

Delegation of the Russian Federation

**STATEMENT BY MR. ANDREY KELIN,
PERMANENT REPRESENTATIVE OF THE RUSSIAN FEDERATION,
AT THE 949th MEETING OF THE OSCE PERMANENT COUNCIL**

25 April 2013

Regarding the regulation of extrabudgetary project activities

Mr. Chairperson,

Permanent Council Decision No. 1073 on the approval of the 2013 Unified Budget instructed the Advisory Committee on Management and Finance “to continue deliberations on amending the OSCE Financial Regulations with the aim of achieving approval of new OSCE Financial Regulations”.

As you are aware, differences regarding the content of the article on extrabudgetary contributions are preventing the completion of this work. More specifically, there is an unwillingness by a number of our partners to bring order to the way in which project activities involving extrabudgetary resources are carried out in the OSCE, to ensure their transparency, and to verify that they are in keeping with the aims and objectives of the Organization and serve the interests of all participating States, and not just the interests of the donor countries.

The diversion of financial, human and other resources from the Unified Budget for the implementation of extrabudgetary projects cannot be tolerated. Unfortunately, there have of late, especially in this period of financial and economic crisis, been attempts to transfer extrabudgetary projects to financing under the Unified Budget and to introduce “external” staff engaged by them into the OSCE post table. Recent examples include the Border Management Staff College in Tajikistan, activities in support of United Nations Security Council resolution 1540 and the Community Security Initiative in Kyrgyzstan.

We believe that the Helsinki+40 process provides an opportunity to take a fresh look at the problem of extrabudgetary project activities. Reform in this area would be an important contribution to that process. We are hoping for the support of all those who have an interest in the effective use of the gradually diminishing resources of our Organization. We trust that the current and future chairmanships will make their contribution to the efforts to put the extrabudgetary matters in order.

The Russian Federation will submit specific proposals to that end in the form of amendments to the OSCE Financial Regulations in the Advisory Committee on Management and Finance in the near future.

Thank you for your attention.