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United States Mission to the OSCE

Response to the Program Outline Intervention

As delivered by Ambassador Julie Finley
to the Permanent Council, Vienna
May 29, 2008

Mr. Chairman,

The United States warmly welcomes the release of the 2009 Program Outline, and wishes to thank all of the Fund Managers and their staffs for the hard work invested in this important document.

The Program Outline exercise is important, as it provides the fund managers with a roadmap of where we, the participating States, want this organization to go, and how we believe it should get there. As we believe the Secretary General has correctly pointed out, the States need to provide the guidance to the organization. We need to know ourselves what we want, or we cannot hope to achieve it.

Mr. Chairman. The United States believes that we need to look for creative ways to achieve the key goals of this organization, and to use the money we spend in the most targeted and effective manner. As part of this process, we urge that a process be undertaken to move a larger percentage of the total budget from the Unified Budget to the extra-budgetary realm. We would suggest that Fund Managers plan to move 20% of their proposed budgets to extra-budgetary funding. This will enable all participating States to have more effective input into how their money is being spent.

The Program Outline is not a budget document, but it has clear budgetary implications. By removing almost all budgetary information from this document, it makes it extremely difficult to determine what programs are – or are not – worth pursuing if we do not know anything about the cost implication of those programs.

To illustrate the difficulty of evaluating programs with no reference to cost, allow me to draw from a domestic example. A household budget plan should include as major “programs” things like housing, food and clothing. Any household “program outline” would obviously give top priority to these activities. The food “program,” however, could be designed to allow for regular shopping at discount supermarkets, or it could be designed to allow for eating in restaurants ten times per week. Unfortunately, we fear that this Program Outline document allows for, figuratively speaking, a great many meals in restaurants and far too little shopping in discount supermarkets.

Mr. Chairman: This year, perhaps more than any other, we must identify the priorities of this organization, and focus our energies and resources on the highest priorities, while scaling back or eliminating others. The trick, of course, is reaching consensus on what the highest priority activities are. Based on past practice, the review of the program outline has failed

considerably to achieve this goal. We must adopt a reasonable practice that will help us all better identify our highest priority programs.

If our count is correct, there are ninety programs listed in this Program Outline, not including “executive management” and internal administrative activities. We would like to suggest that each participating State identify the thirty programs it believes are top priorities for the organization. If all of those lists of priorities were compiled, we might be able to draw some clear conclusions about what are - and what are not - the highest priorities for the participating States in this organization. Those activities that are not identified by any participating State as a top 30 priority would be the subject of further discussion, but should be considered obvious candidates to be simply dropped. Those activities considered a priority only by a few participating States would, it seems to us, best be funded by extra-budgetary contributions. As a discussion of these lower priority programs proceeds, we would welcome the input of fund managers on how best to handle this process of prioritization and paring back.

Mr. Chairman, the United States continues to believe that the OSCE has an important role to play in and with Afghanistan. We agreed, however, in Madrid that the organization’s engagement with that country should be funded exclusively through extra-budgetary contributions. Any necessary Secretariat or field operation support structure or other overhead expenses related to Afghanistan can and should be funded from extra-budgetary contributions as well. There should be no impact on the Unified Budget of Afghanistan-related activities.

Finally, Mr. Chairman, a few words on the budget situation, both in response to what we have just heard from the Secretary General and as a scenesetter for the Program Outline discussion to come. This should be a year of consolidation for the organization as a whole. We agree with the Secretary General that there are significant savings to be found from the continued downsizing of the Balkans missions. The U.S. believes that the OSCE budget should be adjusted to fit priorities and resources, and looks forward to working with the Secretariat and other participating States to ensure that our highest priorities are funded while maintaining fiscal discipline in a no-growth budget environment. We believe that cost savings and efficiencies can be achieved for 2009.

Thank you, Mr. Chairman.