

STATEMENT BY THE EUROPEAN UNION AT THE 1159th MEETING OF THE OSCE PERMANENT COUNCIL

5 October 2017

In response to the presentation by the Secretary General of the 2018 Unified Budget

The Member States of the European Union thank you, Mr. Secretary General, for your presentation of the 2018 Unified Budget. We look forward to your active engagement in the upcoming negotiations and welcome your willingness to fulfil your role as Secretary General of our Organization.

We also thank the Secretariat and fund managers for their contributions to this vital work. We also take this opportunity to express our best wishes and support to the Italian delegation, which will be leading the work on the budget within the Advisory Committee on Management and Finance, in particular Mr. Marco Lapadura, Ms. Laura Vai and Ms. Giulia Manconi. Finally, we should like to thank the Austrian delegation, in particular Ms. Marina Milanović-Ilić and Mr. Andreas Bilgeri, for their efforts in a most difficult context. We cannot forget the work carried out by our late colleague Mr. Hans-Michael Plut, whose memory we honour.

The EU Member States recall their willingness to foster constructive dialogue within the budgetary process, in which they will participate fully, and to provide the Organization with the necessary means to fulfil the tasks assigned to it. We hope that everyone will participate in the same spirit, with a view to adopting the budget as soon as possible, before 20 December. We note that the delay in the adoption of previous budgets has had a negative impact on the administrative and financial management of the Organization.

We remain convinced that a budget policy should be effective, economical and strategic. These conditions are more than ever essential to the achievement of our common goals: the consolidation of collective security in all its dimensions, in particular in the face of growing global insecurity and the many and various transnational challenges resulting from it. This depends on respect for and full implementation of our commitments and shared principles.

We affirm our commitment to providing the financial and human resources necessary for the prevention, management and resolution of crises, particularly in and around Ukraine, which remain our main security challenge with financial and structural implications for the OSCE. In general, we attach great importance to ensuring that adequate resources are allocated to the OSCE for the conflict cycle.

As always, we will continue to advocate with the utmost determination for autonomous institutions to be put in a position to fulfil their mandates, in particular with regard to election observation.

In addition, we support the allocation of adequate resources for gender mainstreaming.

The granting of additional resources should not, however, distract the Organization from its objective of using its financial and human resources more efficiently and effectively. Accounting for 70 per cent of the Unified Budget, the EU Member States are the main contributors to this Organization. While the economic situation in some of these contributing countries remains difficult, and the needs of field operations in Ukraine are not diminishing, there is a heightened need this year for all-round vigilance in the day-to-day management and evolution of the Organization's other major funds.

The focus should continue to be on the OSCE's operational capacity, including on field operations and the resolution of the crisis in Ukraine. We regret the limited development of several field missions in Central Asia and deplore the closure of the Office in Yerevan. As a result, we continue to support efforts to intensify work in these regions. We welcome, however, the continuation of efforts by some missions in south-east Europe to control costs for 2018, and encourage them to continue to align themselves with the needs and priorities of the host countries.

We note with interest the new proposed increase in expenditure for the Secretariat this year. We recognize that part of this increase is due to technological needs, including cybersecurity, and identified needs in a context of increasing demand for the OSCE to engage in cross-cutting areas. We will examine rigorously any proposal requiring the mobilization of funds, and any creation of posts or promotion or conversion of seconded posts into contracted posts. In this regard, we recall the recommendation by the Informal Working Group on Horizontal Issues that such conversions should be the exception. We believe it important to emphasize that the identification of savings in staff costs remains a priority and that we therefore expect future negotiations to seek new ones.

We note the proposed reduction of almost 21 per cent in the Augmentations Fund. This reduction is a further necessary step with a view to the disappearance of this fund as soon as possible, in accordance with the commitments made, and which becomes all the more important as the scales expire. We shall continue to follow the development of this issue closely.

We express our appreciation for the progress made in developing and modernizing the evaluation and feedback system, including in the area of key performance indicators, to ensure that lessons are learned from previous experiences and to improve the work of the Organization as a whole, but also to enable fund managers to report more clearly on their performance to participating States, in particular in the Programme Budget Performance Report. We expect that it will improve the planning of the Organization's activities by adapting to its priorities and taking into account the changing situation on the ground.

We also recall our commitment to the essential improvement of the cost-sharing among participating States and to a better governance of our Organization at the budgetary

level. In this regard, issues such as continuing the necessary improvement of the method of calculating board and lodging allowances (BLA) as and when the secondment policy is reformed, the commitment to which we applaud, and reimbursing taxes levied on the remuneration of local members of field missions, will remain priorities. We also support the establishment of a biennial budget. We are aware that there are a number of unresolved issues concerning the financing of the Organization. We are convinced that solutions to these issues are urgently needed and we stand ready to participate in discussions in a constructive and appropriate manner.

We have more specific questions and comments, including on the presentation of the budget and on existing and new efficiency measures. They will be voiced by our representatives at the ACMF, which remains the appropriate forum for the detailed discussion of the budget.

We thank you again, Mr. Secretary General, for your presentation, which we hope will lead to a consensus solution as soon as possible that will provide the OSCE with the necessary means to carry out its responsibilities.

The candidate countries the former Yugoslav Republic of Macedonia¹, Montenegro¹, Serbia¹ and Albania¹, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, as well as Ukraine, the Republic of Moldova and Andorra, align themselves with this statement.

1 The former Yugoslav Republic of Macedonia, Montenegro, Serbia and Albania continue to be part of the Stabilisation and Association Process.