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**STATEMENT BY MR. ANVAR AZIMOV,  
PERMANENT REPRESENTATIVE OF THE RUSSIAN FEDERATION,  
AT THE MEETING OF THE OSCE PERMANENT COUNCIL**

12 October 2010

**On the 2011 OSCE Unified Budget Proposal**

Mr. Chairperson,

We are grateful to the distinguished Secretary General Ambassador Marc Perrin de Brichambaut for his explanation of the 2011 OSCE Unified Budget Proposal (UBP).

Consideration of this document is taking place in special circumstances in view of the forthcoming Summit in Astana. First, as there is less time than usual for discussion, a lot will depend on the ability of the Lithuanian chairmanship of the Advisory Committee on Management and Finance to organize this work in a productive manner. We welcome the good start made recently during the informal meeting of the Committee.

Second, the final version of the budget should make sufficient provision for Summit decisions, particularly if they include new short-term orientations in the programme of activities. The Organization only stands to gain in confidence as a result, even if it takes more time to elaborate the budget.

As in many other cases, the scope of the proposed budget is quite significant. It is disingenuous to say that the proposed increase in spending is only 2 per cent, even if this is a considerable sum – around 3.2 million euros. As we are all well aware, we are really talking about an increase of 4 per cent (5.3 million euros) compared with the original 2010 budget.

Like a number of other countries, Russia is concerned at such a significant increase in OSCE spending, particularly in the light of the continuing world financial crisis and the cuts introduced by many States and international organizations. For example the Council of Europe household budget for 2011 was cut by 1.3 million euros compared with 2010 to 217 million euros.

It is questionable for us to talk realistically at all of an increase in the budget in 2011 when even some large countries are having difficulty with budget payments this year. As at 27 August, the overall shortfall in the payment of contributions was almost 22.8 million euros, equivalent to around one seventh of the Unified Budget.

In this regard, it is probable that most capitals would prefer a proposal designed to seek reserves and optimize spending and in this way to reduce the Organization's overall estimate.

Our priorities for reforming the OSCE and the work of the various funds were set forth at length during the discussion on the Programme Outline. We intend to speak in greater detail about the extent to which they have been taken into account during the forthcoming discussions in the Advisory Committee on Management and Finance. For the time being we should like to make the following comments.

We assume that the policy of strengthening the Secretariat, particularly its anti-terrorist and anti-drug potential and its politico-military orientations, will be continued. The budget should make adequate allowance for the financing of special events planned for next year. The 22 per cent increase in the estimate for the office of the Co-ordinator of OSCE Economic and Environmental Activities is in need of clarification.

We firmly believe that any increase or decrease in activities should be decided upon by the executive structures.

In this connection, we are seriously concerned about the need for a 2 per cent increase in the already excessive budget of the Office for Democratic Institutions and Human Rights (ODIHR), given the questions raised with regard to the transparency and effectiveness of its work in various areas, particularly regarding elections. In our opinion, the resources allocated to this institution need to be optimized.

The number and duration of events in the human dimension give cause for concern. The conference in Warsaw lasted two weeks, considerably longer than the review conferences for the first and second baskets. Every year there are three supplementary meetings and a human dimension seminar, which are backed by thematic conferences. We are in favour of more rational work plans.

The planned increases of 8 and 28 per cent, respectively, in the budget allocations for two other institutions, the offices of the High Commissioner on National Minorities and the Representative on Freedom of the Media, are much too high.

With regard to the OSCE field operations, which account for around 60 per cent of all spending, we expect the budgetary parameters to be based on specific demands by the recipient countries. Resources should not be transferred automatically from one region to another. We do not see any reason for a sharp increase in the funding for particular missions as long as their mandates are not extended.

In this connection, we shall carefully examine the background to the proposed cut in resources for the missions in the Balkans (14 per cent for Skopje and 8 per cent for Zagreb, for example) and also the budget increases in Central Asia (notably the 13 per cent in Uzbekistan and 5 per cent in Turkmenistan), the Caucasus (13 per cent in Baku) and Eastern Europe (2 per cent).

We are against any decrease in the planned activities of the OSCE Mission in the Serbian territory of Kosovo. Its work should focus on safeguarding human rights and, in the

first instance, the defence of the rights of ethnic communities and the return of refugees and internally displaced persons. Assistance, even indirect, in bringing about the quasi-statehood of the territory is unacceptable.

In principle we do not agree that OSCE projects that started out with extrabudgetary funding should be transferred by some obscure procedure to the Unified Budget without approval by the collective bodies of the OSCE.

We reserve the right to comment further on a number of administrative questions raised by the UBP (salaries of local staff, board and lodging allowances and post table changes).

To facilitate the work we would invite fund managers to break down their data into “consultation/subcontracting”, “conferences” and “travel”.

In conclusion, we should like to wish the Lithuanian chairmanship every success in its work to co-ordinate the budget.

Thank you for your attention.