

**1503rd Plenary Meeting**

PC Journal No. 1503, Agenda item 2

**DECISION No. 1494  
2024 ADDITIONAL PROVISIONAL EXPENDITURE  
AUTHORIZATION**

The Permanent Council,

Acting in accordance with the relevant provisions of the Financial Regulations,

Reiterating the importance of full transparency and accountability in the functioning of the OSCE,

Acknowledging that agreement could not yet be found on all programmatic activities and noting the need to continue some of these discussions,

Reiterating the importance of Permanent Council Decisions No. 486 of 28 June 2002 and No. 553 of 27 June 2003,

Acknowledging that the discussions on the 2024 Unified Budget are still ongoing, without prejudice to the outcome of these discussions,

Further acknowledging that the discussions on the 2023 Financial Report and Financial Statements for the year ended 31 December 2023, distributed on 2 July 2024 under PC.ACMF/21/24, are still ongoing in the ACMF, and given that this document is subject to agreement by the Permanent Council,

Recalling Financial Regulation 3.04 – Provisional Expenditure Authorization,

Recalling Financial Regulation 3.01(b) – with reference to the authority of the Permanent Council to take decisions on all elements of the budget,

Takes note of the OSCE 2024 Year-End Financial Forecast (document PC.ACMF/71/24 of 12 December 2024);

1. Approves the additional provisional expenditure authorization of 578,100 euros, on an exceptional basis, in order to meet the anticipated financing requirements as set forth in the annex;

2. Determines that this additional provisional expenditure authorization shall be financed from the cash surplus reported in the 2023 Financial Report and Financial Statements for the year ended 31 December 2023.

## 2024 ADDITIONAL PROVISIONAL EXPENDITURE AUTHORIZATION

<b>Fund</b>	<b>Provisional Expenditure Authorization Financial Regulation 3.04*</b>	<b>Transfers Financial Regulation 3.02**</b>	<b>Revised Provisional Expenditure Authorization</b>	<b>Total Forecast Expenditure 2024</b>	<b>Estimated Year-End Balance</b>	<b>Additional Provisional Expenditure Authorization</b>	<b>Total Revised Provisional Expenditure Authorization</b>
	<b>A</b>	<b>B</b>	<b>C=A+B</b>	<b>D</b>	<b>E=C-D</b>	<b>F</b>	<b>G=C+F</b>
<b><u>The Secretariat</u></b>							
<b>Secretary General and Central Services</b>							
Executive Management	1,190,500	26,500	1,217,000	1,258,100	-41,100	41,100	1,258,100
Security Management	636,500	-	636,500	649,400	-12,900	12,900	649,400
External Co-operation	653,700	-	653,700	721,800	-68,100	68,100	721,800
The OSCE Documentation Centre in Prague	640,100	-	640,100	664,600	-24,500	24,500	664,600
Gender Issues	437,100	-	437,100	462,900	-25,800	25,800	462,900
<b>Internal Oversight</b>							
Internal Oversight	1,828,900	-	1,828,900	1,901,800	-72,900	72,900	1,901,800
<b>Office of the Special Representative/Co-ordinator for Combating Trafficking in Human Beings</b>							
Office of the Special Representative/Co-ordinator for Combating Trafficking in Human Beings	1,073,700	-	1,073,700	1,131,800	-58,100	58,100	1,131,800

**2024 ADDITIONAL PROVISIONAL EXPENDITURE AUTHORIZATION (CONTINUED)**

<b>Fund</b>	<b>Provisional Expenditure Authorization Financial Regulation 3.04*</b>	<b>Transfers Financial Regulation 3.02**</b>	<b>Revised Provisional Expenditure Authorization</b>	<b>Total Forecast Expenditure 2024</b>	<b>Estimated Year-End Balance</b>	<b>Additional Provisional Expenditure Authorization</b>	<b>Total Revised Provisional Expenditure Authorization</b>
	<b>A</b>	<b>B</b>	<b>C=A+B</b>	<b>D</b>	<b>E=C-D</b>	<b>F</b>	<b>G=C+F</b>
<b><u>High Commissioner on National Minorities</u></b>							
Office of the High Commissioner	2,959,300	11,000	2,970,300	3,009,100	-38,800	38,800	3,009,100
<b><u>Mission in Kosovo</u></b>							
Office of Head of Mission	2,750,300	20,000	2,770,300	2,930,900	-160,600	160,600	2,930,900
Fund Administration Unit	5,495,100	35,000	5,530,100	5,605,400	-75,300	75,300	5,605,400
<b>TOTAL ADDITIONAL PROVISIONAL EXPENDITURE AUTHORIZATION</b>						<b>578,100</b>	

\*Reflects provisional expenditure authorization until the end of 2024.

\*\*Reflects transfers planned until the end of 2024.

PC.DEC/1494  
19 December 2024  
Attachment 1

Original: ENGLISH

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of Canada:

“Madam Chairperson,

Regarding the decision just adopted on the 2024 additional provisional expenditure authorization, Canada would like to make the following interpretative statement under paragraph IV.1(A)6 of the OSCE Rules of Procedure:

Canada supports, on an exceptional basis, the allocation of 578,100 euros from the 2023 cash surplus to cover the remaining deficit for 2024. Support for this decision is in the best interest of the Organization. However, as a more sustainable solution, participating States should agree to a Unified Budget as a matter of urgency and pay their assessed contributions in full and on time.

We emphasize that the piecemeal approach of allocating resources is bad financial management practice, is neither sustainable nor desirable, and should not become our modus operandi. All executive structures of the Organization are essential and must be adequately resourced. In this context, we look forward to forthcoming discussions on the Unified Budget for 2025 and other financial and administrative issues and strongly encourage all participating States to engage in these discussions with good faith and in the interest of all.

We want to acknowledge the difficult situation that the lack of a Unified Budget creates for the well-being of OSCE staff, who are vital to all functions of the Organization. We thank them for their dedication and professionalism.

Canada requests that this statement be attached to the decision and journal of the day.

Thank you.”

PC.DEC/1494  
19 December 2024  
Attachment 2

ENGLISH  
Original: FRENCH

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of Hungary (also on behalf of Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden):

“The Member States of the European Union welcome the adoption of the Permanent Council decision granting an authorization of additional expenditure.

This decision will make it possible to meet legally binding commitments, mainly staff costs, and to avoid deficits in three departments of the Secretariat, in the Office of the High Commissioner on National Minorities and in the OSCE’s field operation in Kosovo. These forecast deficits are caused by the lack of a Unified Budget and adequate resource allocations.

The Member States of the European Union, together accounting for almost 60 per cent of the OSCE budget, note with concern the deterioration in the Organization’s financial situation, which is now affecting its ability to honour its legally binding commitments.

We are aware of the efforts at saving made by the various structures, including sometimes drastic cost-cutting measures. Despite these efforts, we deeply regret that the level of funding shortfalls anticipated at the end of the year remains so worrying.

More generally, we call upon all participating States to act consistently with their commitments and to provide the Organization with adequate means for implementing these, so as to allow the OSCE to function effectively in its three dimensions and in all its structures – the Secretariat, the autonomous institutions and the field operations.

Moreover, the EU Member States greatly regret that it was not possible to adopt the Unified Budget proposed by the Maltese Chairmanship for 2024, despite its tireless efforts, notably during the Ministerial Council meeting. We deplore the refusal of one delegation to join the consensus on adopting this budget, despite the various proposed compromises drafted by the Chairmanship.

We take this opportunity to call for the adoption as soon as possible of the respective decisions on the 2023 and 2022 Financial Statements. These decisions are of a technical nature. The lack of such decisions harms the interests of all the participating States and creates an additional burden for the Secretariat.

In closing, we warmly thank the Maltese Chairmanship for all of the work it has carried out in the course of this year to enable the Organization to keep functioning, including its prioritization of the issue of deficits.

The candidate countries North Macedonia, Montenegro, Albania, Ukraine and Bosnia and Herzegovina, the European Free Trade Association countries and members of the European Economic Area Iceland, Liechtenstein and Norway, as well as Andorra and San Marino, align themselves with this statement.”

PC.DEC/1494  
19 December 2024  
Attachment 3

Original: ENGLISH

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of the United Kingdom (also on behalf of the United States of America):

“Thank you, Madam Chairperson,

In connection with the Permanent Council decision just adopted on the additional provisional expenditure authorization, the United Kingdom and the United States would like to make the following interpretative statement under paragraph IV.1(A)6 of the OSCE Rules of Procedure.

As stated on numerous occasions, we would like to underline the importance of all parts of the OSCE being adequately financed to fulfil their mandates. Addressing the forecast deficits in the 2024 budget is an incredibly urgent issue for the Organization, and it was critical a decision was approved today.

We welcome that participating States have allowed this draft decision to pass, which will – right at the last moment – avoid the Organization falling into deficit in 2024 for the first time in its history. We deeply regret that one participating State chose to block agreement of the 2024 Unified Budget despite the considerable efforts made by the Chairmanship to reach consensus. We hope that the constructive spirit shown in agreeing to this expenditure authorization can be carried forward to future discussions on the 2025 Unified Budget and other financial issues.

The United Kingdom and the United States once again warmly thank the Maltese and Finnish delegations and the Department of Management and Finance for their tireless efforts in attempting to resolve the budget issues facing the Organization.

Madam Chairperson, I would like to request that this statement be attached to the decision as adopted and to the journal of the day.

Thank you, Madam Chairperson.”



PC.DEC/1494  
19 December 2024  
Attachment 4

ENGLISH  
Original: RUSSIAN

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of the Russian Federation:

“Having joined the consensus regarding the Permanent Council decision on the 2024 additional provisional expenditure authorization, the Russian Federation notes the following.

A significant part of the funding shortfall presented by the Mission in Kosovo covers the salaries of locally recruited staff and is not related to the OSCE’s contractual obligations. Expenditures of that kind must be met exclusively from the Organization’s Unified Budget, and extraordinary funding mechanisms, such as the use of cash surpluses, are not applicable to them.

The very notion of handing out an additional monetary incentive to the staff of the Mission in Kosovo in the present climate of crisis – and also when set against the decision by other field operations to withdraw their requests for their own funding shortfalls to be covered – seems inappropriate.

Having granted in their entirety the funds requested by the Mission in Kosovo, we trust that the decision adopted today does not set a precedent for the future. The absence of objections on the part of the Russian Federation to this decision is meant to help the new OSCE Secretary General not to find himself in a difficult situation in his first days on the job, and to avoid the adoption of so-called administrative decisions that would not only look dubious from a legal point of view but would also be contrary to the principles of budgetary discipline and to generally accepted practice in financial stewardship.

I request that this statement be attached to the adopted decision and included in the journal of this Permanent Council meeting.

Thank you for your attention.”

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of Armenia:

“In connection with the adoption of the Permanent Council decision on the 2024 additional provisional expenditure authorization, the delegation of Armenia would like to make the following interpretative statement under paragraph IV.1(A)6 of the OSCE Rules of Procedure.

Armenia joins the consensus noting the efforts by the Chairmanship to address the urgent need for additional provisional expenditure authorization for the Secretariat, the High Commissioner on National Minorities and the Mission in Kosovo.

We note that the decision contains certain formulations that are redundant and do not serve the purpose of this decision. However, for the sake of compromise, we join the consensus in order to secure the required financing.

We expect that these OSCE structures will operate strictly in compliance with the OSCE documents and decisions in carrying out their programmatic activities and will adhere to the principles of transparency and accountability in a non-politicized and inclusive manner.

At the same time, we emphasize that Armenia joins the consensus on this decision on an exceptional basis, amidst the absence of the approved Unified Budget. It is regrettable that the adoption of the Unified Budget of the OSCE remains blocked, due to repetitive, unsubstantiated and unrelated demands.

Armenia supports the adoption of the Unified Budget based on OSCE working methods, commitments and decisions, including those that were taken at the highest level.

Armenia has continuously demonstrated its full determination and commitment in this regard, including by recently supporting the draft decision on the Unified Budget distributed and discussed in the margins of the Ministerial Council in Malta.

We also believe that the Minsk Process, the High-Level Planning Group and the Personal Representative of the Chairman-in-Office on the conflict dealt with by the Minsk Conference should remain in place until an agreement on peace and normalization of interstate relations between Armenia and Azerbaijan is achieved. Armenia is convinced that such an agreement is within reach.

Armenia requests that this interpretative statement be attached to the adopted decision and to the journal of the day.

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

“By the delegation of Azerbaijan:

“In connection with the decision on the 2024 additional provisional expenditure authorization adopted by the Permanent Council, the delegation of Azerbaijan would like to make the following interpretative statement for the record.

The delegation of Azerbaijan joined the consensus on this decision on the basis of the understanding that there is no agreement on the 2024 Unified Budget, as reflected in this decision of the Permanent Council, and that this decision is adopted on an exceptional basis.

Furthermore, this decision acknowledges explicitly that agreement could not yet be found on all programmatic activities, which includes the former so-called Minsk Process, the Personal Representative of the Chairperson-in-Office and the High-Level Planning Group.

The delegation of Azerbaijan reiterates its support for the early adoption of the Unified Budget, which would allocate the scarce financial resources of the OSCE where they are needed the most to fund the programmatic activities that are relevant and around which there is consensus.

The financial regulations and the relevant financial decisions do not envisage allocating funds for dysfunctional programmes. This runs counter to Permanent Council Decisions No. 553 and No. 486 on the Unified Budget process and the relevant financial regulations that establish the overall objective of the budget process to ensure efficiency, transparency and accountability in the budget expenditures.

In this regard, dysfunctional, obsolete and irrelevant structures of the former Minsk Process referred to above, the programmatic activities of which are not agreed upon, must be removed from the budget. This will ensure that the Organization remains relevant and agile and continues to deliver. The remaining of these structures on the books undermines the functionality of the Organization.

We reiterate our call to the Chairmanship and the Secretariat to expeditiously prepare a plan that defines the main parameters and determines the tasks, timelines and administrative arrangements to enable the closure of the structures related to the former Minsk Process. To this end, we expect that the Secretariat will provide information on a cost estimation for the closure of these structures and, in particular, what is the corresponding cost that needs to be

allocated in the 2025 Unified Budget for the management of human resources, assets, premises, budget and finance, and archives related to the closure of the dysfunctional structures related to the former Minsk Process.

This will ensure the collective support of all participating States for the timely adoption of the Unified Budget; will restore the functionality of the Organization and will put the financing of the Organization on a sustainable path.

We request that this interpretative statement be attached to the Permanent Council decision and to the journal of the day.”