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**DELEGATION OF THE REPUBLIC OF ARMENIA**  
**ORGANIZATION FOR SECURITY AND CO-OPERATION IN EUROPE**

**Statement**

**On the Presentation of the UB Proposal by the OSCE Secretary General  
delivered by Ambassador Arman Kirakossian at the 1114th Meeting of the  
OSCE Permanent Council**

October 04, 2016

Mr. Chairperson,

We thank the OSCE Secretary General for presentation of the Unified Budget Proposal.

Our detailed position on specific parameters and funds of the UB will be presented in the course of the discussions in the ACMF framework. Let me refer to the current context of the budget cycle.

We believe that the incoming Austrian Chairmanship should focus its efforts on developing early warning and conflict prevention mandate of the OSCE executive structures both in Secretariat and the field. Prioritization in allocating the limited resources of the OSCE should be given to the funds and projects serving this end.

We took note that the budget of the PRCiO Office does not only envisage growth, but even is reduced. Our position has been well known on this issue since the budget discussions on UB 2016.

The role of the PRCiO Office got even more pre-eminence in light with the April large scale military offensive and casualties among military servicemen and civilians. Being the only OSCE permanent presence in the NK conflict zone, Office of the PRCiO should significantly strengthen its personnel, monitoring activities and employ modern equipment. The attempts to downsize the OSCE presence in our region and in particular, in Nagorno-Karabakh conflict area comes from the party who resorted to force and resists any attempt to prevent further use of force.

Strengthening the capacities of the Office is one of the clear-cut commitments of the Vienna and St-Petersburg summits of the Presidents of Armenia and Azerbaijan.

We recall that supplementary PRCiO budget proposal was submitted by the German Chairmanship. In our view UB 2017 should reflect this proposal.

Mr. Chairperson,

We believe that the ODIHR's tolerance and non-discrimination programme should be completely reviewed. This year's sad developments, including open

pursuing of policy of hate crime and xenophobia by some OSCE participating States, encouragement of ISIL style executions of civilians and dehumanization of whole nations indicate that the programme has failed to address any of those challenges. Savings identified in this sphere should be re-directed to the funds, which deliver practical results on the ground.

We took note of the budget proposal of the Yerevan Office. We assess positively the suggested transfer of anti corruption portfolio into the Economic and Environmental Programme.

We appreciate the willingness of the Office to continue its dialogue with the host authorities. We also take note of the intention of the Office to promote its dialogue with non-governmental actors. The Office has always enjoyed unrestricted interaction with representatives of civil societies in Armenia. However, it should be noted that the main task of the Office is assisting the Government in implementing the OSCE commitments. In this same vein, the budget proposal refers to some recommendations and guidelines of the OSCE institutions which are not consensual in the OSCE and in other words they are not part of the OSCE commitments. We would like to take this opportunity to make it clear that the Office should be guided by those recommendations which are accepted by the Government and incorporated into the latter's policy.

Mr. Chairperson,

We took note that as in previous years the UB proposal contains compensation for the local staff income tax, amounting to more than half million Euro. We understand that the Secretariat did not succeed in its efforts to ensure compliance of all the participating States to the OSCE Rules and Regulations. The Armenian side has consistently stressed its strong disagreement with practice of illegal compensation for the income tax in violation of the OSCE Rules and Regulations. Subsidizing of a handful of participating States in the current situation of financial scarcity is unacceptable.

In conclusion, the Delegation of Armenia would like to express its gratitude to the German Chairmanship of the ACMF and stress its readiness to cooperate with the incoming Austrian Chairmanship with the view to bring the UB in line to the evolving security needs of the OSCE.

Thank You.