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**STATEMENT BY  
THE EUROPEAN UNION AT THE 1018th MEETING OF THE  
OSCE PERMANENT COUNCIL**

Vienna, 9 October 2014

**In response to the Secretary General's presentation of the  
2015 Unified Budget Proposal**

The Member States of the European Union (EU) thank the Secretary General for his presentation of the 2015 Unified Budget Proposal. They thank the Secretariat and all the fund managers for their contributions to this very important work. We also take this opportunity to wish Ms. Marina Milanović-Ilić, who will work on the budget in the Advisory Committee on Management and Finance (ACMF), every success.

As in previous years, the EU Member States will engage fully in constructive dialogue and negotiations to ensure that our Organization is provided with human and financial resources adapted to the implementation of its mandates. The crisis in and around Ukraine adds a security challenge with new financial consequences for the OSCE. We remain convinced that budgetary policy must be effective, economical and strategic. That is a prerequisite for attaining our common goal – the strengthening of collective security in the OSCE area on the basis of respect for, and full implementation of, our commitments and our shared principles.

We will study this budget bearing in mind the need for rigorous measures, which no international organizations can escape and which must constitute their guidelines. In our view, it will also be important to take into account the considerable financial and human effort we may be required to make in dealing with the Ukrainian crisis in 2015. We cannot ignore the very considerable additional cost which it could entail for the participating States and which will have to be anticipated.

Accounting for 70 per cent of the contributions to the Unified Budget, we remain by far the primary financial contributors within the OSCE, at a time when the national budgets of most of the EU Member States are undergoing structural reforms. Furthermore, we will continue to call for maximum budgetary efficiency and optimization measures. This means that human and financial resources should be made available in areas where there is a demonstrated added value. Furthermore, it is important to equip the Organization with transparent and reliable performance indicators in order to assist the participating States in considering the budgetary decisions that they are to adopt. The evaluation culture should also apply to the OSCE, as it must to all international organizations.

Mr. Chairperson,

As the recent developments in Ukraine have shown, the security challenges in the OSCE area, in all the dimensions, are a cause for concern, particularly as regards the human dimension, but also in terms of the failure to settle protracted conflicts. This year, we will again call with the utmost determination for a strengthening of the human and financial resources that are essential to enable the independent institutions to fulfil all of their mandates, particularly with regard to election observation. We will also request that the conflict prevention and resolution programmes be given the appropriate funding. Events are proving us right and we note a little more each year how insufficient these funds are for responding to the ever-increasing needs.

In terms of geographical distribution, we will continue to support the continued efforts to streamline the activities of the field missions in the Balkans and the gradual transfer of activities to the national and local authorities as progress is made. We also note that the proposals for increasing the funding for field missions in Central Asia are modest, while the security challenges in that region are increasing in all the dimensions. We regret that the Border Management Staff College in Dushanbe has not been included in the budget proposal. We reiterate our request that the financing of the College fall under the Unified Budget.

Mr. Chairperson,

We also remain concerned about certain issues that need to be resolved:

- Despite the adoption of certain measures in 2014, personnel costs continue to increase while the total number of jobs is decreasing. We will return to this important question during the negotiations. This trend must force us to examine with the utmost care every proposal for creating posts or converting seconded posts into contracted ones.
- This year, the budgetary negotiations have shown the need to find a solution as regards the Augmentations Fund within the 2015 budgetary cycle that respects the Financial Regulations and the commitments undertaken by the participating States on their level of contributions. We ask the Secretariat to quickly formulate proposals for transferring all the posts to the Secretariat's budget, including different models of burden-sharing.

A better sharing of the burden among participating States is necessary. We support the efforts to reform the scales of contributions and hope that they will result in their revision in 2015, in line with the mandate of the working group established to that end.

Mr. Chairperson,

The EU Member States will spare no effort in these negotiations, which call for meticulous, precise and constructive dialogue. We hope that everyone will participate in this dialogue in the same spirit. It must be conducted in a way that takes into account the needs of those who will use these resources, as well as the contingencies faced by those who allocate them. We believe that a quality consensus can be achieved.

We are also convinced that the budget must be adopted on time this year. In this regard, we will continue to call for the budget cycle to be reformed and for it to become a biennial process.

The candidate countries the former Yugoslav Republic of Macedonia<sup>1</sup>, Montenegro<sup>1</sup> and Albania<sup>1</sup>, the country of the Stabilisation and Association Process and potential candidate country Bosnia and Herzegovina, as well as Ukraine and Andorra, align themselves with this statement.

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