



Statement

**On the Presentation of the UB Proposal by the OSCE Secretary General
delivered by Ambassador Arman Kirakossian at the 1159th Meeting of the OSCE
Permanent Council
October 05, 2017**

Mr. Chairperson,

We thank the OSCE Secretary General for presentation of the 2018 Unified Budget Proposal.

Our detailed position on specific parameters and funds of the UB will be presented in the course of the discussions in the ACMF framework. Let me refer to the current context of the budget cycle.

First, we would like to refer to the closure of the OSCE Office in Yerevan as a result of the refusal of one participating state to extend its mandate. In this unfortunate situation for the organization we are trying to find ways to continue our engagement with the OSCE and further implement programmatic activities of the Office, many of which were recognized as exemplary.

We took note that the budget of the PRCiO Office in fact remains unchanged. Our position has been well known on this issue since the budget discussions on UB 2016. Being the only OSCE permanent presence in the NK conflict zone, Office of the PRCiO should significantly strengthen its personnel, monitoring activities and employ modern equipment.

Strengthening the capacities of the Office is one of the clear-cut commitments of the Vienna and St-Petersburg summits of the Presidents of Armenia and Azerbaijan. The supplementary PRCiO budget proposal was submitted by the German Chairmanship more than a year ago. In our view UB 2018 should reflect this modest increase, as the first step to enhance capacities of the PRCiO Office.

We also took note of the budget proposal for the HLPG. While noting some reduction of the overall budget, we need clarifications on expediency of increase in some budget lines, in particular in the context of compliance with the mandate of the HLPG. The current security situation on the ground makes unrealistic conduct of familiarization visits to the conflict zone. Therefore, we encourage the HLPG to reconsider its duty travel costs.

We deem necessary to review the number of the personnel of the Group and adjust it to the ongoing needs. We reiterate our serious concern about current composition of the HLPG, which raises questions about neutrality and impartiality of the HLPG. Therefore, certain rectification is needed. We believe that the incoming Italian Chairmanship should focus its efforts on developing early warning and conflict prevention mandate of the OSCE executive structures both in Secretariat and the field and promotion of confidence and security building measures. Prioritization in allocating the limited resources of the OSCE should be given to the funds and projects serving this end.

We will consider the budget lines of the OSCE Secretariat and Institutions from the point of view of streamlining in programmatic activities protection of human rights of people residing in conflict areas.

As for horizontal issues we understand that the Secretariat did not succeed in its efforts to ensure compliance of all the participating States to the OSCE Rules and Regulations. The Armenian side has consistently stressed its strong disagreement with the practice of illegal compensation for the income tax in violation of the OSCE Rules and Regulations. In sake of transparency we encourage the OSCE Secretariat to present to the ACMF disaggregated data on the debt, accumulated by the participating States due to non-reimbursement of the paid income tax to the Organization.

In conclusion, the Delegation of Armenia would like to express its gratitude to the Austrian Chairmanship of the ACMF and stress its readiness to cooperate with the incoming Italian Chairmanship with the view to bring the UB in line to the evolving security needs of the OSCE.

Thank you.