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TO THE OSCE

Portugal 2007- Presidency of the European Union

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Statement of the European Union on the 2008 Unified
Budget

Mr. Chairman,

The EU recalls that, according to the OSCE financial regulations, a decision on the Unified Budget should have been reached on the 20th of December.

As the main contributor to the budget of the OSCE, the EU deeply regrets that this year, once again, the participating States were not able to agree on the Unified Budget on time. We also regret that consensus was not reached on time on the scales of contribution for 2008-2010.

The EU is seriously concerned that if this situation persists, there will be consequences for the efficiency and effectiveness of this organization. In these circumstances we expect the Secretary General to send out a first interim bill for 2008, based on the existing scales of contribution and the 2007 Unified Budget in early January.

During the presentation of the proposal for the 2008 Unified Budget, we welcomed the fact that the outcome of the Programme Outline discussions is reflected in the 2008 Unified Budget Proposal. We are therefore highly concerned by the proposals of some participating States for considerable cuts in the Secretariat, ODIHR and several OSCE field missions that would bring the

overall figure for the Unified Budget considerably below this year's level of 168.2 million Euro.

The EU believes that the level of this year's unified budget provides guidance on the appropriate level for the budget of 2008. The extensive cuts that have been proposed by some other participating States would make it impossible for the organization to perform essential tasks and they would indeed put at risk the organization's capability to function.

In conclusion, the EU would like to thank the Spanish Chairmanship for its endeavours throughout this year's budget cycle, as well as the Finnish Chairmanship of the ACMF for its tireless efforts, since early October, in trying to reach an agreement on the 2008 Unified Budget on time. We would also like to express our gratitude to the staff members of the Secretariat for their promptness in providing delegations with all the information requested.

The Candidate Countries Turkey and the former Yugoslav Republic of Macedonia*, the Countries of the Stabilisation and Association Process Albania, Bosnia and Herzegovina, Montenegro and Serbia, EFTA country Iceland, member of the European Economic Area, as well as Ukraine, the Republic of Moldova and Georgia align themselves with this statement.

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