

PC.DEL/778/17
9 June 2017

ENGLISH
Original: FRENCH

STATEMENT BY THE EUROPEAN UNION AT THE 1149th MEETING OF THE OSCE PERMANENT COUNCIL

8 June 2017

In response to the presentation by the OSCE Secretary General of the 2018 Programme Outline

The European Union Member States thank the Secretary General and all the fund managers for their contributions to the draft 2018 Programme Outline.

In accordance with the established procedure, the Programme Outline is accompanied by a report on the performance of the previous year's budget programme. The combination of meetings to assess the previous year's performance and discussion on the Programme Outline for the year to come is the first step towards improving the budget cycle.

More than ever, the discussion on past performance is important to enable participating States to establish the political orientations they are asked to provide to the fund managers for the following year based on the experience gained from the previous budget cycle. In that regard and like last year, we repeat our wish that the budget planning in future should be based on the assessment of past activities.

We welcome earlier initiatives taken by the Secretary General to reform the OSCE assessment system but are forced to express our disappointment that, in spite of constant appeals by the EU Member States to pay greater attention to management based on an assessment of results, the report on the performance of last year's budget programme still contains only a few elements relating to the impact on indicators and targets of the activities carried out. In order to maximize the value of future Programme Outlines and the ensuing discussions, we once again emphasize the urgent need to make greater progress in assessment at the OSCE. In that regard, we welcome the fact that the relevant key performance indicators will be shared with the participating States and hope for more information on the time and form of their distribution.

We therefore expect that the first steps taken last year to modernize and improve the OSCE results-based management system will produce a more systematic approach. Moreover, we reiterate our appeal to move towards a biennial or multi-annual budget process.

Given the central significance of horizontal questions in the discussion of the budget, we support the continued focus on these questions in the Advisory Committee on Management and Finance (ACMF) and relevant working groups. We hope that these discussions will contribute to improving the effectiveness of the work but also help to provide

guidelines for fund managers on the development of personnel costs and on the Augmentations Fund and local taxes. Given the importance for participating States of horizontal questions, we believe that they should be reflected in each stage of the budget cycle. We reiterate the importance of integrating gender in all OSCE activities and the need for this priority to be reflected in the Secretariat's structure and resources.

We look forward to a solution to the question of reimbursement from the Unified Budget of taxes levied by some participating States on the income of local mission staff. The discussion and consultations that have taken place for many years have revealed directions that should now form the basis without delay for concrete and formal proposals by the Secretariat. We shall be looking out for them.

We shall examine the draft Programme Outline with a view to providing the Organization with the means for implementing its mandate in full while also taking account of the continuing challenges facing the OSCE, in particular the crises in and around Ukraine, in Nagorno-Karabakh, in the Balkans, in the Transdniestrian conflict and in regard to European security in general.

This context, combined with the fact that the national budgets of many participating States are under pressure and that savings have to be made wherever possible, merely emphasizes the need for rigour demanded of all international organizations, which should also guide the OSCE. This is all the more relevant given the fact that considerable additional financial resources in the order of 105 million euros had to be found to continue financing the growing budget of the Special Monitoring Mission to Ukraine, which is considered separately and is not therefore taken into account when calculating the OSCE budget.

We should like to recall that the draft Programme Outline is the basis for the start of discussion by participating States and fund managers. Discussion on the figures will take place in autumn.

We still hope for an increase in human and financial resources in the OSCE's human dimension, given the serious threats to human rights and fundamental freedoms and the reduction in the space accorded to civil society in some parts of the OSCE area. While seeking to deal with these challenges collectively, we are reliant on the assistance of institutions that we consider to be key assets of this Organization. No substantial additional funding has been allocated to the institutions in the last few years, and we remain deeply concerned by the consequences of inadequate financing.

As in the past, we shall ensure that the allowance for regional realities is reflected in the provision of appropriate funds for missions in Eastern and South-Eastern Europe and Central Asia, where we support the OSCE's presence and activities in facing up to considerable threats to security.

Depending on the results of the mediation efforts on the conflict in Nagorno-Karabakh, we remain willing to consider possible budget proposals by the Personal Representative of the Chairperson-in-Office for financing new confidence-building measures agreed by the parties. We support the OSCE's presence throughout the territory of the Republic of Moldova, including the Transdniestrian region. We also remain convinced of the need for an OSCE presence in Georgia, including a solid observation capacity capable of operating without the imposition by any party of administrative restrictions.

It remains important to assess the OSCE's response to the crisis in and around Ukraine and to learn lessons regarding both its continued engagement and an effective response to potential future crises.

In parallel, solutions need to be explored for optimizing the Secretariat's budget. Any proposal for increasing the Secretariat's resources should respond to clearly identified needs. We also stress the need to concentrate on the principal priorities of the Unified Budget, including conflict prevention and transnational threats. Equally, the call by the Secretariat to strengthen the Organization's planning capacities will be examined in the light of the progress already made in that regard, notably in the Conflict Prevention Centre.

In conclusion, the EU Member States thank you, Secretary General, for your presentation and wish every success to our Italian colleagues, who will chair the ACMF during the new budget cycle. We hope that the participating States will be able to adopt the Unified Budget in time to enable the Organization to continue its important work without obstruction from the beginning of 2018.

The candidate countries the former Yugoslav Republic of Macedonia¹, Montenegro¹, Serbia¹ and Albania¹ and the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, as well as Ukraine, Andorra and San Marino, align themselves with this statement.

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