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## **STATEMENT BY THE EUROPEAN UNION AT THE 1283rd MEETING OF THE OSCE PERMANENT COUNCIL**

1 October 2020

### **In response to the presentation of the 2021 Unified Budget Proposal by Ms. Tuula Yrjölä, Officer-in-Charge/Secretary General**

The Member States of the European Union thank you, Ms. Tuula Yrjölä, Officer-in-Charge/Secretary General, for your presentation of the Unified Budget Proposal for 2021 and for the commitment you have shown.

We thank the Albanian delegation, in particular Ms. Alma Kasa and Mr. Simone Guerrini, for their sustained efforts over the past 12 months.

We warmly welcome and wish the Swedish delegation, in particular Ms. Ulrika Grufman, every success in the forthcoming negotiations in the Advisory Committee on Management and Finance. We are pleased to note that the 2021 Unified Budget Proposal reflects the guidelines set out in the future Chairmanship's perception paper.

We especially welcome the Secretariat's policy of transparency and co-operation with the participating States. We also thank the Fund Managers for their contribution to the development of this project.

Ms. Yrjölä, Officer-in-Charge/Secretary General, the difficult circumstances characterized by the COVID-19 pandemic and the national budgetary constraints make it necessary to make essential savings, in accordance with the priorities set by the participating States, in order to move towards a unified budget with no increase. We appreciate the emphasis in your introductory remarks on cost savings and efficiency measures.

You highlight the need for long-term planning that includes annual budgets. We reiterate our position in favour of a biennial budget.

You also rightly point to the need to focus on those areas where the OSCE has added value and a comparative advantage. Indeed, we believe that not every issue relating to all dimensions of European security needs to be addressed by our Organization, which should only intervene on the basis of mandates clearly defined by the participating States and that are of proven added value. In the same spirit, a task set for the OSCE by a ministerial decision should not systematically lead to a budget increase.

The European Union Member States are the main contributors to the OSCE budgets, contributing up to 58 per cent of the budgets of the Secretariat and the institutions and 60 per cent of the budgets of the field operations, and therefore pay the utmost attention to the budget negotiations.

Our top priority is the allocation of the necessary financial and human resources for the prevention, management and resolution of conflicts, notably the conflict affecting the territorial integrity of Ukraine.

We also attach the utmost importance to the autonomous institutions, which must be able to discharge their mandates in full, particularly with respect to election observation by the Office for Democratic Institutions and Human Rights. We note each year the need to allocate resources commensurate with these activities, otherwise we are forced to resort, as a matter of urgency, to the budget surplus that should be returned to the participating States. We therefore call for more ambitious budgets for the autonomous institutions.

The European Union Member States also acknowledge the possibility for field operations to have their budgets increased, where necessary.

Ms. Yrjölä, Officer-in-Charge/Secretary General, as in previous years, we will consider carefully the proposed expenditure increases for the Secretariat. We reiterate that the identification of sources of savings in staff costs and transportation costs must remain a priority.

The proposed reduction of the Augmentations Fund by ten posts remains inadequate when we have been requesting for so many years for this fund, which was initially temporary, to be abolished.

We call on the future Chairmanship to initiate negotiations on the issue of the taxes levied by certain participating States on the incomes of local field staff. The responsible decision taken by Uzbekistan to fulfil its obligations in this regard shows that a settlement is possible and depends on the political will of the participating States concerned.

Like you, Ms. Yrjölä, Officer-in-Charge/Secretary General, we hope that the budget will be adopted before 20 December.

Finally, we wish to reiterate our commitment to making the necessary improvements to cost-sharing among the participating States. Since the expiry of the Scales of Contributions in December 2017, only provisional or temporary solutions have been adopted. The efforts made by the Slovak and Albanian Chairmanships towards finding a lasting solution, which we welcome and support, must continue, so that a consensus on the Scales of Contribution, which remains essential, can be reached.

Thank you for your attention.

The candidate countries the Republic of North Macedonia<sup>1</sup>, Montenegro<sup>1</sup>, Serbia<sup>1</sup> and Albania<sup>1</sup>, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, as well as the Republic of Moldova, Georgia and San Marino, align themselves with this statement.

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<sup>1</sup> The Republic of North Macedonia, Montenegro, Serbia and Albania continue to be part of the Stabilisation and Association Process.