

1401st Plenary Meeting
PC Journal No. 1401, Agenda item 13

DECISION No. 1455
ADDITIONAL PROVISIONAL EXPENDITURE AUTHORIZATION
FOR 2022

The Permanent Council,

Acting in accordance with the relevant provisions of the Financial Regulations,

Reiterating the importance of full transparency and accountability in the functioning of the OSCE,

Reiterating the importance of Permanent Council Decisions No. 486 of 28 June 2002 and No. 553 of 27 June 2003,

Recalling Financial Regulation 3.04 – Provisional Expenditure Authorization,

Recalling Financial Regulation 3.01(b) – with reference to the authority of the Permanent Council to take decisions on all elements of the budget,

Recalling Financial Regulation 7.07 – Cash Surplus or Deficit, paragraph (b),

Taking note of the 2022 Expenditure Report for the Third Quarter and 2022 Year-End Forecast,

Taking note of the available cash surplus for the years 2020 and 2021 as indicated in annex 2,

Acknowledging that the discussions on the 2022 Unified Budget are still ongoing and without prejudice to the outcome of these discussions,

1. Approves the Additional Provisional Expenditure Authorization for 2022, without setting a precedent, to the total amount of 913,000 euros in order to meet the anticipated financing requirements as set forth in annex 1;
2. Authorizes the use of 913,000 euros from the 2020 cash surplus, on an exceptional basis, in support of the Additional Expenditure Authorization as set forth in annex 2.

2022 ADDITIONAL PROVISIONAL EXPENDITURE AUTHORIZATION

Fund	Provisional Expenditure Authorization Financial Regulation 3.04*	Transfers Financial Regulation 3.02(b)	Revised Provisional Expenditure Authorization	Total Forecast Expenditure 2022	Estimated Year-End Balance	Additional Provisional Expenditure Authorization	Total Provisional Expenditure Authorization
	A	B	C=A+B	D	E=C-D	F	G=C+F
<u>The Secretariat</u>							
Secretary General and Central Services							
Executive Management	1,190,500	35,100	1,225,600	1,289,239	(63,639)	63,600	1,289,200
Security Management	636,500		636,500	685,800	(49,300)	49,300	685,800
External Co-operation	653,700	33,300	687,000	688,163	(1,163)	1,200	688,200
Conference and Language Services	5,437,500		5,437,500	5,909,820	(472,320)	472,300	5,909,800
Internal Oversight							
Internal Oversight	1,828,900		1,828,900	1,861,598	(32,698)	32,700	1,861,600
Office of the Special Representative/Co-ordinator for Combating Trafficking in Human Beings							
Office of the Special Representative/Co-ordinator for Combating Trafficking in Human Beings	1,073,700		1,073,700	1,145,772	(72,072)	72,100	1,145,800
Conflict Prevention							
CPC Direction and Management	460,400	2,200	462,600	497,738	(35,138)	35,100	497,700

2022 ADDITIONAL PROVISIONAL EXPENDITURE AUTHORIZATION (CONTINUED)

Fund	Provisional Expenditure Authorization Financial Regulation 3.04*	Transfers Financial Regulation 3.02(b)	Revised Provisional Expenditure Authorization	Total Forecast Expenditure 2022	Estimated Year-End Balance	Additional Provisional Expenditure Authorization	Total Provisional Expenditure Authorization
	A	B	C=A+B	D	E=C-D	F	G=C+F
Main Programme Programme							
Policy Support Service	1,474,000	2,400	1,476,400	1,479,460	(3,060)	3,100	1,479,500
Operations Service	1,184,700		1,184,700	1,197,466	(12,766)	12,800	1,197,500
Programming and Evaluation Support Unit	530,000	1,900	531,900	550,800	(18,900)	18,900	550,800
FSC Chairmanship	12,700		12,700	9,992	2,708		12,700
FSC Support	696,200	(1,900)	694,300	695,270	(970)	1,000	695,300
Communications and Technology Unit	633,900	(4,600)	629,300	629,901	(601)	600	629,900
Mission in Kosovo							
Office of Head of Mission	2,750,300	300	2,750,600	2,754,548	(3,948)	3,900	2,754,500
Fund Administration Unit	5,495,100	67,700	5,562,800	5,591,599	(28,799)	28,800	5,591,600
Programme Office in Bishkek							
Office of Head of Mission	1,240,300	(4,000)	1,236,300	1,264,740	(28,440)	28,400	1,264,700
Fund Administration Unit	1,427,300		1,427,300	1,507,093	(79,793)	79,800	1,507,100
Human Dimension Activities	1,203,300	4,000	1,207,300	1,216,734	(9,434)	9,400	1,216,700
TOTAL ADDITIONAL PROVISIONAL EXPENDITURE AUTHORIZATION						913,000	

*Reflects provisional expenditure authorization until the end of 2022.

**FINANCING OF THE 2022 ADDITIONAL PROVISIONAL
EXPENDITURE AUTHORIZATION USING
THE AVAILABLE CASH SURPLUS**

Cash Surplus Year	Available Cash Surplus	Financing of 2022 Additional Provisional Expenditure Authorization	Cash Surplus Balance
2020	4,040,440.56	913,000.00	3,127,440.56
2021	3,827,077.88		3,827,077.88
Total	7,867,518.44	913,000.00	6,954,518.44

PC.DEC/1455
8 December 2022
Attachment 1

ENGLISH
Original: as delivered

**INTERPRETATIVE STATEMENT UNDER
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE
OF THE ORGANIZATION FOR SECURITY AND
CO-OPERATION IN EUROPE**

The delegation of the Czech Republic, in its capacity as EU Presidency, passed the floor to the representative of the European Union, who delivered the following statement:

“Mr. Chairperson,

In accordance with paragraph IV.1(A)6 of the OSCE Rules of Procedure, the delegation of the Czech Republic on behalf of the European Union Member States would like to make the following interpretative statement concerning agenda item 13 of this Permanent Council meeting, that is, on the decision on the additional provisional expenditure authorization for 2022:

We, the Member States of the European Union, extend our support to this decision on an exceptional basis in order to keep the OSCE financially afloat during a year of crisis unprecedented in the OSCE’s history. Furthermore, the lack of a decision on the Unified Budget has had a negative impact on the day-to-day functioning of the Organization. Today’s decision should not constitute a basis for any future decisions.

We request that this statement be attached to the relevant decision.

Thank you, Mr. Chairperson.”

PC.DEC/1455
8 December 2022
Attachment 2

ENGLISH
Original: RUSSIAN

**INTERPRETATIVE STATEMENT UNDER
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE
OF THE ORGANIZATION FOR SECURITY AND
CO-OPERATION IN EUROPE**

By the delegation of the Russian Federation:

“Having joined the consensus regarding the Permanent Council decision on the additional provisional expenditure authorization for 2022, the Russian Federation notes the following.

Today’s decision is an emergency measure to help the Organization avoid defaulting on existing commitments in the face of the refusal of the Chairmanship-in-Office and the Western countries that supported it to seek consensus on the Unified Budget. It was an unavoidable consequence of their ill-conceived and politically motivated actions, which brought the OSCE to the brink of financial crisis. All executive structures were forced to cover their resource needs during 2022 with provisional allocations under Financial Regulation 3.04. Meanwhile, Poland and its “allies” have still failed to achieve an increase in funding from the Unified Budget for the human dimension institutions. They are entirely responsible for this situation.

At the Permanent Council meeting on 21 July this year, Russia made it clear that it was ready to support the allocation of additional funds to the OSCE Secretariat and field presences above zero nominal growth. This constructive approach fell on deaf ears. Our conditions for joining the consensus were rejected, and towards the end of the year the Organization was faced with an acute cash deficit. The blame for this lies clearly with those who have tried to ignore Russian approaches to the budget and have been unwilling to seek compromise with us.

Russia’s rightness in budgetary matters is borne out in practice. The human dimension institutions were unaffected by the lack of resources and accommodated their expenditure within the framework of zero nominal growth. Moreover, it is projected that the Office for Democratic Institutions and Human Rights will have a cash surplus at the end of 2022. Thus, there continues to be no justification for the requests from these institutions for an increase in allocations.

The decision adopted today is not sustainable from a legal point of view as it is not based on the current Financial Regulations. It cannot serve as a precedent for the future and should not replace the Organization’s normal budgetary process.

All OSCE programmes and funds that have been granted additional authorization to incur provisional expenditures are obliged to follow the principle of cost-effectiveness and optimize their resource requirements in line with evolving programmatic objectives. This is especially true for the Conflict Prevention Centre, which needs to review its expenditures in view of the closure of the OSCE missions in Ukraine and the expected reduction in staff workload.

I request that this statement be attached to the adopted decision and included in the journal of today's meeting of the Permanent Council.”