



EUROPEAN UNION

**OSCE Permanent Council Nr 1050
Vienna, 7 May 2015**

**EU Statement in response to the presentation by the OSCE
Secretary General on the 2016 Programme Outline**

The Member States of the European Union thank the Secretary General and all Fund Managers for their contribution to the 2016 OSCE Programme Outline.

This year's Programme Outline exercise is, once again, combined with the 2014 Programme Budget Performance. The combination of the meetings for reviewing the performance of the previous year and for drafting the Programme Outline for the coming year constitutes the first step for improving the budget cycle. In our opinion, this does not mean that the discussion related to the performance recorded in the past should be neglected. The policy guidance that the participating States are invited to formulate to the Fund Managers for next year should be based on lessons learned from the previous budget cycle. We reiterate our willingness and preparedness to engage in a biennial or multiannual budget process.

In this regard, we continue to express the wish that future budget planning is based on a review of activities previously undertaken. To do so, various performance indicators and an assessment of the OSCE's performance against them, have to be submitted to the Participating states; this would represent a small but concrete step towards improving the transparency and relevance of this stage of the budget cycle. Another such step would be the inclusion of results and recommendations stemming from project evaluations. Without objective indicators

set at outcome level, it is extremely difficult for participating States to incorporate the lessons drawn from evaluation in decisions about the Unified Budget. We would ask the Secretariat to include the relevant performance indicators in the Unified Budget proposal for 2016.

Noting the abiding difficulties with Horizontal Issues when we negotiate the budget, we recall that we have requested one session devoted to these topics and a chapter in the Programme Outline in previous years and reiterate that call. This is particularly the case for, inter alia, the development of staff standard costs, augmentation fund or local income tax, where the Fund Managers need guidance from us ahead of the 2016 UB proposal.

We shall examine the Programme Outline with a view of providing the Organization with the means to carry out all of its mandate. We should also take into account the new challenges facing this organisation in particular, not least due to its engagement in the crisis in and around Ukraine as well as the wider challenges for European security.

At the same time we need to keep in mind that national budgets of many participating States are under pressure and that savings need to be found wherever possible. We should bear in mind the necessary rigour required of all international organisations, which should also act as a guideline for us. This is even more relevant at a time, where considerable additional financial resources have had to be found to finance the Special Monitoring Mission to Ukraine and other OSCE activities related to the crisis in and around Ukraine.

On the substance, we will continue to support the reinforcement of the OSCE's human and financial resources in the human dimension, given the growing challenges it faces. For the 2015 Unified budget, some additional means were granted to the autonomous institutions, which are far below the budget they need given the growing challenges we face. In spite of the savings we made every year in optimizing the South-East Europe operations, it is abnormal that we cannot manage to reallocate appropriate funds to the missions in Eastern Europe and Central Asia.

It will be important to review the OSCE's response to the crisis in and around Ukraine, and to identify and learn the lessons of that for the Organisation, both in terms of its continuing response to developments there, and its ability to respond effectively to possible future crises.

On a general note, we support initiatives of the Secretariat aiming at examining opportunities to achieve efficiency and greater economy of scale. We continue to believe that the field missions and autonomous institutions are vital to the Organization's success. In this regard, we commend the support given by the Secretariat, and the CPC in particular, to the field missions, especially to the SMM. At the same time, solutions should be explored for optimization of the Secretariat's budget, including in staff standard costs, as committed to in the approval of the 2015 UB.

In conclusion, the EU Member States thank the Secretary General for his presentation and wish every success to Mr Erik Tintrup, who will be chairing the ACMF work during the new budget cycle. We call upon all participating states to get the next OSCE budget adopted on time in order to enable the organisation to

continue its important work unhindered on the first day of the new year and the new budget period.

The Candidate Countries the FORMER YUGOSLAV REPUBLIC OF MACEDONIA*, MONTENEGRO*, ICELAND+ and ALBANIA*, the Country of the Stabilisation and Association Process and Potential Candidate BOSNIA and HERZEGOVINA, as well as UKRAINE, the REPUBLIC OF MOLDOVA, GEORGIA, ANDORRA, MONACO and SAN MARINO align themselves with this statement.

* The Former Yugoslav Republic of Macedonia, Montenegro and Albania continue to be part of the Stabilisation and Association Process.

+ Iceland continues to be a member of the EFTA and of the European Economic Area.