

1498th Plenary Meeting

PC Journal No. 1498, Agenda item 1

**DECISION No. 1491
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,

1. Takes note of the OSCE 2024 Year-End Financial Forecast (document PC.ACMF/52/24 of 25 October 2024);
2. Approves the additional provisional expenditure authorization of 860,600 euros, on an exceptional basis, in order to meet the anticipated financing requirements as set forth in the annex;

3. 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 AND REVISED PROVISIONAL EXPENDITURE AUTHORIZATION

Fund	Provisional Expenditure Authorization Financial Regulation 3.04*	Transfers Financial Regulation 3.02(b)**	Revised Provisional Expenditure Authorization	Total Forecast Expenditure 2024	Estimated Year-End Balance	Additional Provisional Expenditure Authorization	Total Revised Provisional Expenditure Authorization
Main Programme Programme	A	B	C=A+B	D	E=C-D	F	G=C+F
<u>The Secretariat</u>							
Department of Management and Finance							
Management and Co-ordination	888,200	20,000	908,200	949,700	-41,500	41,500	949,700
Budget and Finance Services	2,162,200	-20,000	2,142,200	2,156,600	-14,400	14,400	2,156,600
Information and Communication Technology Services	4,370,900	-22,000	4,348,900	4,775,700	-426,800	426,800	4,775,700
Mission Support Service	2,517,600	22,000	2,539,600	2,788,500	-248,900	248,900	2,788,500
<u>Augmentations</u>							
Secretariat Augmentations							
Information and Communication Technology Services	768,200	22,000	790,200	867,200	-77,000	77,000	867,200
Mission Support Service	738,300	-22,000	716,300	768,300	-52,000	52,000	768,300
TOTAL ADDITIONAL PROVISIONAL EXPENDITURE AUTHORIZATION						860,600	

*Reflects provisional expenditure authorization until the end of 2024.

**Reflects transfers to date.

PC.DEC/1491
26 November 2024
Attachment 1

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 for the Secretariat’s Department of Management and Finance.

The present decision, even though limited to one department of the Secretariat, will make it possible to cover legally binding liabilities, these being, in the main, staff costs and the payment of operating expenses. This deficit is due to the lack of a Unified Budget and of adequate funding allocations.

The Member States of the European Union, whose contributions taken together amount to almost 60 per cent of the OSCE’s budget, note with concern the deteriorating financial situation of the Organization, which at this juncture is undermining its ability to honour its legally binding commitments. Despite the cost-cutting measures adopted by the various structures to save money, the level of budgetary deficits projected for the end of the year, as indicated by the Secretariat, remains most alarming. Accordingly, we should also like to consider, in due course, a draft decision aimed at covering the anticipated year-end deficits of other programmes.

More generally, we call upon all the participating States to act consistently with their commitments and to provide the Organization with adequate means for implementing these, thereby allowing the OSCE to function effectively across its three dimensions and across all of its structures – the Secretariat, the autonomous institutions and the field operations. We reiterate our urgent appeal to all the participating States to adopt a Unified Budget for 2024, and we stand ready to join consensus thereon as soon as possible.”

**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 the decision by the Permanent Council is adopted on an exceptional basis and does not set a precedent.

Furthermore, this decision acknowledges that the discussions on the 2024 Unified Budget are still ongoing, without prejudice to the outcome of these discussions. This decision also acknowledges explicitly that agreement could not yet be found on all programmatic activities and notes the need to continue some of these discussions.

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, namely the so-called Minsk Process, the Personal Representative of the Chairperson-in-Office and the High-Level Planning Group, programmatic activities 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 urge 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. We

request the Secretariat to 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.”

PC.DEC/1491
26 November 2024
Attachment 3

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.

Any proposals for the allocation of cash surpluses to cover the Organization’s budget deficit must comply with generally accepted transparency and budgetary discipline standards. Additional provisional allotments can be made solely on the basis of the disclosure of information about the nature and composition of the underfunded costs and on the basis of clear evidence that these cannot be covered using existing resources.

Russia is willing to continue to explore options for tackling the budget gap faced by OSCE programmes and Funds in a case-by-case manner, provided that they have adequately justified their financial requirements.

We ask that this statement be attached to the adopted decision.”

PC.DEC/1491
26 November 2024
Attachment 4

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 Permanent Council Decision No. 1491 on the additional provisional expenditure authorization for the Department of Management and Finance, 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 860,600 euros for the activities of the Department of Management and Finance from the 2023 cash surplus. Support for this decision is in the better 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 a bad financial management practice, is neither sustainable nor desirable, and should not become common practice. All executive structures of the Organization are essential and must be adequately resourced. In this context, we look forward to forthcoming discussions on outstanding deficits and strongly encourage all participating States to engage in these discussions with good faith and in the interest of all participating States.

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

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

Thank you.”

**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 find a solution to the outstanding issues, including the urgent need of additional provisional expenditure authorization for the activities of the Department of Management and Finance, 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, invoking the repetitive unsubstantiated and unrelated demands.

Armenia reiterates its readiness to support early adoption of the Unified Budget based on OSCE working methods, commitments and decisions taken at the highest level, including those related to the Minsk process, the High-Level Planning Group and the Personal Representative of the Chairperson-in-Office on the conflict dealt with by the OSCE Minsk Conference. The mandates, tasks and objectives which have been explicitly defined and agreed upon by all participating States should be accurately reflected in the Organization’s budget alongside the required financial allocations.

We also 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 for the ultimate goal to ensure the provision of the necessary additional financial resources for the activities of the Department of Management and Finance.

We expect that the Department of Management and Finance will be strictly guided by the agreed OSCE documents, decisions and declarations in undertaking its duties with regard to all programmatic activities.

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