



REPORT OF THE TREASURER

Mr. Johan Büser

OSCE Parliamentary Assembly STANDING COMMITTEE
MEETING,

Dublin 2 October 2024

As we approach the end of the 32nd Financial Year, which concludes on 30 September 2024, it is crucial to reflect on the progress we have made fifty years after the Helsinki Final Act and the pivotal role that parliaments play in reinforcing the OSCE's comprehensive model of peace and security. The current geopolitical landscape - shaped by increased polarization, conflicts and concerns for violations of fundamental OSCE commitments - is a challenge to our organization which extends to financial stability. Despite the Russian Federation's decision to dishonor their financial commitments to the OSCE PA since the fiscal year 2022-2023, we continue to seek long-term solutions and to safeguard the financial integrity of the Assembly.

Audit and Financial Review

The Business/Performance Audit of the 2023-2024 fiscal year, conducted by Deloitte, will soon commence. In line with the decision made by the Standing Committee during the Vancouver Annual Session, the audit will include not only the financial statements but also an integrated business performance audit.

This Business/Performance Audit has been designed to enhance the transparency, accountability, and overall effectiveness of the OSCE PA. It is the decision by the external auditor to plan the audit for 2023/24 based on the international standards, covering several key areas:

Governance and Compliance:

This will include monitoring the adequacy of the International Secretariat's processes in supporting the Assembly, ensuring compliance with internal financial rules, staff regulations and staff rules.

Performance and Efficiency:

The audit will analyze income and expenditures across relevant cost centers, evaluate the management's ability to budget and follow up the income and expenditures effectively. The audit will review if the financial rules, staff regulations, procedures for procurement of goods, services and consultants are relevant.

This comprehensive audit will commence on 1 October 2024, and the final report will be presented at the Winter Meeting in February 2025, in Vienna.

OSCE / OSCE PA Scales of Contribution and Status of Contributions

In accordance with Rule 41, Paragraph 4 of our Rules of Procedure, national contributions to the budget of the Parliamentary Assembly are apportioned according to the formula used to divide the costs of the intergovernmental OSCE. While this formula ensures proportional contributions, it is widely acknowledged that the current scales of contribution to both the OSCE and OSCE PA are neither rational nor balanced.

Current Status of Contributions

As of today, we have received approximately 36% (€1,587,260.29) of the total contributions expected for the 2024-2025 financial year, amounting to €4,373,001. This figure reflects the ongoing efforts of the International Secretariat to engage with participating states to ensure timely payments and maintain financial stability. However, we are conscious of the potential shortfall in the amount of €262,380 stemming from the Russian Federation's unpaid contributions, which poses a significant challenge to our financial resources. Steps are actively being taken to mitigate this gap, including by implementation of necessary efficiencies to cover the anticipated deficit.

Scales of Contribution

The current debate surrounding the scales of contribution underscores the need for a more equitable and balanced formula. It is clear that a

new system should be agreed upon to address these imbalances. However, given the current geopolitical tensions and political divisions within the OSCE region, it is uncertain whether the OSCE's Advisory Committee on Management and Finance (ACMF) and the OSCE Permanent Council will reach a consensus on a fairer formula in the near future. Nevertheless, the OSCE PA remains committed to assisting in this challenging process and fostering collaboration with governmental counterparts to achieve a sustainable solution.

Encouraging Increased Contributions

In the interim, we are actively seeking to bridge the financial gaps by encouraging national delegations to contribute extra-budgetary funding for projects, seminars, and conferences that align with the Assembly's goals. In collaboration with the President and the Secretary General, we have initiated outreach efforts targeting minor contributors—those whose annual allocations fall below €10,000—to consider increasing their contributions in line with the Assembly's 2015 Helsinki Declaration resolution.

I extend my sincere appreciation to the delegations of Liechtenstein, San Marino, Iceland, Estonia, and Latvia, who have already agreed to augment their contributions to meet or exceed the €10,000 threshold. Their leadership in this initiative is invaluable and sets a positive example for other delegations. Additionally, I am grateful to the Luxembourg Delegation and all other delegations that have expressed their commitment to increasing their contributions in the upcoming budget cycles.

Rule 41.5 Reminder

I would also like to take this opportunity to remind all national delegations of Rule 41.5: Where the Assembly's accounts show that a participating State has not made its due contribution for a period of nine months, members of its delegation shall not be allowed to vote until the contribution has been received. This rule emphasizes the importance of fulfilling financial obligations to ensure the smooth functioning and decision-making capabilities of the Assembly.

Your invaluable support significantly contributes to advancing our mission of promoting peace, security, and cooperation within the OSCE PA region. We remain committed to fostering an open and constructive dialogue with all member states to navigate these financial challenges

together. Our collective dedication is essential to sustaining the Assembly's crucial activities and ensuring our continued effectiveness and resilience.

Since the start of the financial year, I have held regular meetings with the International Secretariat to receive updates on the budget, audit processes, and other financial matters. Most recently, on September 2, 2024, I met with the Secretariat to review the current financial situation, discuss contributions, and address the financial impact of Election Observation Missions (EOMs) planned for this Autumn. The ongoing business performance audit was also discussed, with a focus on ensuring efficiency and transparency in our financial processes. These meetings ensure that we remain aligned with our financial goals and are prepared to face any upcoming challenges.

Missing Contributions and Russian Delegation Status

It is important to highlight the ongoing financial implications resulting from the Russian Federation's non-payment of their annual contribution. The total amount of unpaid contributions of the Russian Federation since the fiscal year 2022/2023 is 498,444 EUR, an amount that will potentially increase with 262,380 EUR during the 2024/2025 financial year. The absence of this significant portion of our budget continues to place strain on our financial resources. Although the Russian delegation has submitted a letter indicating their desire to suspend themselves from the OSCE PA, our rules clearly state that as long as they remain a participating state in the OSCE, they are considered full members of our Assembly and are subject to their financial obligations. We remain agile and proactive in our approach to mitigate the financial consequences of the missing contributions.

Human Resource Contributions

I would also like to acknowledge the invaluable HR support we have received from our member parliaments. The United Kingdom and Austria have generously allowed temporary placement of personnel who have played pivotal roles in our operations, particularly in administrative, HR, support to Ad Hoc Committees and election observation capacities. These additional HR resources have greatly contributed to our work, and we encourage other member parliaments

to consider similar contributions, which play a critical role in supporting our mission.

Election Observation and Field Visits

As part of our strategic initiatives for the 2024-2025 financial year, funds have been allocated to support Election Observation Missions (EOMs) and key field visits across the OSCE region. Despite operating with a modest staff of just 23 members of staff, the OSCE Parliamentary Assembly continues to conduct and support a remarkable number of activities.

For the 2024-2025 financial year, we have planned and budgeted for several critical election observation missions, including:

Parliamentary Election Observation in Uzbekistan on 27 October 2024.

Election Observation Mission in Georgia on 26 October 2024.

General Election Observation in the United States of America on 5 November 2024.

Election Observation Mission in Moldova on 3 November 2024.

Election Observation Mission in Moldova 2nd round 17 November 2024

The total projected cost for these EOMs is €260,000, against a budgeted amount of €277,500, resulting in a surplus of €17,500 to accommodate elections for the remainder of the financial year (December 2024 to September 2025, needless to say there will not be adequate funding to support further election operations for the remainder of the financial year.

These election observation missions remain a cornerstone of our activities, ensuring that democratic processes are transparent and free from interference. The anticipated busy electoral calendar for 2024-2025, particularly the election super cycle in the fall 2024, necessitates careful financial planning. Despite the heavy autumn election schedule, our budget allocation ensures that the Assembly remains responsive and effective, with sufficient resources to cover all planned missions within the allocated budget.

Additionally, the allocated funds will support field visits to the Western Balkans and Central Asia, including our mission to the OSCE Mission to Serbia 9 - 12 October. These visits are integral to maintaining dialogue and supporting OSCE field operations, further demonstrating our capacity to achieve significant impact with limited resources.

Our team's dedication ensures that we meet the Assembly's goals and responsibilities across the OSCE region, effectively managing and executing numerous initiatives despite limited staffing and financial resources.

Statutory Meetings

I am pleased to announce that the 32nd Annual Session of the OSCE Parliamentary Assembly will take place from 29 June to 3 July 2025 in Porto, Portugal. This Annual Session promises to be an opportunity for further constructive dialogue and reflection on the critical issues facing the OSCE region.

The Assembly is actively seeking a host for the 2025 Autumn Meeting and encourage interested parliaments to consider this important opportunity to support the Assembly's work. Hosting a statutory meeting provides a unique platform for engagement and showcases the host country's commitment to OSCE values.

The 31st Annual Session of the OSCE Parliamentary Assembly took place from 29 June to 3 July 2024 in Bucharest, Romania. I would like to extend my sincere thanks to the Romanian Parliament for graciously hosting this important event in the Palace of the Parliament. Their hospitality and commitment to ensuring the success of the Annual Session were deeply appreciated.

Additionally, the 21st Autumn Meeting of the OSCE PA was held from 18 to 20 November 2023 in Yerevan, Armenia. I would like to express my gratitude to the Armenian Parliament for their warm hospitality and for facilitating a productive and insightful meeting. Their efforts in organizing the event, particularly in these challenging times, were remarkable.

Further, I would like to recognize the invaluable support of the German Parliament and the Italian Parliament for seconding personnel to assist with key functions, including election observation and special dialogue forums, as well as administrative duties. Their contribution continues to play a pivotal role in enhancing the Assembly's capacity to achieve its objectives.

The challenges we face, particularly in light of the missing contributions and global uncertainties, require continued collaboration and fiscal prudence. As Treasurer, I remain committed to ensuring that our financial strategies align with the Assembly's objectives and that we continue to demonstrate cost-effectiveness while fulfilling our mandate.

I encourage all delegations to remain engaged and to consider additional contributions to help us meet the financial demands of the upcoming year. I would like to express my gratitude to all delegations for their ongoing support. Your contributions, both financial and in-kind, are critical to the success of the OSCE PA. I look forward to our continued work together in the coming year.

Annexes:

- 1) [OSCE PA Budget 33rd Financial Year: 1 October 2024– 30 September 2025](#)
- 2) [OSCE PA List of Contributions 2024 / 2025](#)