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**STATEMENT BY  
MR. ALEXANDER LUKASHEVICH, PERMANENT  
REPRESENTATIVE OF THE RUSSIAN FEDERATION, AT THE  
1070th MEETING OF THE OSCE PERMANENT COUNCIL**

8 October 2015

**On the 2016 OSCE Unified Budget Proposal**

Mr. Chairperson,  
Mr. Secretary General,

We thank Mr. Lamberto Zannier for presenting the 2016 OSCE Unified Budget Proposal and his thoughts on its implementation.

We regard the OSCE budget as an important operational instrument designed to provide resources to support key areas of our Organization's activity in the politico-military, economic and human dimensions and in combating new threats and challenges, including those emanating from the southern Mediterranean region.

The difficult economic situation in OSCE countries, which is exacerbated by the policy of unlawful sanctions against a number of States, should be borne in mind when determining the budgetary parameters for next year. The circumstances that have this year already resulted in a sharp increase in the overall spending on OSCE activities, including the work of the OSCE Special Monitoring Mission to Ukraine (SMM), also need to be taken into account. The total expenditure exceeded 200 million euros and, in the event that the Mission mandate is extended, it will be even higher next year. It should not be forgotten that although these budgets are considered and adopted separately, their funding comes from a single pocket – the national budgets of the participating States. In the long term it would probably be worth considering the possible inclusion of the SMM budget in the OSCE Unified Budget, which would enable us to get a realistic view of the Organization's overall expenditure.

The current economic situation calls for continued austerity measures with respect to OSCE expenditure and the careful substantiation and analysis of new requests. There can be no unjustified spending, and programmes that are not based on decisions of the OSCE decision-making bodies and consensus should be discarded.

In that connection, we are obliged to make a few observations.

Unfortunately, as in previous years, the budget proposal presented does not reflect the outcome of the discussions within the framework OSCE Programme Outline for 2016 or the suggestions made by a host of countries, including Russia. There continues to be a serious thematic imbalance – the bulk of spending is on human dimension programmes, which considerably exceeds the overall spending on the politico-military and economic and environmental dimensions.

The planned increase in expenditure by the Office for Democratic Institutions and Human Rights (ODIHR), mainly in support of election monitoring activities, raises serious questions. We firmly believe that before requesting additional funding there is a need to radically change the current methodology behind the work of ODIHR election observation missions, which is highly ineffective, non-transparent and not based on election observation principles and rules approved by all participating States. The ODIHR's growing financial appetite is particularly unjustified given that in the absence of collective OSCE decisions the ODIHR prepares various reports or handbooks as it sees fit, which frequently border on interference in the internal affairs of sovereign States.

Given that a number of States including Russia have serious concerns regarding the work of the OSCE Representative on Freedom of the Media and the High Commissioner on National Minorities, we cannot support requests for an increase in their funding.

By and large there are no significant complaints about the proposals regarding the project activities of OSCE field presences in Central Asia and the Balkans. We agree with the policy of maintaining last year's level of funding. At the same time, we cannot agree with the unjustified plans for a sharp increase in funding for the activities of the Project Co-ordinator in Ukraine. The results of the work of that field presence do not justify an increase in its expenditure. We cannot support the proposal to transfer the OSCE Border Management Staff College in Dushanbe to budgetary financing. It is necessary to make its work more effective first and then to consider this option. The proposed increase in expenditure of the OSCE Mission to Moldova requires further clarification.

It might be useful to increase the resources available to the Secretariat units supporting the work of the SMM and also involved in combating transnational threats. At the same time, we see no added value in creating a new Conflict Prevention and Crisis Management Facility or a separate Chairmanship Programme on Political Dialogue.

We will offer our thoughts on specific funds and programmes during the forthcoming discussions in the Advisory Committee on Management and Finance. We hope that these talks will proceed in a constructive spirit in the interests of seeking consensus. We trust that the German chairmanship of the Committee will pursue a policy that takes into account the interests of all participating States and not simply those of certain groups of countries. This is the key to a successful conclusion of the budgetary process.

Thank you for your attention.