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## **STATEMENT BY THE EUROPEAN UNION AT THE 966th MEETING OF THE OSCE PERMANENT COUNCIL**

Vienna, 10 October 2013

### **In response to the Secretary General's presentation of the Unified Budget Proposal for 2014**

The Member States of the European Union (EU) thank the Secretary General for his presentation of the Unified Budget Proposal for 2014, and the OSCE Secretariat and all fund managers for their contributions to this very important work. We also take this opportunity to wish Mr. Alexandre Hoffet, and his assistant, Mr. Mathew Quinn, who will work on the budget in the Administrative Committee on Management and Finance (ACMF), every success.

It is useful to recall that the EU Member States attach special importance to the preparation of a budget suited to the OSCE's mandates, for two reasons. In the first place, the EU Member States are by far the primary financial contributors, accounting for 70 per cent. Secondly, they believe that an effective and strategic budgetary policy is a prerequisite for attaining our common goal – the strengthening of collective security within the OSCE area.

Most of the countries contributing to the budget are undergoing structural reforms of their national budget aimed at achieving maximum effectiveness with fewer means. In a difficult economic situation, these optimization measures are obligatory. Thus, as we did last year, we will study this budget bearing in mind the need for rigorous measures, which international organizations cannot escape and which must constitute their guidelines. Like other international organizations, the OSCE must continue to work towards a results-based management strategy and a culture of performance, evaluation and the strengthening of good management. It is also essential for the results of evaluations to be taken into account in designing the Organization's activities. Only in this way can the OSCE secure its long-term financing, which must be based on a better sharing of the burden among participating States. For this reason, we cannot afford another failure as regards the efforts to reform the scales of contributions.

Mr. Chairperson,

The security challenges in the OSCE area, in all the dimensions, remain worrisome, particularly as regards the human dimension, but also in terms of the failure to settle protracted conflicts. Thus, we will see to it that the OSCE's independent institutions are provided with the human and financial resources they need in order to fulfil all of their mandates and meet the growing demands related to them, among other things, in the field of

election observation. We will refuse to engage, via the budget, in any politicized discussions designed to challenge the mandates. To us, this would be a waste of time and energy, as was the case last year, when it needlessly delayed the adoption of our budget. We will also be particularly careful to provide the programmes pertaining to conflict prevention and resolution with appropriate funds.

In terms of the geographical distribution of resources, we continue to believe, in particular with the withdrawal of coalition troops from Afghanistan in 2014, that the OSCE must play a growing role in Central Asia. We note, however, that the share devoted to that region rests mainly on the preliminary proposal to increase the funds for our field mission in Tajikistan by transferring the Border Management Staff College in Dushanbe to the Unified Budget. This proposal will be studied carefully with a view to ensuring its long-term financing. Likewise, we welcome the continued efforts to streamline the activities of our field missions in the Balkans, where the gradual transfer of activities to the national and local authorities entails and supports national ownership of the reforms. The field missions must pursue that path, particularly by continuing their efforts to look for synergies with other international organizations with a presence in the area.

Mr. Chairperson,

We are also concerned because we still have a number of items and basic issues to resolve, namely:

- Personnel costs are once again on the rise, while the number of jobs proposed is decreasing. While acknowledging several efforts made by the Secretariat to contain costs, we reiterate our concern, already raised in the discussions on the Programme Outline and in the ACMF, about a few remaining problems as regards the growth of salary costs. We regret that the 2014 draft budget does not contain detailed proposals for addressing the increase in salary costs. We would like to return to this important question during these negotiations, and we ask the Secretariat to supply a financial estimate geared to the implementation of different options. This trend can only force us to consider with caution any proposal to create posts;
- The Secretariat's share, on a comparable basis, is constantly increasing at the expense of the share devoted to field operations;
- The augmentation fund, which was established on a provisional basis in 2007, is still financing 73.5 jobs out of the 379 in the Secretariat invoiced to the field missions' scale; we will request that this issue be addressed. We ask the Department of Management and Finance to quickly formulate new proposals aimed at transferring the jobs in question to the list of Secretariat posts, and to include in them different models of burden-sharing.

Mr. Chairperson,

The EU Member States will spare no effort in these negotiations to ensure that this budget reflects the executive structures' needs and strategies for accomplishing their mandates. This calls for a meticulous, precise and constructive dialogue, which must be conducted in a way that takes into account the needs of those who will use these resources, as

well as the contingencies faced by those who allocate them. This is how we will achieve a quality consensus.

Thank you, Mr. Chairperson.

The candidate countries the former Yugoslav Republic of Macedonia<sup>1</sup>, Montenegro<sup>1</sup> and Iceland<sup>2</sup>, the Stabilisation and Association Process and potential candidate countries Albania and Bosnia and Herzegovina, as well as the Republic of Moldova, Andorra and San Marino, align themselves with this statement.

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1 The former Yugoslav Republic of Macedonia and Montenegro continue to be part of the Stabilisation and Association Process.

2 Iceland continues to be a member of the European Free Trade Association.