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DELEGATION OF THE REPUBLIC OF ARMENIA
ORGANIZATION FOR SECURITY AND CO-OPERATION IN EUROPE

Statement

**On the Presentation of the UB Proposal by the OSCE Secretary General
delivered by Ambassador Arman Kirakossian at the 1070th Meeting of the
OSCE Permanent Council**

October 08, 2015

Mr. Chairperson,

We thank the OSCE Secretary General for presentation of the Unified Budget Proposal.

I will confine myself to highlighting the main priorities of the Delegation of Armenia in regard to the UB. Our detailed position on specific parameters and funds of the UB will be presented in the course of the discussions in the ACMF framework. But first let me refer to the current context of the budget cycle.

The German Delegation takes a lead on UB negotiations in challenging circumstances. We have communicated our views on some practices that undermined transparency and inclusiveness of the budget cycle particularly with regard to revision of the Programme Outline of the Personal Representative of the Chairman-in-Office. It goes without saying that conflict related mandates are very sensitive and no any revision should be taken without prior consultations with all interested sides. The discussion undertaken at the level of the Preparatory Committee clearly indicated that the revision was initiated by one party to the Nagorno-Karabakh conflict. Armenia, both a participating state and a party to the negotiations on the Nagorno-Karabakh conflict settlement, was sidelined from this revision process and the revision was presented to the Armenian side as a *fait accompli*.

Our concerns are fully legitimate. As you are aware, the Office of the PRCiO is the only OSCE permanent presence in the NK conflict zone. Its role is extremely important now amid constant violations and escalation along the line of contact and borders. Under these circumstances we should seek the ways to significantly strengthen its presence in terms of capacities and enhanced activities. And yet we see the opposite. The attempts to downsize the OSCE presence in our region and in particular, in Nagorno-Karabakh conflict area come from the party who is not interested in maintenance and consolidation of ceasefire and in no way this should be supported or appeased by the OSCE itself.

The revision resulted in violation of the long standing delicate balance between the NK conflict related mandates in the framework of budget cycle. In the course of the budget discussions the Armenian side will assess conflict related mandates against the current reality on the ground in the conflict zone and we will act accordingly.

Mr. Chairman,

The OSCE Office in Yerevan is the only fully fledged OSCE office in South Caucasus. We reiterate our support to its programmatic activities in all three dimensions

We expect political support of the German Chairmanship and participating States to the OSCE field operations in the region of South Caucasus.

Mr. Chairman,

We took note that as in previous years the UB proposal contains compensation for the local staff income tax, amounting to more than half million Euro. We have consistently stressed our strong disagreement with practice of non-refundable compensation for the income tax in violation of the OSCE Rules and Regulations. We cannot further delay solution of this issue.

Finally, the Delegation of Armenia would like to state our readiness to cooperate with the German Chairmanship with the view to bring the UB in line to the evolving security needs of the OSCE.

Thank You.