



## United States Mission to the OSCE

# Response to the Presentation of the 2011 Unified Budget Proposal

As delivered by Ambassador Ian Kelly  
to the Permanent Council, Vienna  
October 12, 2010

The United States welcomes the presentation of the 2011 Unified Budget Proposal and thanks Secretary General de Brichambaut and all of the fund managers for their hard work in putting together this comprehensive and informative document. Performance-Based Program Budgeting continues to be a positive influence, although more clarity needs to be achieved on how objectives, outcomes, and outputs are defined in practice.

The United States is concerned that the 2011 budget proposal reflects a 2-4 percent increase over the 2010 revised budget and the initial 2010 approved budget, respectively. We are also concerned that the increases -- with the exception of needed increases to the OSCE Center in Bishkek's budget authorizing a supplementary budget for the Center in light of events in Kyrgyzstan over the summer -- are based primarily on staff salary and benefit increases.

We understand, of course, the special challenges of retaining and treating fairly the employees of the organization vis-a-vis other international bodies to ensure that the OSCE continues to attract and retain the best possible employees. In today's challenging fiscal environment, we must take a hard look at all facets of the Unified Budget Proposal and identify priorities for the organization based on Permanent Council guidance, while at the same time recognizing that difficult choices between funds and programs will have to be made.

We are also mindful that decisions taken at the December Summit in Astana will place additional resource pressure on the OSCE. We will consider the financial implications of decisions and the methods best suited to meet them as part of our December deliberations.

The absence of an OSCE presence in Georgia remains of concern to my government. We remain convinced that this is not conducive to peaceful conflict settlement and believe that one outcome of the Summit should be the restoration of a meaningful OSCE presence in Georgia. Until this happens, we again call on all OSCE executive structures and institutions to include Georgian authorities and civil society representatives in their programming activities whenever possible, and to consider carrying out programs and activities in Georgia.

Similarly, we remain convinced that the OSCE is playing an important role in enhancing security and stability in the Caucasus and Central Asia. Engagement with Afghanistan through joint and regional programs has shown its value in the past, and we believe this makes a cogent argument to continue and expand existing cooperation against common threats, many of them transnational in nature.

Mr. Chairman, the United States has in the past asked this organization not only to focus on priority activities, but also to wind down those that were of a lesser priority or had outlived their useful life cycle. We will continue to advocate a prioritization of activities throughout the budget process, because we firmly believe this exercise will increase the relevance of the OSCE's work while identifying savings and efficiencies. We will closely examine the budget submissions and will ask the heads of missions and institutions, as well as the heads of the Fund Administration Units, to justify their requests, and, if necessary, to look for ways to achieve further economies without countering Permanent Council guidance.

We recognize that a continued zero nominal growth-based budget can result in lower purchasing power for the organization. We would like to take this opportunity to thank the directors of the Department of Management and Budget and the Department of Human Resources for taking the initiative last week in holding an informal meeting of the Advisory Committee on Management and Finance to explain some of the thoughts that went into the figures. This welcome outreach helped to clarify some of the basic issues for delegations.

We look forward to the coming budget negotiations under the capable leadership of Lithuania and commit ourselves to the goal of achieving consensus on the budget before the end of the year. We hope all participating States will approach these discussions in a constructive manner, keeping firmly in mind the core values and strengths of this organization.

Thank you, Mr. Chairman.