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STATEMENT BY THE EUROPEAN UNION AT THE 1340th MEETING OF THE OSCE PERMANENT COUNCIL

21 October 2021

In response to the presentation of the 2022 Unified Budget Proposal by Ms. Helga Schmid, Secretary General

The Member States of the European Union sincerely thank you, Madam Secretary General, for your presentation of the 2022 Unified Budget Proposal and for the full commitment you have shown as head of the OSCE.

Our thanks also go to the Swedish delegation, especially Ms. Ulrika Grufman, for their sustained efforts over the past 12 months.

We warmly welcome and wish the Polish delegation, in particular Ms. Aleksandra Mikula, every success in the forthcoming negotiations in the Advisory Committee on Management and Finance. We are pleased to note that the 2022 Unified Budget Proposal reflects the guidelines set out in the future Chairmanship's perception paper.

We especially welcome a strengthening of the Secretariat's policy of transparency and co-operation with the participating States. We also thank all the Fund Managers for their contribution to the development of this project under your leadership, Madam Secretary General.

We recognize that the Organization must be able to count on dependable resources to fulfil its mandate. As a continuation of its ongoing efforts to date, the OSCE must implement all necessary measures and reforms to build a more effective and efficient organization for the years to come. In this regard, we welcome the fact that you have initiated a functional review of the Secretariat to assess and better align its processes and resources with our core objectives. Rest assured that we will examine in a constructive spirit and with the utmost attention any recommendations you may make at the end of this exercise.

We share your concern about the increasingly late adoption of the budget and call on all participating States to take a constructive approach in order to meet the deadline of 21 December, as provided for in the Organization's Financial Regulations. Furthermore, we reiterate our position in favour of a biennial budget in order to facilitate the budget negotiations and look forward to your suggestions in this regard.

Madam Secretary General, 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.

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. We are aware of the large number of tasks that have been set for the Organization. At the same time, we believe that the budget implications of any additional tasks must be properly assessed.

We thank the Secretariat for having recognized the difficult economic environment in most States due to the pandemic. We will address all proposed increases on their merits and added value. Given our national budgetary constraints, any particular increase must be justified. We ask the Fund Managers to focus on the priorities set by the participating States, and to take into account efficiency measures, cost savings and offsets within the budget, in particular with regard to staff costs and travel costs.

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, and crises in the OSCE area.

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 the need to allocate resources each year commensurate with these activities and 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.

We welcome the transfer of 11 posts from the Augmentations Fund to the Secretariat in this year's proposal. We reaffirm our position in favour of abolishing this Fund, which was initially temporary.

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.

Finally, we wish to reiterate our commitment to making the necessary improvements to burden-sharing among participating States. Since the expiry of the Scales of Contributions in December 2017, only provisional or temporary solutions have been adopted. The Organization has been without Scales of Contributions since December 2019. We welcome and support the efforts of the Swedish Chairmanship and the Georgian Chairmanship of the Informal Working Group on Scales of Contributions. We reiterate that a consensus on a long-term solution remains essential.

We thank you for your attention and should like to reiterate our full confidence in you as you carry out your important work as head of the OSCE.

The candidate countries the Republic of North Macedonia¹, Montenegro¹, Serbia¹ and Albania¹, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, the European Free Trade Association country and member of the European Economic Area Iceland, as well as Georgia, Andorra and San Marino, align themselves with this statement.

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