

*REPORT OF THE SPECIAL REPRESENTATIVE ON THE OSCE BUDGET,
PETUR H. BLONDAL, FOR THE STANDING COMMITTEE OF THE OSCE PA*

Budva, 13 October 2013

I was appointed Special Representative on the OSCE budget by the President of the PA in September 2006 to review ongoing work on draft OSCE budgets, and to report to the Assembly President and Treasurer.

My mandate includes:

- gathering information and following budgetary developments in the OSCE governmental structures
- acting as a focal point for Assembly recommendations on political and management questions related to the OSCE budget
- encouraging discussion within the Parliamentary Assembly on the effective use of OSCE budgetary resources

1. Recent OSCE developments and recent activities:

The 2014 budget proposal was presented to the Permanent Council by the OSCE Secretary General (SG) on 10 October. I was present during the presentation and the comments of participating States. I used the opportunity to make a statement in reply to the OSCE Secretary General that is available on the OSCE PA website.

It is unfortunate that Secretary General Zannier could not be here today to deliver a budget presentation, a practice that he and his predecessors have carried out for more than ten years. In this context, you should know that he considers the invitations to present the budget to the Standing Committee and other requests, especially from me, in the context of an increasing willingness of the OSCE PA to exercise parliamentary oversight over the OSCE and its budget. He appealed to the Ukrainian Chairmanship and the upcoming Chairmanships - as well as to the participating States - to clarify the relationship between the OSCE PA and the intergovernmental structures of the organization.

The highlights of my statement in the meeting of the Permanent Council were:

- I'm pleased to see that the zero nominal growth of the OSCE budget is no longer implemented. That policy can damage the effort of OSCE in a random way because of rising salaries and other costs due to inflation and so the activities are shrinking especially in the field missions
- Field missions should be adequately funded instead of shifting financial resources to the OSCE central administrative structures
- The direction and allocation of OSCE resources should be based on strategic priorities and needs assessment while an important exit strategy for OSCE activities must be designed and resources made available by disengaging from certain areas and invested where the needs are more acute
- Last but not least I reminded that the Istanbul Resolution on "Enhancing Trust, Transparency and Accountability within the OSCE Institutions" should be implemented by OSCE participating States especially the point saying that the OSCE PA should hire and pay for auditing the finance of OSCE

During my personal meeting with SG Zannier I underlined the added value of the OSCE PA to help promote OSCE activities and gather support for the funding of its operation in the Parliaments. The Parliaments controls and hire auditors for the spending of taxpayers' money by the Governments and, in the same way, parliamentarians part of the OSCE should hire and pay for an OSCE external auditor. That is also in line with the principle of transparency and good governance – two of the interlined values OSCE promotes in its work .Ambassador Zannier noted that the Helsinki +40 process was a good opportunity for the PA to define our own role in the OSCE.

2. Future activities:

The German Federal Court of Auditors (Bundesrechnungshof) has assumed the role of External Auditor of the OSCE for the period of three years, started 1 May 2013. I am planning a visit to their office most probably before the end of the year (Bonn, Germany). Since 1996, the national audit office of a participating State offers its services to the OSCE free of charge and, as stated in the Istanbul Resolution on “Enhancing Trust, Transparency and Accountability within the OSCE Institutions”, I have been recommending that the external audit should be under the auspices of the OSCE PA rather than OSCE or at least that all the external audit reports are shared with representatives of the OSCE PA for formal comments.

Thank you for your attention.