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STATEMENT BY THE EUROPEAN UNION AT THE 1114th MEETING OF THE OSCE PERMANENT COUNCIL

4 October 2016

In response to the presentation by the Secretary General of the 2017 Unified Budget

The Member States of the European Union thank the Secretary General for his presentation of the Unified Budget for 2017. We thank the Secretariat and the fund managers for their contributions to this vital work. We also take this opportunity to wish success to the Austrian delegation, which will be leading the work on the budget in the Advisory Committee on Management and Finance, and to thank the German delegation, in particular Mr. Erik Tintrup and Ms. Ilona Salaba, for the considerable work they have carried out this past year in a frequently difficult context.

The Member States of the European Union recall their willingness to foster constructive dialogue within the budgetary process, in which they will participate fully, and to provide the Organization with the means necessary to accomplish the tasks assigned to it. We hope that everyone will participate in the same spirit.

We remain convinced that a budget policy should be effective, economical and strategic. These conditions are essential to the realization of our common aims: consolidation of collective security in the OSCE area, particularly in the face of growing global insecurity and the many and various transnational challenges resulting from it. This depends on respect for and full implementation of our commitments and shared principles.

We confirm our commitment to provide the financial and human resources necessary for the prevention, management and resolution of crises, particularly in and around Ukraine, which remains our principal security challenge and which has financial and structural consequences for the OSCE. In general, we attach great importance to the allocation of adequate resources to the OSCE in connection with the conflict cycle.

As ever, we continue to urge with the greatest determination that the autonomous institutions be in a position to accomplish all of their mandates, particularly with regard to election observation.

Moreover, we support the allocation of adequate resources for an integrated approach to the gender dimension.

However, the granting of supplementary resources should not divert the Organization from its aim of effective and efficient use of financial and human resources. The Member States of the European Union provide 70 per cent of the Unified Budget and are thus the principal contributors in this Organization. Given the fact that the economic situation in some of these States remains difficult and that the demands of the field operations in Ukraine are not lessening, there is a heightened need this year for all-round vigilance in the daily management and evolution of the Organization's other main funds. It is important, also in the wake of the good work commenced by the Informal Working Group on Horizontal Issues, to establish a policy of evaluation and exchange of experience on a voluntary basis and to regularly review the OSCE's priorities, bearing in mind the development of the different situations on the ground and of adapting accordingly.

The emphasis must remain on the OSCE's operational capability, particularly regarding the resolution of the crisis in Ukraine and the intensification of the OSCE's work in Central Asia. It is also important to ensure that suitable resources are allocated to the missions deployed in the Caucasus so as to guarantee their proper functioning. Finally, we welcome the endeavours by certain missions in south-east Europe to continue their efforts to keep a firm grip on the reduction of costs in 2017. We urge these missions to plan further rationalization and transfer of their activities with a view to achieving more ambitious reductions.

We note the attempt to limit the increase in outlay by the Secretariat this year, particularly by reducing the costs of some of its departments. We also welcome the initiative to discontinue the Common Staff Costs programme so as to increase transparency and effectiveness by reallocating this fund directly to the programmes that use it. At the same time, this increase, which in spite of everything is not an example of responsible budget growth, will force us once again to closely examine every proposal, new or not, calling for the mobilization of funds, and every creation of posts or promotion or transformation of seconded posts into contracted ones. In that regard, we recall the recommendation by the Informal Working Group on Horizontal Issues that such transformations should be the exception. Even if the increase in staff costs has been contained overall to 0.9 per cent, we believe it important to emphasize that the identification of savings in this budget item remains a priority and that we thus expect future talks to search for new ones.

We note the proposed reduction of almost 25 per cent in the Augmentations Fund. This reduction is a new necessary stage on the way to its disappearance as soon as possible in accordance with commitments undertaken. We shall continue to watch the evolution of this area.

We repeat our appeal for the development and modernization of the OSCE's evaluation system, including the key performance indicators, to ensure that the lessons are learned from past experience to enable us to improve the work of the Organization as a whole but also to enable fund managers to give a clearer account of their performance to participating States.

We also recall our commitment to the necessary improvement in cost-sharing by participating States. We shall give close attention to the host country's efforts to renegotiate the Hofburg rent and utilities for the period 2017 to 2020. It is important to ensure that any financial impact remains minimal.

Secretary General, we thank you once again for your presentation, which we hope will result as quickly as possible in a solution by consensus giving the OSCE the means it requires to carry out its functions.

The candidate countries the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Albania¹, the Stabilisation and Association Process country and potential candidate country Bosnia and Herzegovina, the European Free Trade Association country and member of the European Economic Area Iceland, as well as Ukraine and Andorra, 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.