

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

**Vienna, 18-20 February 2015**

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

My mandate includes to:

- gather information and follow budgetary developments in OSCE governmental structures
- act as a focal point for Assembly recommendations on political and management questions related to the OSCE budget
- encourage discussion within the Parliamentary Assembly on the effective use of OSCE budgetary resources

**1. Recent OSCE developments:**

- The 2015 OSCE unified budget (UB) was adopted after the deadline of the financial regulations, but before the end of the calendar year, in a special session of the Permanent Council that convened during the recess. This development means that fund managers will be able to operate on a 12-month basis, contrary to years in the past decade in which the organization was unable to efficiently operate due to delays in the adoption of a budget.

- The 2015 UB amounts to 141,107,600 Euros. It is regrettable to see that the budgetary level is below that of 2014, with a -0,8% decrease, and it is nominally the lowest since 2000. Over the past fifteen years, the budget has, in real terms, substantially decreased due to inflation. I would like to echo what some participating States stated while adopting this budget: it no longer reflects the actual needs of the organization! Especially in times of crisis, there is a paradox in investing less in the OSCE when we need more from it. At the same time, certain staff rules, which have been consistently criticized by the PA, continue to generate a turnover in the staff that cripples the Organization.

- OSCE Field Missions continue to be the main victims of this trend. Funds are drained out of South-Eastern Europe, but are not reinvested into other regions. The closure of some OSCE Offices over past years and the downgrade of others (Baku last year, Astana this year) are affecting general spending.

- Compared to 2014, the 2015 budget for the Secretariat is at +1%, and for the ODIHR is at +1,2% (75000€ increase for Elections, 75000€ for Tolerance and Non-Discrimination, 40000€ for Trafficking).

**2. My recent activities include:**

- A written letter to the Secretary General of the OSCE, Lamberto Zannier, to push further the issue of oversight of the OSCE budget by the OSCE PA.

- It is my hope that the Federal Court of Auditors (Bundesrechnungshof), who currently serves as External Auditor for the OSCE, will be able to report to one of our next conferences.