



## REPORT OF THE TREASURER

**Mr. Johan Büser**

OSCE Parliamentary Assembly  
STANDING COMMITTEE MEETING

Porto, 29 June 2025

With the Annual Session in Porto, my first term as Treasurer of the Assembly ends. During this two-year period, financial and organizational matters have been more visible than usually. Due to a challenging financial landscape in general, and the unwillingness of the Russian Federation to meet their financial obligations in particular, our organization have been forced to implement new approaches to budgeting and auditing procedures. I am sincerely proud that the Assembly have entrusted me with the responsibility to lead these efforts.

In Vancouver 2023, when I was elected to the post of Treasurer, the Assembly adopted a resolution calling for regular performance audits. Together with Secretary-General and competent staff of the International Secretariat, I have taken this request seriously and implemented a number of organizational reforms. It is my conviction that the OSCE PA, when being challenged both in the political and budgetary dimension, deserves to be strengthened to withstand the pressures and diverse challenges facing our organization.

Following the requests from the Assembly, more robust and structured auditing procedures have been introduced during the previous two years. The OSCE PA is now undergoing performance audits on an annual basis, in addition to the regular financial audit. These procedures are bringing the Assembly to the same standard as comparable parliamentary assemblies and the OSCE. Provisions for focused and constructive auditing routines have also been implemented in the OSCE PA Financial Regulations.

In light of ongoing financial uncertainties, budgeting practices have been strengthened. Current circumstances, most notably the non-payment of the Russian Federation, has generated a need for updated budgeting methods. In this respect, I am especially grateful to Secretary-General Roberto Montella, Deputy Secretary-General Gustavo Pallares and the staff at the International Secretariat for a constructive cooperation. Working closely together, we have been able to adapt our organization to the current political and organizational realities – and to focus our resources on areas prioritized by the Assembly.

In my reports to the Assembly during the past two years, I have presented the initiatives to strengthen the organization in greater detail. While I am proud of these efforts, I would also like to underline that further efforts will be required to safeguard the OSCE PA finances in the current tumultuous times. Stability and dedicated budgetary leadership will be of utmost importance also in the future.

## **The 2025 Budget Proposal**

Following the circulation of the initial draft budget on 23 April 2025, and in response to feedback received from a number of delegations, I have submitted a revised budget proposal reflecting **zero nominal growth**. The updated budget maintains the overall amount at €4,373,000 – the same level as the previous financial year.

As Rule 35.6 require consensus minus one for Standing Committee decisions, including the budget under Rule 41, and as at least two delegations have expressed that they do not support the initial proposal, the decision was taken to revert to the previous year's budget level. This approach ensures institutional continuity while reflecting a pragmatic response to the positions expressed by national delegations.

A budget proposal with zero nominal growth will have implications for the possibility to respond to certain cost increases, as explained in further detail below. To strike the right balance, I have asked the Secretary-General to develop a contingency plan where the interests of the Assembly are taken into account in the best possible way.

## **Financial Overview of Activities and Growing Demand**

The past year has marked a notable increase in the breadth and scope of OSCE Parliamentary Assembly activities across all regions of engagement. Our field visits to Tajikistan and Kyrgyzstan underscored the Assembly's commitment to regional co-operation, climate resilience, and security, particularly in Central Asia. In South East and Eastern Europe, the Assembly's presence has grown significantly, supported in part by the

generous financial contributions of the Luxembourg Parliament. These investments have increased engagement throughout the region, as exemplified by the robust facilitated sustained and visible parliamentary participation in the Kastoria energy forum and co-operation initiatives in the Western Balkans.

The election observation missions remain as the ‘crown jewel’ of our activities. During the current financial year, we are forecasted to deploy up to eight election observation missions, including second rounds and limited observation missions. This increased activity reflects the Assembly’s strong commitment to democratic oversight but has also placed considerable strain on the financial resources allocated to election monitoring. Notably, last month's mission to Albania attracted a record number of registrants, with more than 100 parliamentarians and staff participating. This surge in interest highlights the increasing expectations placed on the OSCE PA to deploy effective, well-resourced missions.

This broadening engagement demonstrates the value and visibility of the OSCE PA's parliamentary diplomacy. However, it also reinforces the critical need to align available resources with growing demand. While participation by Members of Parliament is increasing across all activity areas, the financial resources available to the Assembly have not kept pace.

Despite the increased workload and expanding mandate, the 2025–2026 budget proposal reflects **zero nominal growth**, maintaining expenditure at the same level as the previous year. This imposes significant limitations on our ability to respond to rising costs, inflationary pressures, and operational demand.

## **Impact of Zero Nominal Growth Budget**

While the revised proposal ensures budgetary stability, it does impose constraints on the Assembly's operational and institutional capacities. These are some examples of possible implications of a zero nominal growth budget:

- **Reduced Staffing at Statutory Meetings**  
The level of staff deployed to support statutory meetings will be reduced.
- **Constraints on Language Services**  
Budget limitations will constrain our capacity to absorb increasing translation and interpretation costs. This may challenge full compliance with the multilingual obligations outlined in Rules 28 and 29. The Secretariat is exploring responsible use of AI to supplement traditional services.
- **Diminished Capacity for Election Observation**  
The Assembly's ability to respond to short-notice or second-round election observation missions will be limited. Prioritization or scale-back of such activities may be necessary.
- **Reduced Operational Support to Members and Special Representatives**  
The ability to support political engagement, including Special Representative activities and member outreach, will be curtailed. Several initiatives may be postponed or cancelled due to resource limitations.
- **Limited funding to increase the Reserves**  
Articles 12 and 14 of the Financial Regulations call for regular replenishment of the reserve fund. The Zero

nominal growth budget will decrease our ability to increase the reserves balance

- **Accelerated Depletion of Reserves Due to Inflation**

Without inflation-adjusted increases, the real value of reserves continues to decline, increasing the risk of depletion and reducing the Assembly's capacity to manage future financial shocks.

### **Supplementary Item on Securing the Stability of the Parliamentary Assembly's Financial Situation**

In accordance with Rule 41, paragraph 4 of the OSCE PA 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. It is widely acknowledged that the current scales of contribution to the OSCE and OSCE PA are neither rational nor balanced.

This concern was addressed in the Assembly's 2015 Helsinki Declaration, which recommended the development of a new, more equitable system. I have taken good note of the resolution in my decision to sponsor a Supplementary Item for the 2025 Annual Session. The resolution recalls the many difficulties facing the budgetary situation of the OSCE PA, and asks for a more balanced distribution of financial contributions. It further notes that there currently are no mechanisms in place to regulate outstanding non-payments from a member state.

To address structural imbalance and promote fairness, I propose to introduce the following revisions of the Rules of Procedure:

- To make provisions for member states whose contribution is currently below 2.5% of the approved OSCE PA budget and whose GDP per capita exceeds 1% of the OSCE area average, to increase their contribution to the 2.5% threshold;
- To clarify that any member state that has not paid its due contribution must complete all omitted payments in order to regain the right of its delegation to vote and participate in OSCE PA meetings;

### **Outstanding contributions**

While the OSCE Parliamentary Assembly maintains a separate and independent financial structure from the broader OSCE, both institutions have faced significant challenges due to sustained non-payment of assessed contributions by the Russian Federation.

For several years now, the OSCE has been operating under a de-facto stagnating unified budget, despite rising inflation and increasing demands on its institutions. Within this context, the Russian Federation has accrued substantial arrears in its assessed contributions to the OSCE unified budget. As of the first quarter of 2025, these arrears amount to several million euros, spanning multiple financial years. While these figures pertain to the OSCE as a whole and not to the OSCE

Parliamentary Assembly, they underscore the broader financial pressures facing the Organization.

As of the current financial year (2024-2025), 56 out of the 57 OSCE participating States have paid their assessed contributions. The Russian Federation is the only delegation with outstanding payments.

The total outstanding contributions owed by the Russian Federation to the OSCE PA over the past three financial years are as follows:

- 2022–2023: €245,657
- 2023–2024: €252,791
- 2024–2025: €262,380

Total Outstanding (3-Year Cumulative): €760,828

This persistent non-payment continues to place significant pressure on the OSCE PA's financial planning, limiting flexibility in operational implementation and making the Assembly increasingly reliant on its reserves and voluntary contributions from other participating States.

### **Additional Contributions**

A number of Delegations have chosen to go beyond paying their allotted dues. These Delegations demonstrated exceptional commitment to the Assembly by providing support that goes beyond their assessed contribution by providing additional

financial support to the Assembly. This assistance comes in many forms:

### **Seconded Personnel**

We welcome participating states to second personal and recognize the Italian Government and the German Government for their continued support in seconding staff to the International Secretariat. Their contributions significantly enhance our capacity and enable the Secretariat to deliver on key mandates effectively.

### **Hosting Assembly Meetings and Events**

We thank the Irish Delegation for hosting a successful Autumn Meeting, and extend our sincere appreciation to the Austrian Parliament for their ongoing support of the Winter Meeting. We are also grateful to the Danish Parliament for hosting the Bureau Meeting, and to the Finnish Parliament for hosting the Bureau in January. The Portuguese Delegation is also recognized for hosting this year's Annual Session, and the Turkish Delegation for its commitment to hosting the upcoming Autumn Meeting. The Assembly is currently seeking a **host for the 2027 Annual Session**. Interested delegations are encouraged to contact the International Secretariat for more information. Securing a host well in advance supports effective planning, cost containment, and ensures meaningful regional representation in the Assembly's statutory meetings.

## **Extra-Budgetary Contributions**

Extra-Budgetary contributions are essential to supporting specialized events, projects, and to financially support core activities. We express our sincere gratitude to the German Delegation for financing the Leinsweiler Seminar, and to the Luxembourg Delegation, whose significant support since January 2025 has enabled enhanced engagement in South East and Eastern Europe. These contributions allow us to meet growing demand for political engagement throughout the OSCE area.

As we work toward securing longer-term extra-budgetary funding aligned with the Assembly's priorities, the voluntary increases in contributions by several delegations serve as a model of collaborative engagement, exemplifying the spirit and principles of the Helsinki Final Act.

Support to Headquarters and the Vienna Office. The continued hosting of the International Secretariat Headquarters by the Danish Parliament and the subsidized premises in Vienna, provided by the Austrian Parliament, are invaluable. These in-kind contributions underpin our operational stability and are deeply appreciated.