



REPORT OF THE SECRETARY GENERAL
OF THE OSCE PARLIAMENTARY ASSEMBLY
TO THE STANDING COMMITTEE



2023
18 November

The OSCE as an organization is currently facing the most difficult time in its history. **Russia's unprovoked full-scale war on Ukraine has caused immense human suffering and countless deaths. The European security architecture built up over the past 50 years may also be in danger of being another casualty of the war.** The OSCE itself is – it seems – becoming collateral damage in Russia's war. Fortunately, the OSCE Parliamentary Assembly remains strong and fully functional and is actively contributing to finding solutions where it can realistically add value.

For our Parliamentary Assembly to continue to contribute to the OSCE's critical work, the ongoing support of parliaments in hosting the Assembly remains vital. On behalf of the Assembly I express our sincere thanks to the Parliament of Armenia for agreeing to host this Autumn Meeting, particularly at such short notice and under difficult circumstances. The difficult situation in the Middle East makes the platform we provide through this conference and Mediterranean Forum all the more timely and relevant.

PA contributions to the OSCE and regional security

The decision in Vancouver to establish a **Parliamentary Support Team for Ukraine has already enabled greater ongoing focus by the OSCE PA on this critical topic**, and a demonstration of the Assembly's capacities. President Kauma's personal leadership of this, together with Vice-President Mykyta Poturaiev and US Representative Joe Wilson will no doubt ensure it remains an effective support mechanism. The establishment of this team has been widely welcomed within the OSCE's governmental side.

In addition to leading the Assembly's efforts related to supporting Ukraine, President Kauma has taken a particular active approach in following-up on the Assembly's expressed concern about the institutional situation facing the OSCE. There was great interest in Vienna that, as the President has pointed out, the Vancouver Declaration's inclusion of 'fourth chapter' on the OSCE's institutional sustainability is unprecedented and requires increased efforts. **President Kauma has intervened personally with Foreign Ministers, Speakers of Parliament and senior diplomats from many OSCE countries to seek to resolve the imminent challenges of: a) no agreement on a Chairpersonship for 2024; b) no agreement on executive**

leadership for the OSCE's institutions; and c) no agreement on a budget for the OSCE. As we meet in Yerevan, we are only weeks away from a very possible scenario in which the Organization may have to move forward without leadership and without reliable funding. As someone who believes in the OSCE and its added value having devoted most of my professional career in serving this organisation, I appeal to all OSCE parliamentarians to work to find solutions to this challenge.

The decision of eight senior Assembly members to participate in the Warsaw Human Dimension Conference is another demonstration of the OSCE PA's commitment to the Organization. **While there are active efforts to diminish the OSCE's role particularly in the human dimension, including through blocking agreement on even holding meetings, the active participation of MPs demonstrates the continued political relevance of this work and the importance the Assembly attributes to it.** Similarly, the participation of several Bureau Members in the OSCE's Forum on the Economic and Environmental Dimension served as an opportunity for political-level contribution on issues including climate change, corruption, and energy insecurity, among others.

In the interests of enhancing the Assembly's impact in specific areas, the President decided to streamline the number of and work by Special Representatives. These steps, along with the convening of an online call among Special Representatives to exchange ideas and practice, can help them best deliver on their plans. These Members dedicate much work and effort to the Assembly, including holding many online meetings and other consultations to ensure that the PA remains vocal in key fields including anti-trafficking, corruption, organized crime, youth engagement among others.

Our work in the fields of migration and countering terrorism continues to be high on the Assembly and OSCE agenda, thanks largely to the dedicated work of our two ad hoc committees. Indeed, the OSCE PA was recently re-elected to lead the Co-ordination Mechanism of Parliamentary Assemblies on Counter-Terrorism and will therefore continue to co-ordinate the counter-terrorism work of 16 assemblies around the world with the support of the United Nations Office of Counter-Terrorism. **This is a testament to the political leadership our Assembly has shown in this field.**

I also want to applaud the work undertaken in recent months by our network of young parliamentarians. While not officially an Assembly structure, the dedicated work of this network to bring added attention and to promote meaningful youth participation in decision-making processes is a strong contribution to the OSCE and its Parliamentary Assembly. This, as well as the work undertaken within the context of the Helsinki+50 initiative, demonstrate our ability to take a forward-looking approach to the OSCE and European security.

Last month the OSCE PA also deployed its first ever observation mission to Poland for the important parliamentary elections on 15 October. 94 parliamentarians and staff

made up the strong OSCE PA delegation, including most of the Assembly's Bureau. The team deployed across the country following intensive briefings in Warsaw, working closely with parliamentary colleagues from the Council of Europe and our traditional partners in ODIHR. The strength and flexibility of our work was on full display during the mission, which served to further demonstrate the OSCE PA's leading role in this crucial field of election observation.

President Kauma's intention to deploy small missions of parliamentarians to visit OSCE field operations is a welcome and useful application of parliamentarians' expertise and interest. I expect that this will be of interest for parliamentarians and of use to the Organization as a whole, and I hope that several visits will be possible in the coming year.

Budgetary and Secretariat administrative matters

On 1 October, we entered the new budget year, based on the allocations agreed by the Standing Committee in Vancouver, upon the proposal of the former Treasurer. I remind that among the significant cuts included in this budget, there was:

- General Administration Expenses were reduced by 21.08%;
- Statutory meetings costs were reduced by 10.03% through cost-sharing initiatives;
- Costs associated with the Helsinki+50 initiative saw a significant reduction of 87.10%;
- Costs related to the Vienna Office decreased by 7.69%;
- The budget for the Research Assistant and JPO programmes was reduced by 15.21%, resulting in a reduction in the number of positions available to interns and young professionals on an ongoing basis.

In addition to the aforementioned budget cuts, the International Secretariat remains committed to pursuing cost-saving measures wherever possible, while at the same time recognizing that cuts do impact the services we can provide to the Assembly. The Secretariat has proactively implemented policies to promote cost reduction, including measures such as careful cost planning and advance booking of airline tickets. Among other things, it is my plan to downsize the International Secretariat's office presence in Vienna, and we have already taken steps to this end.

The increase of 2.4% to the OSCE PA budget agreed by the Standing Committee in Vancouver, as well as the additional allocation for an expanded audit, is useful and necessary as a response to the extraordinary economic challenges we have been facing in recent years. **That being said, the non-contribution of allotted dues by the Russian Federation still creates a significant gap in the Assembly's finances.** This situation also requires increased internal monitoring to ensure clarity regarding the

duration for which we can sustain operations despite a substantial budget shortfall. **If this situation persists, it will be something that the Assembly will need to consider in a more holistic manner.** In cases where programmes are put in place after the adoption of our budget, such as field mission visits, some additional fees for participants to cover administrative costs may be necessary, similar to costs for interpreters and drivers on election observation missions.

I appreciate that our new Treasurer has taken the step to encourage small contributors – whose annual allocations are less than 10,000 EUR – to ‘top-up’ to this amount in line with the Assembly’s 2015 Helsinki Declaration resolution. I wish to express my appreciation to the Icelandic and Estonian delegations for responding and already augmenting their contribution amounts, and to other delegations that have committed to increasing their contributions in future budget cycles. I hope for an open dialogue particularly with all small contributors as to how to continue with this process, including a possible formalization of this approach in our rules or regulations. **I also wish to again thank Denmark and Austria for continuing to host our offices, as well as the parliaments that host our meetings: the support offered by Canada’s generous hosting of our Annual Session, now followed by Armenia, Romania and Ireland in the coming year are immeasurable contributions to the Assembly as a platform for dialogue.** I similarly thank the Parliaments of Germany and Italy for seconding experts to support our work; these extra contributions are a significant support to all participating States.

As previously communicated, the impact of inflation on both International Secretariat salaries and on operational costs has put serious strain on our resources. This comes on top of overall compensation levels that have long been below that offered in comparable organizations. **As previewed in our last meeting, and as called for in the Vancouver Declaration, we are working on implementing staff retention measures by gradually aligning employment conditions to those of the OSCE and of other similar organizations.** I do not expect that this shift can happen immediately, but I welcome the possibility to have an open dialogue with the President and Treasurer to explore how the Secretariat can move forward with this process.

Audit

Members may recall that in the conclusions of the audit from the previous financial year (2021-22), which was already presented to the Standing Committee, there was a comment related to staff holiday accrual. Appropriate provisions were integrated into the budget agreed in Vancouver, and small adjustments have already been implemented to the Secretariat’s Staff Rules and Regulations.

With the closure of the 2022-23 financial year on 30 September, our external auditors from Deloitte have already started their work. **In accordance with the decision taken in Vancouver by the Standing Committee, this will be an integrated financial – business/performance audit. In widening out beyond the annual financial audit, we have requested Deloitte to take a broad approach encompassing a wide range of parameters,** including but not limited to procurement procedures, governance, recruitment, and compliance and overall efficiency and effectiveness of the administration, aligned with international best practices. The active engagement by the President and Treasurer in this process, including having travelled to Copenhagen to personally meet with the auditors, will no doubt ensure due attention to all relevant details.

Conclusion

On a concluding note, I would like to thank all OSCE parliamentarians for their support and engagement for the OSCE and the PA in particular. I'm very proud of the International Secretariat team in Vienna and Copenhagen that tirelessly supports your engagement with expertise, dedication and commitment, but you, parliamentarians, remain the most valuable asset of this Assembly. The added value that you bring to the OSCE is strong and unique, and should not be taken for granted. I will continue to work to ensure that the Secretariat adapts and is well structured to meet the expectations of the parliamentarians who make up this Assembly.

Secretary General
of the OSCE Parliamentary Assembly

Mr. Roberto Montella

Yerevan, 18 November 2023

