discharging that duty for reasons beyond their control. Multi-year payment plans were effective tools that helped Member States to reduce their unpaid assessed contributions. He therefore endorsed the recommendations of the Committee on Contributions regarding exemptions under Article 19 of the Charter.

74. The European Union member States were active participants in United Nations peacekeeping operations, contributing troops, civilian police, other personnel and financing. The reform of the peacekeeping scale in 2000 had been aimed at providing an equitable, stable and sustainable financial basis for those operations. The corresponding rates of assessment should reflect the special responsibilities of the permanent members of the Security Council and the principle of capacity to pay. Any discounts granted should also be based on that principle and established on an individual basis in accordance with objective and comparable criteria. He welcomed voluntary upward movements in the levels of contribution by Member States at all levels.

75. **Mr. Nagao** (Japan) said that assessed contributions were indispensable to the functioning of the Organization and a privileged responsibility of Member States. Japan's rate of assessment had historically exceeded 20 per cent of the United Nations budget, making it the second largest contributor to the Organization over the last three decades. It had faithfully paid its dues in recognition of that assessment rate's accurate reflection of the economic reality over the relevant scale periods. While scope for improvement in the scale methodology remained, the updated scale contained in the report of the Committee on Contributions (A/70/11) accurately reflected the recent changes in the economic situation of each Member State.

76. Even as it sought reform of the Security Council, Japan firmly supported the practice of taking into account the special responsibilities of the permanent

members of that body in determining their levels of contribution to peacekeeping operations. Should Japan become a permanent member of the Council, it would contribute at a level commensurate with its special responsibilities in the area of peace and security.

77. **Ms. Coleman** (United States of America) said that, as a founding member of the United Nations, her country had consistently supported the sharing of responsibility for its expenses among all Member States. While not always straightforward in practice, the principle of capacity to pay should be the basis for the apportionment of those expenses. In that context, as underscored by the Committee on Contributions, Member States should not seek unduly to minimize their contributions; at the same time, no one country should shoulder a disproportionate share of the budget. In that spirit, the United States had agreed to the current negotiated ceiling and the ceiling for least developed countries. Her country supported the continuation of the current scale methodology, which was consistent with the above-mentioned principles.

78. Discounted peacekeeping assessment rates afforded to the wealthiest developing countries distorted the principle of capacity to pay and were not in the best interest of the Organization. All Member States derived significant benefits from the stability provided by peacekeeping operations and they should therefore contribute to the financing of those operations at a rate commensurate with their ability to pay. Consequently, all nations that did not meet the criteria for a discounted rate of assessment should contribute at the higher rate.

79. **Mr. Wang Min** (China) said that China hoped that the concerns expressed by the Group of 77 and China would be reflected in the outcome of the Fifth Committee's deliberations. An adequate regular budget and stable financial situation were essential to the effective functioning of the United Nations. Countries must therefore pay their dues on time, in full and without conditions, although different levels of economic development must be taken into account in determining capacity to pay. In particular, the capacity of certain developing countries to pay should not be exaggerated on the basis of their economic momentum. In that regard, the low per capita income adjustment and debt-burden adjustment must be maintained and accommodations made for countries with limited capacity to pay owing to circumstances beyond their control. A just and equitable scale of assessments for

peacekeeping operations should be established and the apportionment of related expenses should be based on the principle of common but differentiated responsibilities between developed and developing countries. In determining peacekeeping rates of assessment, necessary relief should continue to be provided for developing countries.

80. A stable methodology and formula for calculating the scale of assessments were essential, and that scale should remain valid over the three-year scale period. Although the current formula was not perfect, it took into account the concerns of all Member States in a balanced manner and represented a hard-won consensus. The use of that formula for over a decade was a testament to its effectiveness; it should therefore be maintained in the interest of ensuring the financial stability of the Organization.

81. The budget had increased to record levels during recent years, making enhanced budget management essential. While China was not opposed to necessary increases in the budget and assessment rates, it hoped that the 2016-2017 programme budget would be prepared on the basis of facts and executed within a framework of enhanced supervision and accountability with a view to avoiding waste and making effective use of every penny paid by the taxpayers of Member States. The Committee's deliberations should be inclusive and democratic and take into account the concerns of all parties involved. Delegations should also refrain from politicizing the issue of the budget and avoid using discriminatory practices against any party.

82. Under the current methodology, China's rate of assessment for the regular budget and peacekeeping budget for 2016-2018 would increase. The significant overall size of its economy did not reflect its per capita income level, by which measure it was decidedly a developing country. That consideration should be a central factor in determining its capacity to pay; China therefore rejected any attempt to treat it differently from other developing countries in the context of the establishment of the regular budget scale and would not accept any assessment rate that exceeded its capacity to pay. Provided that the scale methodology was fair, equitable and reasonable, China would continue to pay its dues on time and in full, including the premium it owed as a permanent member of the Security Council.

83. **Mr. Bessedik** (Algeria) said that, while his delegation recognized the important role of the Committee on Contributions in advising the Fifth Committee on the technical aspects of the scale methodology, it stressed the need to ensure more balanced analysis across all elements. The selective focus reflected in the report of the Committee on Contributions (A/70/11) should be avoided. Negotiations on the scale of assessments should be conducted in an open, inclusive and transparent manner in order to achieve timely and consensual outcomes. As long as those criteria were met, Algeria stood ready to collaborate to achieve the objectives assigned to the Fifth Committee in accordance with the relevant resolutions and decisions of the General Assembly.

The meeting rose at 12.55 p.m.