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**STATEMENT BY MR. ANDREY KELIN,
PERMANENT REPRESENTATIVE OF THE RUSSIAN FEDERATION,
AT THE 1018th MEETING OF THE
OSCE PERMANENT COUNCIL**

9 October 2014

Regarding the OSCE Unified Budget Proposal for 2015

Mr. Chairperson,

We thank the OSCE Secretary General for his presentation of the OSCE United Budget Proposal for 2015. We welcome the efforts to improve its format and make it more compact and readable.

It must be noted, however, that the breakdown of budgetary expenditure in the document presented continues to take little account of the results of the discussions on the Programme Outline, and raises quite a few questions. The budget proposal requires substantial correction, in the following main areas.

In the first place, we cannot agree, in the absence of new instructions from the participating States, to an increase in the appropriations for the activities of the institutions. In particular, serious questions are raised by the jump to 1.6 million euros in the expenditures for the Office for Democratic Institutions and Human Rights (ODIHR), mainly for the item "elections". ODIHR requests additional resources every year, and we see no serious justification for this.

The request of the Project Co-ordinator in Ukraine for an allocation 500,000 euros above last year's level, with a reference to "a request from the host country", requires an explanation.

We understand that new tasks confronting the OSCE – first and foremost, in the context of the Ukrainian crisis – call for additional resources. It will be recalled, however, that these tasks are being carried out basically through the separate activities of the OSCE Special Monitoring Mission, the budget for which is being augmented to 77 million euros. At the same time, it should not be forgotten that many OSCE countries still find themselves in a difficult financial situation. In this connection, we consider that additional resources for the OSCE should be found not by automatically increasing the budget, but rather by economies and the use of internal reserves, the reduction of administrative costs and the closing down of programmes that are not based on consensus decisions by the collective bodies.

The justification for an increase in the expenditures of the Secretariat and its restructuring calls for a thorough analysis. We continue to consider the creation of a separate “Political Dialogue” programme to be unwarranted. We take the position that clear instructions must be set forth in the budget proposal and specific resources earmarked for conferences next year on combating terrorism and drug trafficking – key activities in the first dimension.

As before, we do not see any added value in the creation of a new “conflict prevention and crisis management” fund.

We take a negative view of the continuing curtailment of the project activities of the OSCE in the Balkans, despite the serious problems in many countries of the region requiring the Organization’s involvement. In any event, we cannot support an automatic carrying over of the resources saved in the Balkans to the budgets of other funds. Such resources should be deducted from the overall budget.

With regard to the proposed increase in the budgets for individual OSCE field presences in other regions, we consider that they can be adequately funded at the same level as in 2014.

We shall provide more detailed comments on the budgets for specific funds and also on “horizontal” issues during the budget discussion. There, too, there is considerable room for savings. As a result of the discussion we should be able to arrive at a balanced document, reflecting the interests of all participating States and the realities of the present financial and economic situation. Given the necessary political will, it should be entirely possible to do this within the established time-frame.

Thank you for your attention.