EUROPEAN UNION

OSCE Permanent Council Nr 831
Vienna, 12 October 2010

EU statement in response to the presentation by the Secretary General of the 2011 Unified Budget Proposal

The EU would like to express its thanks to the Secretary General for his presentation of the 2011 UB Proposal and for coordinating the OSCE's budget process. We would also like to extend our gratitude to the Secretariat, Institutions, Field Operations and to all the Fund Managers, for the preparation of this proposal.

The EU, consisting of almost half the OSCE participating States, attaches great importance to the OSCE Unified Budget, of which it contributes well over 70%. In the weeks to come, we will participate, actively and constructively, towards a rational allocation of resources.

During the Programme Outline discussions, the EU conveyed a message of first, continuity and second, evolution. On the first point, we note that this budget proposal has broadly maintained the level and scope of our activities. Secondly, the Corfu process has not only been about dialogue on the future of European security, but also about strengthening the organization and making it more effective; therefore, we expect that the Astana summit will bring new focus on this matter.

euoffice@osce.org
www.delvie.ec.europa.eu

However, such a strengthening should be achieved within a Unified Budget that takes account of the economic circumstances faced by participating States. The current climate is challenging. Further prioritisation will be needed in 2011. In this context, the 2011 Unified Budget cannot be an expansive budget.

Mr. Chairman,

EU's priorities for the Summit and our work into the future are well known: strengthened implementation and follow-up of Human Dimension commitments, progress on the protracted conflicts, strengthened OSCE engagement on the conflict cycle, and progress on arms control and CSBMs, and tackling transnational threats, where the OSCE can add value, including those related to Afghanistan. The EU will take these into account in future discussions on the budget.

On regional distribution, we note the increased focus in Central Asian countries, underlined by the recent and ongoing troubles in Kyrgyzstan and Tajikistan. In the South Caucasus and Eastern Europe, we will consider the proposed budgetary changes in light of their merit and affordability, and we call once again for the restoration of a meaningful and cross-dimensional OSCE presence in Georgia. On South Eastern Europe, we note the recommendation for a modest reduction in resources. However, further efficiencies are needed and are possible.

We are concerned about the continued increase in staff costs, especially in the Secretariat, which pressure the budget upwards. In the present context of unprecedented pressure on government expenditure, this is no longer sustainable, and we will work with participating States and the Secretariat to address the root causes and lessen the impact on the 2011 Unified Budget. We expect the ACMF to make appropriate recommendations regarding the OSCE salary policy. Finally, the EU congratulates Lithuania on assuming the

chairmanship of the ACMF through Mr Andrius Kalindra, and Mr Shahin Lauritzen on assuming his first budget exercise as Director for Management and Finance. We believe that, working together, we will be able to approve this budget before Winter Recess.

The candidate countries TURKEY, CROATIA*, the FORMER YUGOSLAV REPUBLIC OF MACEDONIA* and ICELAND, the countries of the Stabilisation and Association Process and potential candidate countries ALBANIA, BOSNIA AND HERZEGOVINA, MONTENEGRO and SERBIA, the European Free Trade Association country and member of the European Economic Area NORWAY, as well as the REPUBLIC OF MOLDOVA, GEORGIA, ANDORRA and SAN MARINO align themselves with this statement.

*Croatia and the Former Yugoslav Republic of Macedonia continue to be part of the Stabilisation and Association Process.

** Iceland continues to be a member of the EFTA and the European Economic Area.