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**United States Mission to the OSCE**



**Response to the Secretary General's  
2008 Budget Proposal**

As delivered by Chargé d' Affaires Kyle Scott  
to the Permanent Council, Vienna  
October 16, 2007

Thank you, Mr. Chairman, and thank you, Mr. Secretary General, for your presentation of the 2008 budget proposal.

The United States has always taken the budget process extremely seriously; as the largest donor to this organization, we will certainly continue to do so during the 2008 budget cycle. The OSCE does important work, work that the United States supports and appreciates. We want the organization to have the resources it needs to perform the valuable functions that OSCE has been mandated to perform, and that no other organization can do.

Mr. Chairman: it is no secret that the budgetary climate in the United States, as in other participating States, is extremely tight these days, and that we must find savings wherever we possibly can. The OSCE is not exempt from this mandate, or from budgetary pressures affecting us all. The United States strongly supports OSCE's crucial work in security, democracy and human rights. But as the largest contributor of mandatory contributions, we take seriously the need to continually examine all aspects of OSCE's activities and ensure that OSCE financial operations are appropriate, transparent and accountable. Funding should be concentrated in those areas—particularly key field missions—that implement OSCE's core functions; we must resist the natural urge to increase the size of headquarters operations. For these reasons, and in light of current budgetary realities in Washington, we are not in a position to increase the level of our contributions to OSCE. We therefore cannot agree with the proposed budget increase. In fact, we will be seeking significant cuts in the 2008 budget.

Fortunately, Mr. Chairman, we believe that there are ways of achieving significant savings without affecting the organization's essential operations. We are becoming increasingly uncomfortable with the way this organization seems to drift from one task to another, from one topic of the day to another. Unfortunately, once a topic of the day has been exhausted, we do not see any attempt to cut the resources dedicated to that topic. In addition, we see repeated requests for additional resources as new topics arise. How refreshing it would be to see proposals for cuts in programs that have outlived their usefulness, run their course, or simply are no longer of great importance to the organization. We believe that a serious prioritization exercise needs to be done, and that this exercise will reveal numerous areas of activity that can be cut, reducing the budget above all in the Secretariat. We will be tabling serious proposals for ways to cut, streamline and rationalize the Secretariat, creating the lean and efficient organization we know it can be. ODIHR, on the other hand, has made a balanced and restrained proposal that we find worthy of support.

The United States welcomes the proposed reductions in spending in South Eastern Europe, but we believe that much more can be done. The Mission to Croatia should be closed, with only enough funds—we estimate roughly one million Euros—to manage the operation's close-out. War crimes monitoring can be done via ODIHR, while refugee issues should be passed to other international organizations. For Kosovo, we agree with the Mission's zero growth proposal, pending clarification of the status of the region. The other Balkans missions should consider cuts of up to ten percent each.

We will look very closely at the budget proposals for Eastern Europe, the Caucasus and Central Asia. We recognize that important work still needs to be done, and that additional resources can and should be absorbed by many of the missions. At the same time, we will want to ensure that resources are being allocated equitably among the three dimensions in these regions. For example, proposals such as the one from Tashkent to convert a human dimension officer to an Economic and Environmental position will not enjoy U.S. support.

Finally, Mr. Chairman, the United States is concerned by the request for an additional 1.9 million Euros to cover a recalculation of existing staff costs. While we welcome increased budgetary transparency, we do not see any reason to support increasing staff costs due to an adjustment in accounting methodology.

Thank you, Mr. Chairman, and thank you, Mr. Secretary General, for your efforts to maintain strict budgetary discipline.