



United States Mission to the OSCE

Response to the Financial Report and Financial Statements for 2022, the Report of the External Auditor and Annual Audit Committee Report

As delivered by Deputy Chief of Mission Katherine Brucker
to the Permanent Council, Vienna
July 27, 2023

The United States welcomes back to the Permanent Council Monsieur Michel Camoin from the Cour des Comptes in Paris and Mr. Gary Eidet from the Audit Committee, along with your other distinguished colleagues. Monsieur Camoin, we thank you for your valiant efforts over these last few years to support the financial health of the OSCE amidst significant challenges.

We regret the PC could not come to consensus to extend your term as the OSCE's external auditor. This decision to block consensus only causes further problems affecting this organization's working relationships with donors, vendors and implementing partners.

Mr. Eidet, thank you for your continued engagement with the OSCE despite the fiscal restraints the committee faces in fulfilling its duties. You have laid bare again this year the results of not passing a budget, and the problems this organization faces when forced to advance OSCE commitments and respective mandates on monthly allotments. As the Audit Committee reported, this practice undermines the organization's overall ability to commit resources in a planned manner. Participating States need to consider the Audit Committee's recommendations to adjust the OSCE's financial regulations to provide executive structures with quarterly provisional allotments, which would improve their ability to plan in the event the Unified Budget is not adopted. When the Chair advanced this proposal in Spring, only one participating State objected without providing a substantive reason for the objection. I hope we can return to this discussion after the summer break.

Finally, these two reports remind us that it is our responsibility to plan and budget for a functional organization, through which the Secretariat, the Institutions, and the Field Missions can successfully fulfill their mandates. We were extremely disappointed that no agreement was reached on a budget last year and that we seem to be unable to come to agreement on a 2023 Unified Budget because of just one participating State - Russia, which is undermining our organization and the work it does.

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