

ԵԱՀԿ-ՈՒՄ ՀԱՅԱՍՏԱՆԻ
ՀԱՆՐԱՊԵՏՈՒԹՅԱՆ ՄՇՏԱԿԱՆ
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PERMANENT MISSION OF
THE REPUBLIC OF
ARMENIA TO THE OSCE

STATEMENT

In response to Financial Report and Financial Statements for the Year ended 31 December 2023 and the Report of the External Auditor as delivered by the Delegation of Armenia at the 1483rd meeting of the OSCE Permanent Council

18 July 2024

Madame Chair,

We thank the distinguished President of the Austrian Court of Audit Ms. Margit Kraker and the Chairman of the Audit Committee Mr. Martin Guozden for their reports. The Delegation of Armenia appreciates the efforts of Austria in providing an external audit at very short notice.

Financial Report and Financial Statements for the years 2022 and 2023 and the Report of the External Auditor are still under consideration, however we would like to share the following.

We took note that according to the financial report, “the most significant factor influencing the financial performance of the OSCE during the year 2023 was the lack of consensus to agree to the 2023 Unified Budget, which adversely affected both programmatic activity and the efficiency of resource utilization. The report further points out that “in an environment of high inflation, this de facto Zero Nominal Growth budget proved to be inadequate to meet the needs of the Organization”.

In this regard, we presume that this is the main reason that the adoption of the 2024 Unified Budget is widely perceived within this organization and its participating States as a crucial solution and a strategic response to the current challenging financial environment. The adoption of the budget in the view of our Delegation perhaps could *be* a means to navigate through the constraints posed by de facto zero nominal growth, thereby establishing a more resilient financial framework.

However, the question here is whether the adoption of the budget will influence the overall performance of this Organization and its executive structures? Will it be a catalyst for the

Secretariat and its structures to implement their respective mandates more effectively and with greater adherence to the principles of transparency, accountability, and non-political considerations. At the same time, we understand that these questions, perhaps, require more in depth analysis and discussion on overall performance and effectiveness of this organization.

Madame Chair,

As we have stated on previous occasions: despite its setbacks and failures, Armenia views the OSCE as the largest security Organization that still has the potential to deliver on its core mandate - including those related to mandates and decisions adopted by the OSCE participating States on the Minsk Process, PRCiO on conflict dealt with the Minsk Conference, and HLPG that must be accurately reflected in the Organization's budget alongside with required financial allocations. With this understanding we stand ready to constructively engage in a speedy adoption of the 2024 Unified budget.

Thank you.