



## German Presidency of the Council of the European Union

### **668<sup>th</sup> Meeting of the Permanent Council**

**30 May 2007**

## EU Statement in Response to the Presentation by the OSCE Secretary General of the 2008 Programme Outline

The European Union would like to thank the Secretary General for his introduction to the 2008 Programme Outline discussion, as well as the Secretariat and the Fund Managers for producing this document.

At this early stage, we would like to restrict ourselves to some general remarks. We will address each individual programme on its own merits during the discussion in the Preparatory Committee.

We are grateful that the structure of the Programme Outline 2008 is clearer and more streamlined than in previous years. We especially welcome the new chapter on “Thematic Activities implemented by OSCE Executive Structures”, which strengthens the strategic part of the Programme Outline.

We would like to express our appreciation for the way the Secretary General has taken up the tasking given in MC.DEC 18/06 on, amongst other issues, PBPB and multi-year planning. In adhering fully to the principle of programme budgeting, the EU is committed to further improving the transparency, consistency and effectiveness of the OSCE’s work. In this respect we await the full introduction of Performance Based Programme Budgeting (PBPB) and look forward to hearing further from individual Fund Managers about their experiences in implementing PBPB across the board.

The Programme Outline discussion is about political priorities and not a budgetary or resource allocation exercise. However, we are interested in the indication of overall

financial requirements. We consider the figure of 172.9 Mio EUR to be purely indicative.

We welcome the fact that the Programme Outline takes into account political and regional developments. Substantive changes should reflect the needs and requirements on the ground, not individual political or budgetary imperatives. In this respect we support the greater emphasis on the Central Asian region and note the proposed overall decrease in South Eastern Europe.

We note the continuing shift of resources from the field to the Secretariat, a trend which has continued over the years and raises some concerns, which will have to be addressed in the Unified Budget discussion. In this context we note that the practice of Augmentation hides the true share of resources between Secretariat and Field Operations. We thank the Secretariat for the recently submitted proposals to the participating States on how to solve urgently the Augmentation issue in order to ensure full transparency in resource allocation and accounting.

The Programme Outline mentions several aspects that should be addressed in more detail during the Unified Budget discussions, such as Local Salaries, Board and Lodging Allowance, Staff Recruitment and Staff Costs, National Income Tax and the move to Wallnerstrasse. We are particularly interested in learning more about the increasing costs associated with the new premises of the Secretariat.

In conclusion, however, we underline that the main goal of the Programme Outline is to provide Fund Managers with strategic policy guidance on their programmes, rather than to discuss specific resource requirements, and in this respect we look forward to lively political and strategic discussions in the Preparatory Committee Meetings ahead.

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

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