



Financial Report and  
Financial Statements  
for the year ended 31 December **2003**  
**and** the Audit Opinion

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### Audit Opinion

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# Letter of Transmittal to the Chairman of the Permanent Council of the OSCE from the Secretary General



**Organization for Security and Co-operation in Europe**

**The Secretariat**

5 July 2004

Sir,

Pursuant to the Financial Regulations and PC Decision 553 dated 27 June 2003, I have the honour to submit the Financial Report and Financial Statements of the Organization for Security and Co-operation in Europe for the year ended 31 December 2003 and the Audit Report of the External Auditor thereon for your consideration and approval.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'J. Kubiš'.

Ján Kubiš  
Secretary General

# AUDIT OPINION

## To the Permanent Council of the Organization for Security and Co-operation in Europe

I have audited the accompanying financial statements, comprising the Budget and Expenditure Report and Statements 1 to 25, and the supporting Notes including Annexes I to III of the Organization for Security and Co-operation in Europe for the financial period ended 31 December 2003.

### Relative responsibilities

These financial statements are the responsibility of the Secretary General. My responsibility is to express an opinion on these financial statements based on my audit. I draw attention to my remarks in relation to these responsibilities, contained in my audit report at paragraphs 48-50.

### Basis of opinion

I conducted my audit in accordance with the Auditing Standards of the International Organisation of Supreme Audit Institutions, INTOSAI. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, and as considered by the auditor to be necessary in the circumstances, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Secretary General, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for the audit opinion.

### Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position as at 31 December 2003 and the results of operations and cash flows for the period then ended in accordance with the accounting policies set out in the notes to the financial statements, which were applied on a basis consistent with that of the preceding financial period, unless otherwise disclosed.

Further, in my opinion, the transactions of the Organization for Security and Co-operation in Europe which I have tested as part of my audit have, in all significant respects been in accordance with the Financial Regulations and legislative authority.

In accordance with Regulation 8 of the Financial Regulations, I have also issued a long-form Report on my audit of the financial statements.

*Original Signed*  
**Sir John Bourn**  
**Comptroller and Auditor General**  
**United Kingdom**  
**External Auditor**

**London, 30<sup>th</sup> June 2004**

The maintenance and integrity of the Organization for Security and Cooperation in Europe's website is the responsibility of the Secretary General; the work carried out by the auditors does not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

OSCE Financial Report  
and  
Financial Statements

# Letter of Transmittal to the Controller and Auditor General from the OSCE Secretary General



Organization for Security and Co-operation in Europe

The Secretariat

25 June 2004

Sir,

Pursuant to Financial Regulation 7.04 and PC Decision 553 of 27 June 2003, I have the honour to re-submit the Financial Report and Financial Statements of the Organization for Security and Co-operation in Europe for the year ended 31 December 2003.

Accept, Sir, the assurance of my highest consideration.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'J. Kubiš'. The signature is fluid and cursive.

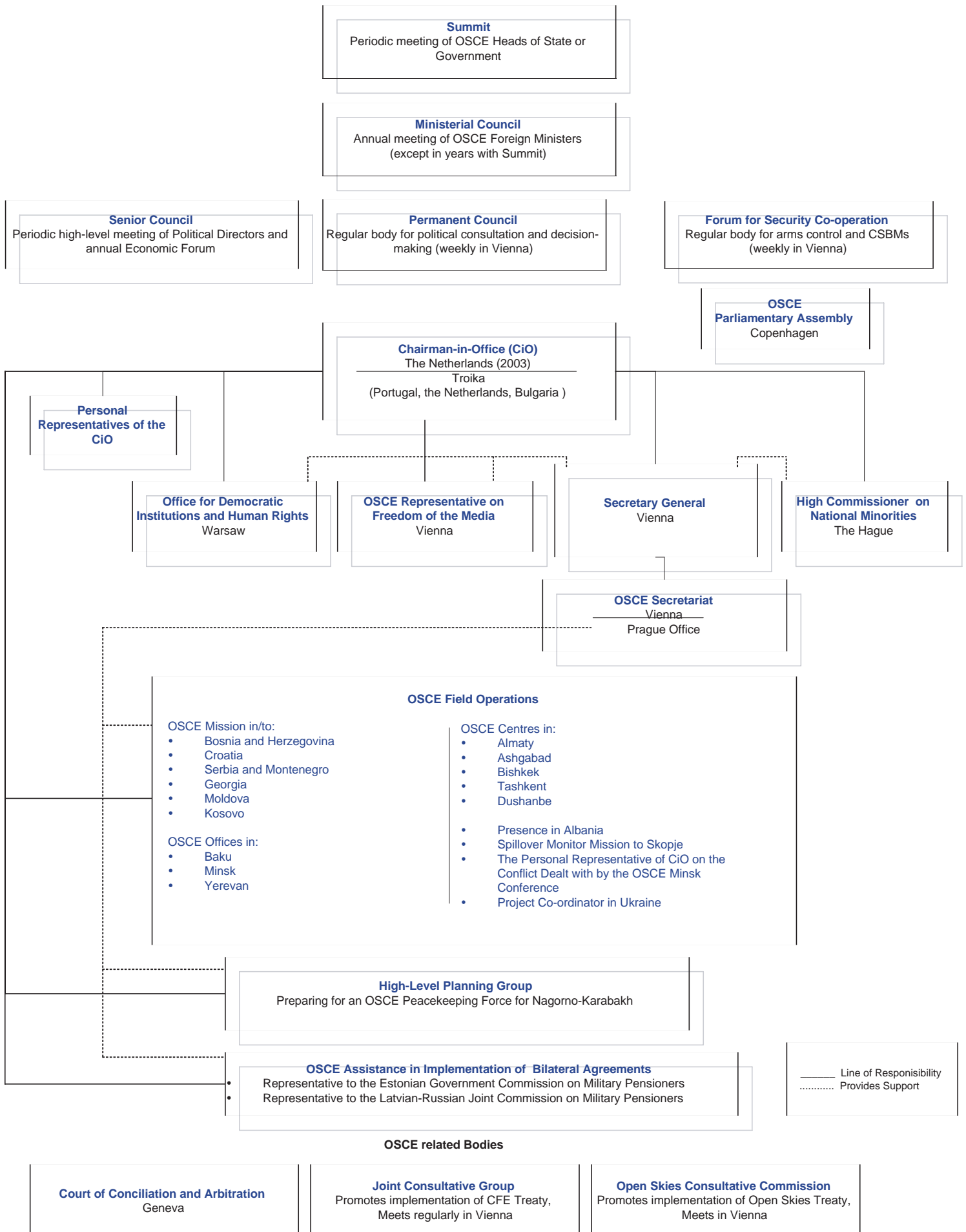
Ján Kubiš  
Secretary General

Sir John Bourn  
Controller & Auditor General  
National Audit Office  
Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

Cc. Mr. Graham Miller, Audit Director  
Cc. Mr. Damian Brewitt, Audit Manager

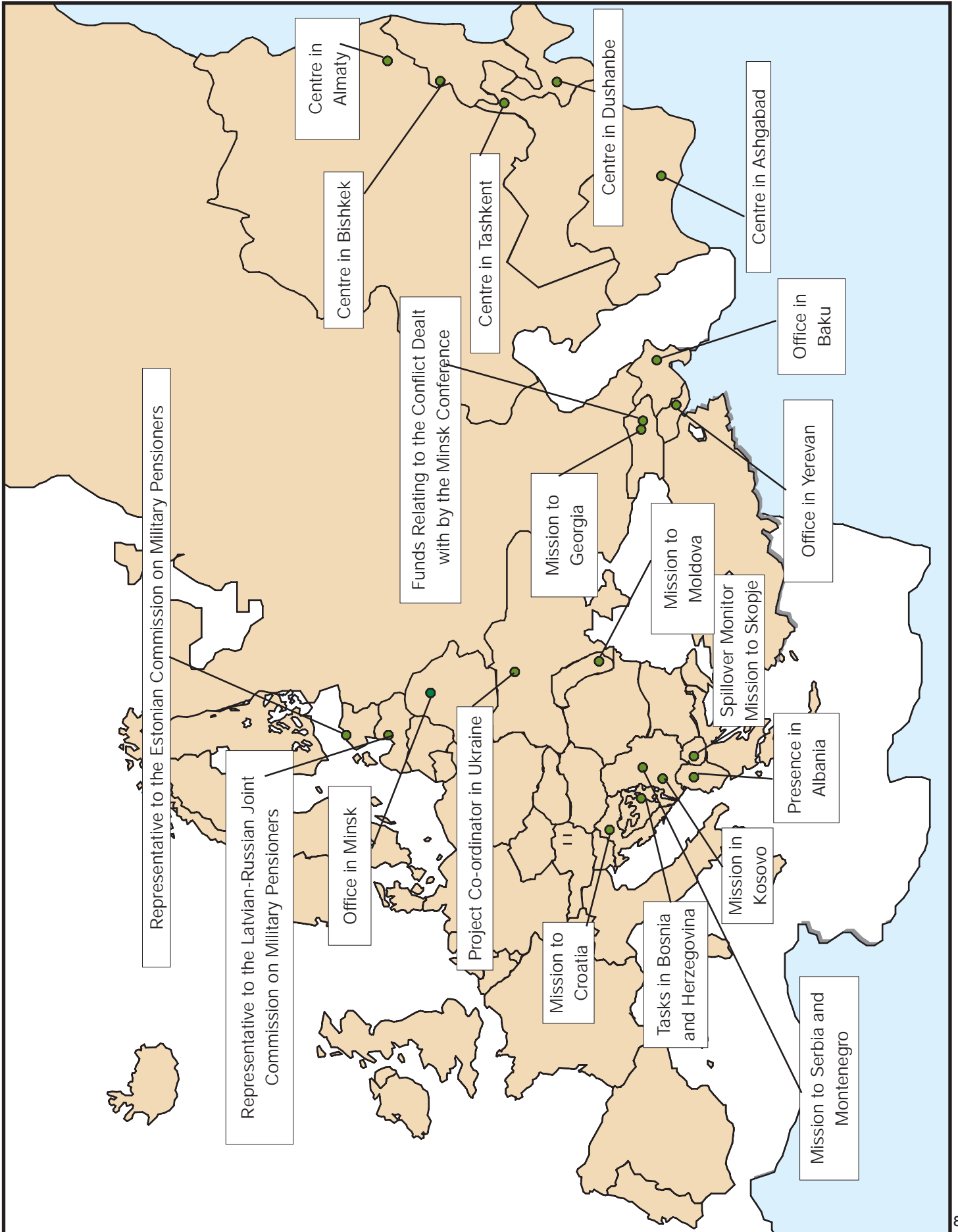
# OSCE Structures and Institutions

## as at 31 December 2003





# OSCE Missions and Field Operations as at 31 December 2003



# Chapter I - Financial Report

## for the year ended 31 December 2003

### 1. Introduction

The Secretary General of the Organization for Security and Co-operation in Europe (OSCE) submits herewith the Financial Report and the Financial Statements of the Organization for the year ended 31 December 2003. The Financial Report provides the financial results for the OSCE's activities during the financial year 2003.

The OSCE operates a system of fund accounting and the resulting financial statements present the financial results of budgetary Funds approved under PC.DEC/527 dated 30 December 2002 and subsequent budget revisions, the IRMA Fund and extra-budgetary Funds. The OSCE's Consolidated Financial Statements cover activities undertaken by OSCE Institutions and Field Operations funded by participating States under the Unified Budget, the IRMA Fund as well as under extra-budgetary contributions. This Financial Report provides an overview and analysis of the financial aspects of each of these.

Total Income for the OSCE's Consolidated Statement of Income, Expenditure and Changes in Fund Balance includes assessed contributions, extra-budgetary contributions, miscellaneous income, savings on prior year ULO's and adjustments. Total income for 2003 amounted to EUR 195.8 million (2002: EUR 225.2 million). Total expenditure for 2003 including Unified Budget, Extra-budgetary and the IRMA Fund amounted to EUR 189.7 million (2002: EUR 191.5 million).

The Action Plan for the Implementation of the Recommendations of the Report of the External Auditors on the Financial Statements for the year ended 31 December 2002 was circulated (PC.ACMF/78/03, 5 November 2003) to all Delegations of participating States. The majority of the recommendations have been implemented successfully, while others continue to be under implementation as work in progress.

#### Summary of the OSCE's Results for the Financial Year 2003

EUR million	UNIFIED BUDGET	IRMA	EXTRA-BUDGETARY
<b>INCOME</b>			
Assessed Contributions	170.2		
Extra-budgetary Contributions			21.4
Other income and adjustments	6.4		(2.2)
<b>TOTAL INCOME</b>	<b>176.6</b>	<b>-</b>	<b>19.2</b>
<b>EXPENDITURE</b>			
	165.5	4.8	19.4
<b>BUDGET</b>			
Year-end Revised Budget	170.2		
Budget utilisation rate	97%		
<b>CASH SURPLUS 2003</b>	<b>13.4</b>		
	<i>Number of positions</i>		
<b>STAFFING - POSITIONS APPROVED</b>			
Professional staff positions	1,655		
General service staff positions	2,404		
Total staff positions	4,059		

### 2. Unified Budget

#### 2.1 Income – Assessed Contributions

The OSCE's source of income for the Unified Budget is assessed contributions from participating States. The level of assessed contributions received is a direct function of the billing schedule defined for the OSCE in its Financial Regulations. Payment against the first bill (50 percent of the approved Unified Budget) is due by 20 January and payment against the second bill

(remaining 50 percent of the Unified Budget) is due by 1 April.

OSCE income from assessed contributions against the 2003 Unified Budget totalled EUR 170.2 million, of which EUR 53.4 million is under the Revised Standard Scale of Contributions (PC.DEC/468, 11 April 2002) and EUR 116.8 million is under the Scale for Large OSCE Missions and Projects (PC.DEC/408/Corr.1, 5 April 2001). Other income on the Unified Budget, which includes miscellaneous income, currency exchange adjustments and savings on prior year unliquidated obligations amounted to EUR 6.4 million.

The OSCE has an excellent payment record of assessed contributions by participating States, when compared to other International Organizations. The OSCE received 98 percent of assessed contributions for 2003 by 31 December (2002: 96 per cent). Outstanding assessed contributions further improved in 2003, reducing by EUR 2.3 million to EUR 12.5 million. Bosnia and Herzegovina paid its assessed contributions in full in 2003.

#### 2.2 In-Kind Contributions

A unique feature of the OSCE is the significant amount of in-kind contributions provided, in the form of seconded staff and premises. It is estimated that these in-kind contributions can be valued at approximately EUR 79 million for 2003 or about one third of total resources put at the disposal of the OSCE. This includes an estimated EUR 76 million for seconded staff salaries and EUR 3 million for buildings provided by host countries.

In particular, generous contributions are acknowledged from the Austrian government for office rent and conference facilities (EUR 2.0 million), the Polish government for ODIHR (EUR 0.3 million) and the Netherlands government for HCNM (EUR 0.2 million). These governments have provided further substantial contributions in-kind in the form of tax concessions, security and parking areas.

### 2.3 Budget, Expenditure

#### Budget

The 2003 Unified Budget was approved under PC.DEC/527 on 30 December 2002, in the amount of EUR 185.7 million. Supplementary and revised budgets approved under subsequent Permanent Council Decisions amounted to a net reduction of EUR 15.5 million, for a Year-end Revised Budget of EUR 170.2 million.

#### Year-end Revised 2003 Unified Budget

EUR '000	2003	%
The General Fund (Secretariat)	22,695	13.3%
ODIHR	9,629	5.7%
HCNM	2,380	1.4%
Representative on the Freedom of the Media	836	0.5%
Funds relating to the Conflict Dealt with by the OSCE Minsk Conference	1,404	0.8%
OSCE Missions and Field Operations	16,393	9.6%
Large OSCE Missions and Projects	116,829	68.7%
<b>Total Unified Budget</b>	<b>170,164</b>	<b>100%</b>

The following table lists the PC Decisions affecting the Unified Budget in the course of 2003<sup>1</sup>.

#### 2003 Budget Revisions and Supplementary Budgets

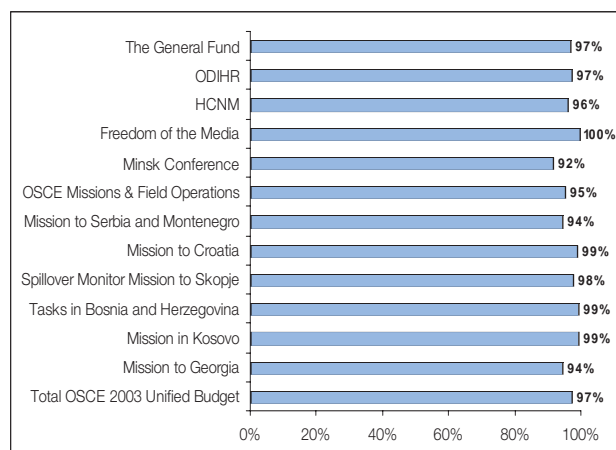
PC Decision EUR million	Budget Revisions	Unified Budget
30 / 12 / 2002 PC.DEC / 527	<b>Initial Approved Budget</b>	<b>185.7</b>
27 / 2 / 2003 PC.DEC / 534	Revision of the Unified 2003 Budget	0.0
10 / 4 / 2003 PC.DEC/542	2003 Supplementary Budget for Conferences on Anti-Semitism, Annual Security Review Conference, Conference on Globalization, Conference on Racism, Xenophobia and Discrimination	0.0
25 / 9 / 2003 PC.DEC/560	Mid-Year Review of the year 2003 OSCE Unified Budget	0.0
25 / 9 / 2003 PC.DEC/561	2003 Supplementary Budget for the Publishing of the OSCE Handbook of Best Practices on Small Arms and Light Weapons	0.0
17 / 2 / 2004 PC.DEC/594	OSCE Unified 2003 Budget Revision	(15.5)
<b>Total Budget Revisions</b>		<b>(15.5)</b>
<b>Year-end Revised 2003 Unified Budget</b>		<b>170.2</b>

From the operational perspective the OSCE remains a field-oriented organization, with the share related to Field Operations representing around 79 percent of the Unified Budget for 2003.

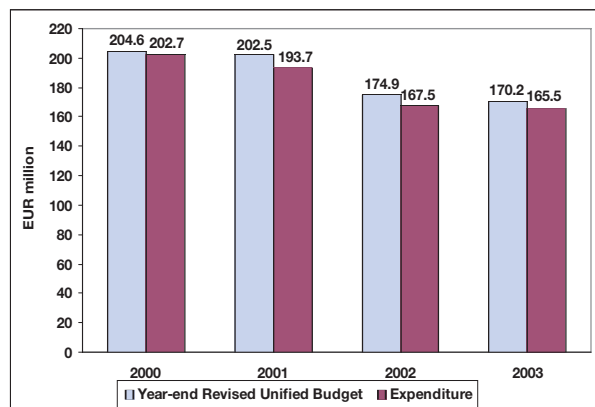
#### Expenditure

The 2003 total budgetary expenditure amounted to EUR 165.5 million, representing a decrease of 1.2 percent compared to the previous year (2002: EUR 167.5 million). This consisted of EUR 51.3 million from Institutions, Missions and Field Operations and EUR 114.2 million from the Large Missions. Budget utilisation for the year 2003 against the Year-end Revised Budget of EUR 170.2 million was 97 percent (2002: 96 percent) and 89 percent against the Unified Budget approved in December 2002 of EUR 185.7 million (2002: 94 percent).

#### Budget Utilisation Rates for Year-end Revised 2003 Unified Budget

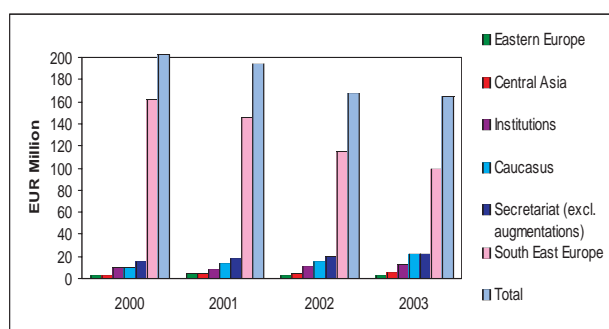


#### Budget vs. Expenditure 2000-2003



2 1 Supplementary budgets requiring "0" funding reflect decisions of the Permanent Council to fund these activities from reallocations / savings.

### 2003 Unified Budget Expenditure by Region



### Unified Budget Expenditure

EUR million	2003		2002	
The General Fund	22.0	13.3%	19.7	11.8%
Action Against Terrorism Fund	-	-	0.3	0.2%
Office for Democratic Institutions and Human Rights	9.3	5.6%	8.5	5.1%
High Commissioner on National Minorities	2.3	1.4%	2.1	1.3%
Representative on Freedom of the Media	0.8	0.5%	0.6	0.4%
Funds Relating to the Conflict Dealt with by the OSCE Minsk Conference	1.3	0.8%	1.5	0.9%
<b>Total Institutions</b>	<b>35.7</b>	<b>21.6%</b>	<b>32.7</b>	<b>19.5%</b>
<b>OSCE Missions and Field Operations</b>	<b>15.6</b>	<b>9.4%</b>	<b>13.3</b>	<b>7.9%</b>
Mission to Serbia and Montenegro	8.1	4.9%	7.7	4.6%
Mission to Croatia	10.3	6.2%	10.9	6.5%
Spillover Monitor Mission to Skopje	14.4	8.7%	18.0	10.7%
Tasks in Bosnia and Herzegovina	19.9	12.0%	19.5	11.6%
Mission in Kosovo	42.2	25.4%	54.4	32.5%
Mission to Georgia	19.4	11.7%	11.0	6.6%
<b>Total Large Missions and Projects</b>	<b>114.2</b>	<b>69.0%</b>	<b>121.5</b>	<b>72.5%</b>
<b>Total OSCE</b>	<b>165.5</b>	<b>100%</b>	<b>167.5</b>	<b>100%</b>

Staff costs (post table/non-post table staff costs and board and lodging allowance) continue to represent the most significant part of OSCE's annual expenditure.

### Unified Budget Expenditure by Cost Category

EUR million	2003		2002	
Staff costs	99.5	60.1%	105.1	62.7%
Travel Costs	9.5	5.7%	9.2	5.5%
Other Services and Utilities	36.1	21.8%	32.5	19.4%
Language Services	2.1	1.2%	1.9	1.1%
Representation	0.7	0.4%	0.4	0.2%
Investments	10.4	6.3%	11.4	6.8%
Supplies	5.5	3.3%	5.7	3.4%
Training Activities	0.9	0.5%	0.8	0.4%
Project Activities	0.9	0.5%	0.5	0.3%
<b>Total</b>	<b>165.5</b>	<b>100%</b>	<b>167.5</b>	<b>100%</b>

### 2.4 Staffing

Total budgeted positions as at 31 December 2003 were 4,059, representing a 5.6 percent decrease over the previous year (2002: 4,299 budgeted positions). Field Operations account for 90 percent of total budgeted positions. The distribution of positions within the Organization is shown on Annex A.

#### Budgeted Positions

number of positions	2003		2002	
<b>Professional Staff</b>	<b>1,655</b>	<b>100%</b>	<b>1,440</b>	<b>100%</b>
International contracted	263	16%	250	17%
Seconded	1,029	62%	1,080	75%
National professional	363	22%	110	8%
<b>General Services Staff</b>	<b>2,404</b>	<b>100%</b>	<b>2,859</b>	<b>100%</b>
Institutions	211	9%	203	7%
Local general services	2,193	91%	2,656	93%
<b>Total Staff</b>	<b>4,059</b>		<b>4,299</b>	

### 3. Extra-budgetary Contributions

Extra-budgetary contributions pledged in 2003 amounted to EUR 25.3 million, of which EUR 18.6 million was received in 2003 and EUR 6.7 million was outstanding as at 31 December 2003.

Extra-budgetary contributions received in 2003 in respect of pledges made in 2002 amounted to EUR 2.8 million.

During the year 2003, total extra-budgetary contributions received amounted to EUR 21.4 million (2002: EUR 43.6 million), reflecting a reduction of 51 percent in comparison to 2002. This decrease is exceptional and is largely due to the amount of EUR 16.9 million contributed in 2002 to the Fund for Activities Related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova.

Extra-budgetary expenditure in 2003 totalled EUR 19.4 million (2002: EUR 24.0 million).

With the introduction of Financial Instruction 13/2002 on Extra-budgetary Contributions, procedures were established to ensure that extra-budgetary contributions were accepted, budgeted, expended, monitored, accounted for and reported under proper authority and control.

### 4. Cash Management

Cash and bank balances are managed in strict compliance with the OSCE's Financial Regulations. Accordingly, all amounts received from participating

States against assessed contributions billed are used for the purposes authorised within the relevant year's budget, and any cash surplus is credited to participating States within the timelines set out in Financial Regulation 7.07.

Cash and bank balances as at end 2003 and 2002 are shown below (General Fund bank balances include the Revolving, Contingency and IRMA Funds as well as extra-budgetary Funds).

#### Cash and Bank balances

EUR '000	2003		2002	
General Fund (Secretariat)	106,289	95%	103,524	95%
Institutions	1,734	2%	1,815	2%
Field Operations				
South-Eastern Europe	1,946	2%	2,175	2%
Eastern Europe	125	0%	96	0%
Caucasus	463	0%	485	0%
Central Asia	304	0%	113	0%
Total Field Operations	2,838	2%	2,869	2%
Total Cash	1,073	1%	1,092	1%
<b>Total</b>	<b>111,934</b>	<b>100%</b>	<b>109,300</b>	<b>100%</b>

The primary objective guiding the Secretariat's Treasury is to ensure the efficient and cost-effective management of OSCE's financial resources, namely cash and bank accounts. Cash is managed centrally in order to safeguard funds, better monitor cash flow and optimise investment income. Treasury is also responsible for developing and implementing instructions and procedures for the safe custody of cash and bank balances at all Institutions and Field Operations.

The geographic as well as currency composition of cash and bank balances is monitored closely for the purposes of risk management. Banks used by the OSCE across all locations of its Institutions and Field Operations are reviewed regularly to ensure that the Organization's funds are safeguarded with due care and prudence.

In line with Financial Regulation 5.02, short-term investments are made in the form of time-deposits of monies not needed for immediate requirement and all interest earned is credited as miscellaneous income to the General Fund.

## 5. Management Issues

*2003 was an important and busy year for the OSCE with respect to the further development and strengthening of its management and budgetary processes and procedures.*

### 5.1 Common Regulatory Management System

With the Staff Regulations adopted in summer of 2003, it is important to approve new and more comprehensive Financial Regulations. As tasked by PC Decision 554 on Further Progress in Management, the Secretary General has submitted to the Permanent Council draft new Financial Regulations which are under discussion by the Working Group of the Advisory Committee on Management and Finance. The draft new Financial Regulations provide managers with clear and practical guidance on their daily activities. They emphasise and clarify responsibility, authority and accountability and retain the primacy of political decision-making. At the same time, the Secretariat is in the process of streamlining and revising the various existing instructions and directives.

### 5.2 The Management Agenda and IRMA

The Management Agenda was published in September 2001 with the aim of developing a more effective, efficient and transparent management of OSCE resources. The main vehicle for delivering this change is the Integrated Resource Management System (IRMA).

The participating States have agreed to finance the project through the establishment of the IRMA Fund, with a budget of EUR 6.9 million for a three-year period of implementation. Total expenditure for 2003 amounted to EUR 4,848 thousand with details below under the IRMA Fund. Accordingly, the balance of the Fund to be carried forward to 2004 is EUR 2,037 thousand.

#### IRMA Fund Expenditure for 2003

EUR '000	
Staff Costs	236
Consultancy Services	4,140
Investment Costs	265
Training Activities	208
<b>Total</b>	<b>4,848</b>

Following extensive preparatory work in 2002 and 2003, the roll out of the finance and procurement modules started on 5 January 2004 and will be followed by budget and human resources in April and finally the inventory and payroll by the end of 2004.

Once the roll-out of all IRMA modules is completed in January 2005, it will provide a number of important qualitative and quantitative benefits for the Organization. It will increase the capacity of the

OSCE to turn policy decisions into concrete operations with speed and flexibility, while ensuring full transparency of OSCE activities, clear accountability for decision-making and reduced administrative costs. IRMA will integrate the functions for the management of all OSCE resources put at the disposal of the OSCE, including extra-budgetary and third-party resources. All work processes in IRMA will be streamlined and easy to apply through the use of modern internet technologies, thus allowing more time and effort to be devoted to substantive issues. Furthermore, IRMA will increase the internal controls for the Organization and provide a number of important automatic safe-guards that ensure full transparency and clear lines of accountability. IRMA will also provide up-to-date and on-line management reporting on the status of all implementation actions and their relation to overall programme implementation.

### **5.3 Unified Budget Reform**

The reform of the budget process is one of the most important aspects of the management reforms. Increasingly, the budget process is becoming a focal point for structuring the Organization's annual and longer-term activities. It is an instrument for matching what Fund Managers consider necessary to fulfil their mandates with what the participating States consider feasible and acceptable. Following the adoption of PC Decision 553 on the OSCE's Unified Budget Process in June 2003, which endorsed OSCE's adherence to programme budgeting, the 2004 Unified Budget Proposal was presented in a new format. Programmes are now presented with their objectives and outputs clearly set out and in line with the mandate of the respective Fund. Main Categories for Programmes were introduced and used in a standard manner across all Funds, providing a consistent and transparent basis for reporting on activities and expenditures in the future.

### **5.4 Information Management**

In parallel with improvements to our management of financial, material and human resources, we have also been addressing the management of information. The absence of a common system for managing OSCE's records and documents has led to fragmented and ad-hoc solutions and often to difficulties in retrieving important information. We will therefore introduce a documents management system (also known as Doc.In), as a first step in ensuring that we have a single standard for document management. A crucial part of the reform of our information management is the OSCE Intranet, which uses modern IT capability to make documents and reports instantly accessible to all our staff. It will shortly be made available to participating States. We are

also creating full connectivity among all parts of the Organization, which will increase the exchange of information, information security and the inter-operability of the Organization's activities. The technical pre-conditions for full connectivity were established in 2003.



## Annex A: OSCE Unified Budget – Budgeted Staff Positions

as at 31 December 2003

	Professional staff			TOTAL			General Service			TOTAL G.S.	GRAND
	Contracted	Seconded	National	PROF. STAFF	Institutions	Local	STAFF	STAFF	TOTAL	TOTAL	
The General Fund *	111	25	-	136	178	-	-	178	314		
Office for Democratic Institutions and Human Rights (ODIHR)	37	2	-	39	22	-	-	22	61		
High Commissioner on National Minorities	13	5	-	18	6	-	-	6	24		
Representative on Freedom of the Media	4	5	-	9	3	-	-	3	12		
Funds Relating to the Conflict Dealt with by the OSCE Minsk Conference	-	14	-	14	1	10	-	11	25		
<b>OSCE Missions and Field Operations</b>	<b>4</b>	<b>103</b>	<b>21</b>	<b>128</b>	<b>-</b>	<b>253</b>	<b>-</b>	<b>253</b>	<b>381</b>		
Mission to Serbia and Montenegro	2	65	14	81	-	124	-	124	205		
Mission to Croatia	3	64	15	82	-	155	-	155	237		
Spillover Monitor Mission to Skopje	7	174	19	200	-	285	-	285	485		
Tasks in Bosnia and Herzegovina	6	146	150	302	-	425	-	425	727		
Mission to Kosovo	67	268	134	469	-	833	-	833	1,302		
Mission to Georgia	9	158	10	177	-	108	-	108	285		
<b>Grand total</b>	<b>263</b>	<b>1,029</b>	<b>363</b>	<b>1,655</b>	<b>211</b>	<b>2,193</b>	<b>-</b>	<b>2,404</b>	<b>4,059</b>		

\* Includes Secretariat Augmentations

## Chapter II – Budget and Expenditure Report



## BUDGET AND EXPENDITURE REPORT

for the Year Ended 31 December 2003

Fund Main Programme Sub Programme EUR '000	Approved Budget (Note 1)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Imp. Rate %
<b>The General Fund</b>									
<b>Secretary General and Central Services</b>									
Executive Management	817	(44)	773	0	773	679	93	772	100
Press and Public Information	1,035	(41)	994	0	994	873	54	927	93
Legal Services	222	(23)	199	0	199	196	0	196	98
Internal Oversight	777	(270)	506	0	506	485	3	488	96
External Co-operation	544	(41)	503	0	503	487	1	487	97
Seminars	63	(15)	48	0	48	28	4	32	67
Gender Issues	150	(5)	145	0	145	139	1	140	97
Short Term Missions/Visits of CIO and PR of the CIO	225	(163)	62	0	62	56	1	57	92
<b>Total</b>	<b>3,832</b>	<b>(603)</b>	<b>3,229</b>	<b>0</b>	<b>3,229</b>	<b>2,942</b>	<b>158</b>	<b>3,100</b>	<b>96</b>
<b>Strategic Police Matters</b>	575	(47)	528	0	528	511	4	514	97
<b>Action Against Terrorism Unit</b>	238	0	238	0	238	205	10	215	90
<b>Activities Relating to the Economic and Environmental Aspects of Security</b>									
Co-ordinator of the OSCE Economic and Environmental Activities	923	(80)	843	0	843	781	40	822	97
Economic Forum Meeting	403	(17)	386	0	386	383	2	384	99
<b>Total</b>	<b>1,326</b>	<b>(97)</b>	<b>1,229</b>	<b>0</b>	<b>1,229</b>	<b>1,164</b>	<b>42</b>	<b>1,206</b>	<b>98</b>
<b>Conflict Prevention Activities</b>									
Direction and Management	330	(57)	273	0	273	264	7	271	99
Project Management Co-ordination	77	(16)	62	0	62	59	1	60	97
Mission Programme Section	707	(30)	677	0	677	653	19	672	99
Field Security	117	7	124	0	124	121	1	122	98
Operations Planning Unit	426	(20)	406	0	406	384	9	393	97
Situation/Communication Room	151	(4)	147	0	147	142	4	146	99
<b>Total</b>	<b>1,809</b>	<b>(121)</b>	<b>1,689</b>	<b>0</b>	<b>1,689</b>	<b>1,623</b>	<b>40</b>	<b>1,664</b>	<b>99</b>

Fund	Approved Budget (Note 1)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Imp. Rate %
<b>Fund</b>									
<b>Main Programme</b>									
Sub Programme									
EUR '000									
<b>Activities Relating to Military Aspects of Security</b>									
Communications Network	349	(50)	299	0	299	270	13	283	95
Forum for Security Co-operation (FSC)-Support Unit	326	68	394	0	394	342	44	387	98
Seminars	46	0	46	0	46	42	0	42	91
<b>Total</b>	<b>721</b>	<b>17</b>	<b>739</b>	<b>0</b>	<b>739</b>	<b>654</b>	<b>57</b>	<b>711</b>	<b>96</b>
<b>Human Resources Management</b>									
Direction and Management	289	(4)	285	0	285	274	0	275	96
Recruitment	463	27	490	0	490	480	3	483	99
Personnel Management	499	32	531	0	531	528	2	530	100
Training Section	648	(19)	629	0	629	578	24	602	96
<b>Total</b>	<b>1,900</b>	<b>35</b>	<b>1,935</b>	<b>0</b>	<b>1,935</b>	<b>1,860</b>	<b>30</b>	<b>1,890</b>	<b>98</b>
<b>Department of Management and Finance/Common Services in Vienna</b>									
Direction and Management	369	0	369	0	369	343	26	369	100
General Services	1,739	46	1,785	(3)	1,782	1,652	91	1,743	98
Finance Services	1,145	(48)	1,098	0	1,098	1,053	10	1,063	97
Information Technology Services	3,216	(8)	3,208	0	3,208	2,940	247	3,187	99
Mission Support Services	944	9	953	0	953	880	59	939	99
Central Records and Information Management	221	0	221	3	224	218	6	224	100
<b>Total</b>	<b>7,634</b>	<b>0</b>	<b>7,634</b>	<b>0</b>	<b>7,634</b>	<b>7,086</b>	<b>438</b>	<b>7,524</b>	<b>99</b>
<b>Department of Management and Finance/Conference Services in Vienna</b>									
Direction and Management	186	10	196	0	196	193	0	193	99
Meeting Services and Administration	2,136	328	2,464	0	2,464	1,972	370	2,342	95
Language Services	2,828	(318)	2,509	0	2,509	2,304	22	2,326	93
<b>Total</b>	<b>5,150</b>	<b>19</b>	<b>5,170</b>	<b>0</b>	<b>5,170</b>	<b>4,470</b>	<b>391</b>	<b>4,862</b>	<b>94</b>
<b>Department of Management and Finance/Prague Office</b>									
Conference Services in Prague	0	0	0	0	0	0	0	0	-
Public Information, Documentation and Other Services	405	(100)	305	0	305	282	3	285	93
<b>Total</b>	<b>405</b>	<b>(100)</b>	<b>305</b>	<b>0</b>	<b>305</b>	<b>282</b>	<b>3</b>	<b>285</b>	<b>93</b>
<b>TOTAL FOR THE GENERAL FUND</b>	<b>23,590</b>	<b>(896)</b>	<b>22,695</b>	<b>0</b>	<b>22,695</b>	<b>20,798</b>	<b>1,172</b>	<b>21,970</b>	<b>97</b>

Fund	Main Programme	Approved Budget (Note 1)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Imp. Rate %
<b>Office for Democratic Institutions and Human Rights (ODIHR)</b>										
<b>Human Dimension Activities</b>										
	Elections	4,345	282	4,627	0	4,627	4,347	23	4,369	94
	Democratization	1,575	(197)	1,378	0	1,378	1,295	81	1,377	100
	Human Rights Monitoring	610	0	610	0	610	601	1	602	99
	Public Affairs	249	(18)	231	0	231	219	3	222	96
	Implementation Meeting	397	(20)	377	0	377	371	0	371	99
	Roma and Sinti Issues	264	4	268	0	268	264	2	266	99
	Action Against Terrorism Unit / ODIHR	355	(5)	350	0	350	331	1	332	95
	<b>Total</b>	<b>7,795</b>	<b>45</b>	<b>7,841</b>	<b>0</b>	<b>7,841</b>	<b>7,428</b>	<b>111</b>	<b>7,539</b>	<b>96</b>
<b>Common Services</b>										
	Executive Management	403	(6)	397	(2)	395	392	1	392	99
	General Administration	1,032	(11)	1,021	1	1,022	966	56	1,022	100
	Finance Services	399	(29)	370	1	371	370	1	370	100
	<b>Total</b>	<b>1,833</b>	<b>(45)</b>	<b>1,788</b>	<b>0</b>	<b>1,788</b>	<b>1,727</b>	<b>58</b>	<b>1,785</b>	<b>100</b>
	<b>TOTAL FOR ODIHR</b>	<b>9,629</b>	<b>0</b>	<b>9,629</b>	<b>0</b>	<b>9,629</b>	<b>9,154</b>	<b>169</b>	<b>9,323</b>	<b>97</b>
<b>High Commissioner on National Minorities (HCNM)</b>										
<b>Activities of the High Commissioner</b>										
	Direction and Management	1,136	0	1,136	0	1,136	1,135	0	1,135	100
	On-site consultations	423	(40)	383	0	383	346	0	346	90
	Projects	200	0	200	0	200	193	0	193	96
	<b>Total</b>	<b>1,759</b>	<b>(40)</b>	<b>1,719</b>	<b>0</b>	<b>1,719</b>	<b>1,674</b>	<b>0</b>	<b>1,674</b>	<b>97</b>
<b>Common Services</b>										
	General Services	655	0	655	0	655	604	3	607	93
	Finance Services	6	0	6	0	6	5	0	5	89
	<b>Total</b>	<b>660</b>	<b>0</b>	<b>660</b>	<b>0</b>	<b>660</b>	<b>609</b>	<b>3</b>	<b>612</b>	<b>93</b>
	<b>TOTAL HCNM</b>	<b>2,420</b>	<b>(40)</b>	<b>2,380</b>	<b>0</b>	<b>2,380</b>	<b>2,283</b>	<b>3</b>	<b>2,286</b>	<b>96</b>

Fund	Main Programme	Approved Budget (Note 1)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Imp. Rate %
	Sub Programme									
	EUR '000									
	<b>Representative on Freedom of the Media</b>									
	Direction and Management	891	(55)	836	0	836	765	68	833	100
	<b>TOTAL FOR REPR. ON FREEDOM OF THE MEDIA</b>	<b>891</b>	<b>(55)</b>	<b>836</b>	<b>0</b>	<b>836</b>	<b>765</b>	<b>68</b>	<b>833</b>	<b>100</b>
	<b>Funds Relating to the Conflict Dealt with by the OSCE Minsk Conference</b>									
	High Level Planning Group	212	(71)	141	0	141	122	4	126	89
	The Minsk Process	999	(670)	329	0	329	267	9	276	84
	Personal Representative of the CIO	1,001	(67)	934	0	934	856	29	885	95
	<b>TOTAL FUNDS RELATING TO THE CONFLICT DEALT WITH BY THE OSCE MINSK CONFERENCE</b>	<b>2,212</b>	<b>(808)</b>	<b>1,404</b>	<b>0</b>	<b>1,404</b>	<b>1,244</b>	<b>42</b>	<b>1,286</b>	<b>92</b>
	<b>OSCE Missions and Field Operations</b>									
	Centre in Almaty	1,252	(78)	1,174	0	1,174	998	74	1,071	91
	Centre in Ashgabad	1,078	(374)	705	0	705	622	8	631	90
	Centre in Bishkek	1,668	(353)	1,316	0	1,316	1,140	121	1,261	96
	Centre in Tashkent	1,273	(330)	943	0	943	820	62	882	94
	Centre in Dushanbe	3,009	(336)	2,674	0	2,674	2,355	62	2,417	90
	Representative to the Estonian Commission on Military Pensioners	137	(17)	120	0	120	107	2	109	91
	Representative to the Latvian-Russian Joint Commission on Military Pensioners	14	(2)	12	0	12	8	2	10	87
	Office in Minsk	899	(67)	833	0	833	725	15	740	89
	Project Co-ordinator in Ukraine	1,146	(10)	1,136	0	1,136	1,078	26	1,104	97
	Mission to Moldova	1,026	89	1,115	0	1,115	1,074	26	1,101	99
	Office in Yerevan	1,133	(200)	933	0	933	910	11	921	99
	Office in Baku	1,366	(89)	1,278	0	1,278	1,109	88	1,197	94
	Administrative Closure of the Assistance Group to Chechnya	1,847	(1,641)	207	0	207	205	0	205	99
	Presence in Albania	4,288	(339)	3,949	0	3,949	3,402	525	3,926	99
	<b>TOTAL OSCE MISSIONS AND FIELD OPERATIONS</b>	<b>20,137</b>	<b>(3,744)</b>	<b>16,393</b>	<b>0</b>	<b>16,393</b>	<b>14,553</b>	<b>1,022</b>	<b>15,575</b>	<b>95</b>

Fund	Main Programme	Approved Budget (Note 1)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Imp. Rate %
<b>Large OSCE Missions and Projects</b>										
<b>Mission to Serbia and Montenegro</b>										
	Office of the Head of Mission	672	30	702	0	702	650	4	653	93
	Administration and Finance	2,245	(22)	2,223	0	2,223	1,985	113	2,098	94
	Law Enforcement Department	2,474	(311)	2,163	0	2,163	2,026	104	2,130	98
	Rule of Law/Human Rights Department	590	8	597	0	597	531	20	551	92
	Media Department	468	(23)	445	0	445	359	49	408	92
	Democratization Department	929	(30)	898	0	898	777	26	802	89
	Economics and Environmental Department	347	(43)	304	0	304	275	9	284	93
	Office in Podgorica	1,312	(90)	1,221	0	1,221	1,103	37	1,140	93
	Head of Mission Facility	50	0	50	0	50	31	9	41	81
	<b>Total for the Mission to Serbia and Montenegro</b>	<b>9,085</b>	<b>(481)</b>	<b>8,604</b>	<b>0</b>	<b>8,604</b>	<b>7,735</b>	<b>372</b>	<b>8,107</b>	<b>94</b>
<b>Mission to Croatia</b>										
	Central Services	3,333	(68)	3,265	0	3,265	2,863	320	3,182	97
	Democratization	2,452	(78)	2,374	0	2,374	2,072	276	2,348	99
	Department for Human Rights and Rule of Law	2,104	(71)	2,033	0	2,033	1,951	72	2,022	100
	Political Affairs	429	(25)	404	0	404	402	0	402	99
	Return and Integration	2,095	(70)	2,025	0	2,025	1,942	73	2,015	99
	Head of Mission Facility	50	(40)	10	0	10	9	0	9	89
	<b>Total</b>	<b>10,462</b>	<b>(351)</b>	<b>10,111</b>	<b>0</b>	<b>10,111</b>	<b>9,238</b>	<b>741</b>	<b>9,979</b>	<b>99</b>
	Secretariat Augmentation	305	3	307	0	307	292	10	302	98
	<b>Total for the Mission to Croatia</b>	<b>10,767</b>	<b>(349)</b>	<b>10,418</b>	<b>0</b>	<b>10,418</b>	<b>9,530</b>	<b>751</b>	<b>10,281</b>	<b>99</b>

<u>Fund</u>	<u>Main Programme</u>	<u>Approved Budget (Note 1)</u>	<u>PC Authorized Transfers</u>	<u>Revised Budget</u>	<u>Transfers as per Fin. Reg. 3.02 (b)</u>	<u>Revised Budget after Transfers</u>	<u>Disbursements</u>	<u>ULO</u>	<u>Expenditure</u>	<u>Imp. Rate %</u>
	<b>Spillover Monitor Mission to Skopje</b>									
	Head of Mission and Central Services	992	52	1,043	0	1,043	959	49	1,008	97
	Administration and Finance	6,200	(452)	5,748	0	5,748	4,427	1,123	5,549	97
	Confidence Building Department	364	(51)	313	0	313	293	15	308	98
	Rule of Law Department	418	220	638	0	638	532	82	614	96
	Media Development	373	(12)	361	0	361	341	19	359	100
	Police Development Services	4,600	(1,415)	3,186	0	3,186	3,097	28	3,125	98
	Field Stations	3,714	(416)	3,298	0	3,298	3,256	6	3,263	99
	<b>Total</b>	<b>16,662</b>	<b>(2,074)</b>	<b>14,588</b>	<b>0</b>	<b>14,588</b>	<b>12,905</b>	<b>1,322</b>	<b>14,226</b>	<b>98</b>
	Secretariat Augmentation	143	(10)	132	0	132	126	2	128	96
	<b>Total Spillover Monitor Mission to Skopje</b>	<b>16,804</b>	<b>(2,084)</b>	<b>14,720</b>	<b>0</b>	<b>14,720</b>	<b>13,030</b>	<b>1,324</b>	<b>14,354</b>	<b>98</b>
	<b>Tasks in Bosnia and Herzegovina</b>									
	Central Office	5,026	130	5,156	0	5,156	4,583	572	5,155	100
	Training	186	(30)	156	0	156	153	0	154	98
	Democratization	1,572	(42)	1,530	0	1,530	1,469	53	1,522	99
	Human Rights	946	65	1,011	0	1,011	935	66	1,001	99
	Press and Public Information	602	(35)	567	0	567	558	7	565	100
	Security Co-operation	1,103	(160)	942	0	942	930	6	937	99
	Regional Centres	8,648	(469)	8,179	0	8,179	7,935	214	8,149	100
	Education Reform	721	(50)	671	0	671	631	31	662	99
	<b>Total</b>	<b>18,805</b>	<b>(592)</b>	<b>18,213</b>	<b>0</b>	<b>18,213</b>	<b>17,196</b>	<b>950</b>	<b>18,145</b>	<b>100</b>
	<b>Regional Stabilization/Arms Control</b>									
	Negotiation (Article II & IV)	462	(55)	407	0	407	354	4	358	88
	Verification Co-ordinator	135	(5)	130	0	130	73	11	83	64
	<b>Total</b>	<b>597</b>	<b>(60)</b>	<b>537</b>	<b>0</b>	<b>537</b>	<b>427</b>	<b>14</b>	<b>441</b>	<b>82</b>
	Secretariat Augmentation	1,340	(46)	1,293	0	1,293	1,272	18	1,290	100
	<b>Total Tasks in Bosnia and Herzegovina</b>	<b>20,742</b>	<b>(698)</b>	<b>20,044</b>	<b>0</b>	<b>20,044</b>	<b>18,894</b>	<b>983</b>	<b>19,877</b>	<b>99</b>

Fund	Approved Budget (Note 1)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Imp. Rate %
<b>Main Programme</b>									
Sub Programme									
EUR '000									
<b>Mission in Kosovo</b>									
Department of Head of Mission	2,222	(67)	2,155	0	2,155	2,148	2	2,150	100
Department of Democratization	5,707	(347)	5,360	0	5,360	5,260	94	5,354	100
Office of TSM/ISM	407	(183)	224	0	224	220	0	220	99
Ombudsperson Institution	607	(237)	370	0	370	337	26	363	98
Department of Human Rights and Rule of Law	4,750	(675)	4,075	0	4,075	3,927	124	4,051	99
Department of Elections Operations	3,320	(975)	2,345	0	2,345	2,092	245	2,337	100
Department of Police Education and Development	8,088	(621)	7,467	0	7,467	6,997	409	7,406	99
Department of Administration and Support	19,841	(2,776)	17,065	0	17,065	15,036	2,025	17,061	100
<b>Total</b>	<b>44,941</b>	<b>(5,879)</b>	<b>39,061</b>	<b>0</b>	<b>39,061</b>	<b>36,017</b>	<b>2,926</b>	<b>38,942</b>	<b>100</b>
Secretariat Augmentation	3,265	(112)	3,153	0	3,153	2,936	66	3,002	95
ODIHR Augmentation	264	0	264	0	264	202	14	216	82
<b>Total OSCE Mission in Kosovo</b>	<b>48,469</b>	<b>(5,992)</b>	<b>42,478</b>	<b>0</b>	<b>42,478</b>	<b>39,155</b>	<b>3,006</b>	<b>42,160</b>	<b>99</b>
<b>Mission to Georgia</b>									
Head Office	1,699	(72)	1,627	0	1,627	1,474	55	1,528	94
Human Dimension	1,004	(61)	943	0	943	796	64	860	91
Economic and Environmental Dimension	219	(20)	199	0	199	170	11	181	91
Administration and Finance Services	1,390	(35)	1,355	0	1,355	1,250	49	1,300	96
Border Monitoring Operation	16,658	(227)	16,431	0	16,431	14,382	1,162	15,544	95
Head of Mission Facility	0	10	10	0	10	10	0	10	96
<b>Total OSCE Mission to Georgia</b>	<b>20,970</b>	<b>(405)</b>	<b>20,566</b>	<b>0</b>	<b>20,566</b>	<b>18,082</b>	<b>1,340</b>	<b>19,423</b>	<b>94</b>
<b>TOTAL LARGE OSCE MISSIONS AND PROJECTS</b>	<b>126,838</b>	<b>(10,009)</b>	<b>116,829</b>	<b>0</b>	<b>116,829</b>	<b>106,427</b>	<b>7,775</b>	<b>114,202</b>	<b>98</b>
<b>GRAND TOTAL:</b>	<b>185,716</b>	<b>(15,552)</b>	<b>170,164</b>	<b>0</b>	<b>170,164</b>	<b>155,224</b>	<b>10,251</b>	<b>165,475</b>	<b>97</b>

## Chapter III - Financial Statements



## STATEMENT 1: OSCE Consolidated Statement of Income, Expenditure and Changes in Fund Balance

for the year ended 31 December 2003

EUR '000	Total OSCE (Unified Budget and Extra Budgetary)		
	Note	2003	2002
Assessed Contributions	2/5	170,164	174,949
Extrabudgetary Contributions	3	21,413	43,654
Miscellaneous Income	2/5	4,646	4,752
Currency Exchange Adjustments	2/4	(1,657)	(174)
Savings on prior year ULO's	9	1,540	2,718
Other Adjustments	10	(346)	(716)
<b>TOTAL INCOME</b>	2/5	<b>195,758</b>	<b>225,183</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>189,705</b>	<b>191,539</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>6,053</b>	<b>33,643</b>
Transfers to the IRMA fund		0	6,885
Less credits to participating States/Transfers	2/7	(12,675)	(10,223)
Refund of unspent XB contributions to Donors		(3,395)	0
Fund Balance 1 January		86,563	56,258
<b>Fund Balance at Period End</b>	2/8	<b>76,546</b>	<b>86,563</b>

## STATEMENT 2: OSCE Consolidated Statement of Assets, Liabilities and Fund Balances as at 31 December 2003

EUR '000	Total OSCE (Unified Budget and Extra Budgetary)		
	Note	2003	2002
<b>Assets</b>			
Cash Budgetary	2/3	74,309	72,370
Cash Extra-budgetary	2/3	37,624	36,929
Assessed Contributions Receivable	4	12,484	14,960
Accounts Receivable	5	4,790	3,997
Prepaid Expenses and Advances	6	4,127	1,294
<b>TOTAL ASSETS</b>		<b>133,335</b>	<b>129,551</b>
<b>Liabilities</b>			
Accounts Payable	8	5,828	6,946
Reserve for unliquidated obligations	9	12,802	11,987
Funds held for third parties	11	2,755	2,716
Contributions Received in Advance	12	30,262	16,182
<b>TOTAL LIABILITIES</b>		<b>51,647</b>	<b>37,831</b>
<b>Reserves and Fund Balances</b>			
Unallocated surplus	2/7	252	267
Revolving Fund	2/2	2,710	2,710
Contingency Fund	2/2	2,180	2,180
Fund Balance	2/8	76,546	86,563
<b>TOTAL RESERVES AND FUND BALANCE</b>		<b>81,688</b>	<b>91,719</b>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>133,335</b>	<b>129,551</b>

**Note: Contingent Liabilities - see Note 14 on page 49**

**STATEMENT 3: OSCE Consolidated Statement of Cash Flow**  
for the year ended 31 December 2003

EUR '000	Total OSCE (Unified Budget and Extra Budgetary)
	<b>2003</b>
<b>NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>	6,053
(Increase) decrease in assessed contributions receivable	2,476
(Increase) decrease in accounts receivable	(793)
(Increase) decrease in prepaid expenditure and advances	(2,833)
Increase (decrease) in contributions received in advance	14,080
Increase (decrease) in reserve for unliquidated obligations	815
Increase (decrease) in accounts payable	(1,118)
Refund of unspent XB contribution	(3,395)
Distribution of Cash Surplus	(12,675)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,609</b>
(Increase) Decrease in Unallocated Surplus	(14)
Increase (decrease) in funds held for third parties	40
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>25</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>2,634</b>

## STATEMENT 4: Summary of all OSCE Statement of Income, Expenditure and Changes in Fund Balance

for the year ended 31 December 2003

	Note	Total Institutions, Missions and Field Operations		Total Large Missions		Total Unified Budget		IRMA		Total Extra- Budgetary Funds		Total Unified Budget and Extra Budgetary	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Assessed Contributions	2/5	53,335	47,533	116,829	127,417	170,164	174,949	0	0	0	0	170,164	174,949
Extrabudgetary Contributions	3	0	0	0	0	0	0	0	0	21,413	43,654	21,413	43,654
Miscellaneous Income	2/5	4,142	4,138	504	614	4,645	4,752	0	0	0	0	4,646	4,752
Currency Exchange Adjustments	2/4	242	(1,44)	(14)	(31)	229	(174)	0	0	(1,886)	0	(1,657)	(174)
Savings on prior year ULO's	9	252	92	1,245	2,551	1,497	2,643	0	0	43	75	1,540	2,718
Other Adjustments	10	1	0	0	19	1	19	0	0	(347)	(735)	(346)	(716)
<b>TOTAL INCOME</b>	2/5	<b>57,972</b>	<b>51,619</b>	<b>118,564</b>	<b>130,570</b>	<b>176,536</b>	<b>182,189</b>	<b>0</b>	<b>0</b>	<b>19,223</b>	<b>42,994</b>	<b>195,758</b>	<b>225,183</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>51,274</b>	<b>46,001</b>	<b>114,202</b>	<b>121,521</b>	<b>165,475</b>	<b>167,522</b>	<b>4,848</b>	<b>0</b>	<b>19,382</b>	<b>24,017</b>	<b>189,705</b>	<b>191,539</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>6,698</b>	<b>5,618</b>	<b>4,363</b>	<b>9,049</b>	<b>11,061</b>	<b>14,667</b>	<b>(4,848)</b>	<b>0</b>	<b>(159)</b>	<b>18,976</b>	<b>6,053</b>	<b>33,643</b>
Transfers to the IRMA fund		0	0	0	0	0	0	0	6,885	0	0	0	6,885
Less credits to participating States/Transfers		(2,469)	(628)	(10,206)	(9,595)	(12,675)	(10,223)	0	0	0	0	(12,675)	(10,223)
Refund of unspent XB contributions to Donors		0	0	0	0	0	0	0	0	(3,395)	0	(3,395)	0
Fund Balance 1 January		15,398	10,408	29,024	29,570	44,422	39,978	6,885	0	35,256	16,280	86,563	56,258
<b>Fund Balance at Period End</b>	<b>2/8</b>	<b>19,627</b>	<b>15,398</b>	<b>23,181</b>	<b>29,024</b>	<b>42,807</b>	<b>44,422</b>	<b>2,037</b>	<b>6,885</b>	<b>31,702</b>	<b>35,256</b>	<b>76,546</b>	<b>86,563</b>

EUR '000

## STATEMENT 5: Summary of all OSCE Statement of Assets, Liabilities and Fund Balance

as at 31 December 2003

	Note	Total Institutions, Missions and Field Operations		Total Large Missions		Total Unified Budget		IRMA		Total Extra- Budgetary Funds		Total Unified Budget and Extra Budgetary	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Cash Budgetary	2/3	68,718	68,984	2,803	3,387	71,520	72,370	2,789	0	0	0	74,309	72,370
Cash Extra-budgetary	2/3	37,624	36,929	0	0	37,624	36,929	0	0	0	0	37,624	36,929
Assessed Contributions Receivable	4	7,046	7,853	5,439	6,985	12,484	14,838	0	123	0	0	12,484	14,960
Accounts Receivable	5	3,532	3,472	418	359	3,950	3,830	599	0	241	166	4,790	3,997
Prepaid Expenses and Advances	6	1,169	564	2,211	644	3,380	1,208	662	0	85	85	4,127	1,294
Due From Other Funds		6,013	5,207	49,434	53,780	55,447	58,986	0	6,762	35,140	38,313	90,587	104,061
<b>TOTAL ASSETS</b>		<b>124,102</b>	<b>123,008</b>	<b>60,304</b>	<b>65,155</b>	<b>184,405</b>	<b>188,163</b>	<b>4,050</b>	<b>6,885</b>	<b>35,467</b>	<b>38,565</b>	<b>223,922</b>	<b>233,612</b>
Accounts Payable	8	2,937	3,433	2,253	2,751	5,190	6,184	0	0	638	762	5,828	6,946
Reserve for unliquidated obligations	9	2,498	2,750	7,775	8,185	10,273	10,935	1,132	0	1,397	1,053	12,802	11,987
Funds held for third parties	11	2,681	2,628	74	88	2,755	2,716	0	0	0	0	2,755	2,716
Contributions Received in Advance	12	30,262	16,182	0	0	30,262	16,182	0	0	0	0	30,262	16,182
Due To Other Funds		60,955	77,461	27,021	25,106	87,976	102,567	882	0	1,730	1,494	90,587	104,061
<b>TOTAL LIABILITIES</b>		<b>99,333</b>	<b>102,453</b>	<b>37,123</b>	<b>36,130</b>	<b>136,456</b>	<b>138,584</b>	<b>2,013</b>	<b>0</b>	<b>3,765</b>	<b>3,309</b>	<b>142,234</b>	<b>141,892</b>
Unallocated surplus	2/7	252	267	0	0	252	267	0	0	0	0	252	267
Revolving Fund	2/2	2,710	2,710	0	0	2,710	2,710	0	0	0	0	2,710	2,710
Contingency Fund	2/2	2,180	2,180	0	0	2,180	2,180	0	0	0	0	2,180	2,180
Fund Balance	2/8	19,627	15,398	23,181	29,024	42,807	44,422	2,037	6,885	31,702	35,256	76,546	86,563
<b>TOTAL RESERVES AND FUND BALANCE</b>		<b>24,769</b>	<b>20,555</b>	<b>23,181</b>	<b>29,024</b>	<b>47,950</b>	<b>49,579</b>	<b>2,037</b>	<b>6,885</b>	<b>31,702</b>	<b>35,256</b>	<b>81,688</b>	<b>91,719</b>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>124,102</b>	<b>123,008</b>	<b>60,304</b>	<b>65,155</b>	<b>184,405</b>	<b>188,163</b>	<b>4,050</b>	<b>6,885</b>	<b>35,467</b>	<b>38,565</b>	<b>223,922</b>	<b>233,612</b>

EUR '000

**STATEMENT 6: Summary of all OSCE Statement of Cash Flow**  
for the year ended 31 December 2003

	Total Institutions, Missions and Field Operations	Total Large Missions	Total Unified Budget	IRMA	Total Extra- Budgetary Funds	Total Unified Budget and Extra Budgetary
	2003	2003	2003	2003	2003	2003
<b>EUR '000</b>						
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>						
(Increase) decrease in assessed contributions receivable	807	1,547	2,353	123	0	2,476
(Increase) decrease in accounts receivable	(61)	(59)	(119)	(599)	(75)	(793)
(Increase) decrease in prepaid expenditure and advances	(605)	(1,566)	(2,171)	(662)	0	(2,833)
Increase (decrease) in contributions received in advance	14,080	0	14,080	0	0	14,080
Increase (decrease) in reserve for unliquidated obligations	(251)	(410)	(661)	1,132	344	815
Increase (decrease) in accounts payable	(497)	(498)	(994)	0	(124)	(1,118)
Refund of unspent XB contribution	0	0	0	0	(3,395)	(3,395)
Distribution of Cash Surplus	(2,469)	(10,206)	(12,675)	0	0	(12,675)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>17,702</b>	<b>(6,830)</b>	<b>10,872</b>	<b>(4,855)</b>	<b>(3,408)</b>	<b>2,609</b>
(Increase) Decrease in Unallocated Surplus	(14)	0	(14)	0	0	(14)
(Increase) decrease in inter-fund balances receivable	(806)	4,346	3,539	6,762	3,172	13,474
Increase (decrease) in inter-fund balances payable	(16,506)	1,915	(14,591)	882	236	(13,474)
Increase (decrease) in funds held for third parties	53	(14)	39	0	0	40
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(17,273)</b>	<b>6,246</b>	<b>(11,027)</b>	<b>7,644</b>	<b>3,408</b>	<b>25</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>429</b>	<b>(584)</b>	<b>(155)</b>	<b>2,789</b>	<b>0</b>	<b>2,634</b>

**STATEMENT 7: Summary of all OSCE Statement of Cash Surplus\***  
for the year ended 31 December 2003

	Total Institutions, Missions and Field Operations	Total Large Missions	Total Unified Budget
	2003	2003	2003
<b>EUR '000</b>			
<b>EXCESS OF INCOME OVER EXPENDITURE</b>	<b>6,698</b>	<b>4,363</b>	<b>11,061</b>
Add Contributions Receivable 1. Jan	7,853	6,985	14,838
Less Contributions Receivable at Period End	(7,046)	(5,439)	(12,484)
<b>CASH SURPLUS FOR THE YEAR</b>	<b>7,505</b>	<b>5,909</b>	<b>13,414</b>
Cash Surplus 1. Jan	7,545	22,039	29,585
Less Credits to participating States/Transfers	(2,469)	(10,206)	(12,675)
<b>Cash Surplus at Period End</b>	<b>12,581</b>	<b>17,742</b>	<b>30,323</b>
Add contributions receivable at Period End	7,046	5,439	12,484
<b>Fund Balance at Period End</b>	<b>19,627</b>	<b>23,181</b>	<b>42,807</b>

\* See note 2/7

**STATEMENT 8: Institutions, Missions and Field Operations Statement of Income, Expenditure and Changes in Fund Balance**  
for the Year ended 31 December 2003

	Note	The General Fund		Office for Democratic Institutions and Human Rights		High Commissioner on National Minorities		Representative on Freedom of the Media		Funds Relating to the conflict dealt with by the Minsk conference		Missions and Field Operations		Total Institutions, Missions and Field Operations	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Assessed Contributions	2/5	22,695	20,319	9,629	8,534	2,380	2,119	836	706	1,404	1,615	16,393	14,240	53,335	47,533
Miscellaneous Income	2/5	4,055	3,894	23	9	3	6	0	0	0	12	60	217	4,142	4,138
Currency Exchange Adjustments	2/4	511	(63)	(56)	(23)	(14)	(5)	0	0	(10)	(11)	(189)	(42)	242	(144)
Savings on prior year ULO's	9	48	44	0	20	0	0	15	4	4	1	185	22	252	92
Other Adjustments	10	0	0	1	0	0	0	0	0	0	0	0	0	1	0
<b>TOTAL INCOME</b>	2/5	<b>27,309</b>	<b>24,193</b>	<b>9,597</b>	<b>8,540</b>	<b>2,369</b>	<b>2,120</b>	<b>850</b>	<b>711</b>	<b>1,398</b>	<b>1,618</b>	<b>16,448</b>	<b>14,437</b>	<b>57,972</b>	<b>51,619</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>21,970</b>	<b>19,689</b>	<b>9,323</b>	<b>8,525</b>	<b>2,286</b>	<b>2,061</b>	<b>833</b>	<b>646</b>	<b>1,286</b>	<b>1,460</b>	<b>15,575</b>	<b>13,619</b>	<b>51,274</b>	<b>46,001</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>5,339</b>	<b>4,504</b>	<b>274</b>	<b>15</b>	<b>83</b>	<b>59</b>	<b>17</b>	<b>65</b>	<b>112</b>	<b>158</b>	<b>873</b>	<b>818</b>	<b>6,698</b>	<b>5,618</b>
Less credits to participating States/Transfers	2/7	(1,481)	(628)	(154)	0	(19)	0	(25)	0	(165)	0	(625)	0	(2,469)	(628)
Fund Balance 1 January		9,256	5,380	1,279	1,264	373	314	172	108	667	510	3,651	2,833	15,398	10,408
<b>Fund Balance at Period End</b>		<b>13,114</b>	<b>9,256</b>	<b>1,398</b>	<b>1,279</b>	<b>436</b>	<b>373</b>	<b>165</b>	<b>172</b>	<b>614</b>	<b>667</b>	<b>3,899</b>	<b>3,651</b>	<b>19,627</b>	<b>15,398</b>

EUR '000

**STATEMENT 9: Institutions, Missions and Field Operations Statement of Assets, Liabilities and Fund Balances**  
as at 31 December 2003

	Note	The General Fund		Office for Democratic Institutions and Human Rights		High Commissioner on National Minorities		Representative on Freedom of the Media		Funds Relating to the conflict dealt with by the Minsk conference		Missions and Field Operations		Total Institutions, Missions and Field Operations	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Cash Budgetary	2/3	66,535	67,434	1,105	604	18	406	0	0	44	49	1,015	490	68,718	68,984
Cash Extra-budgetary	2/3	37,624	36,929	0	0	0	0	0	0	0	0	0	0	37,624	36,929
Assessed Contributions Receivable	4	3,027	3,481	1,217	1,309	304	331	94	98	273	332	2,131	2,301	7,046	7,853
Accounts Receivable	5	3,295	3,276	183	113	41	23	0	0	0	0	13	60	3,532	3,472
Prepaid Expenses and Advances	6	204	274	767	212	0	8	0	0	0	0	197	71	1,169	564
Due From Other Funds		3,121	2,448	22	22	134	0	138	107	749	767	1,849	1,862	6,013	5,207
<b>TOTAL ASSETS</b>		<b>113,807</b>	<b>113,842</b>	<b>3,293</b>	<b>2,259</b>	<b>497</b>	<b>769</b>	<b>233</b>	<b>205</b>	<b>1,066</b>	<b>1,149</b>	<b>5,205</b>	<b>4,784</b>	<b>124,102</b>	<b>123,008</b>
Accounts Payable	8	2,431	3,060	446	258	34	32	0	0	1	2	25	81	2,937	3,433
Reserve for unliquidated obligations	9	1,194	1,628	169	82	3	8	68	33	42	71	1,022	928	2,498	2,750
Funds held for third parties	11	2,628	2,485	44	106	0	1	0	0	0	0	9	36	2,681	2,628
Contributions Received in Advance	12	29,853	15,773	0	0	0	0	0	0	409	409	0	0	30,262	16,182
Due To Other Funds		59,446	76,484	1,236	534	23	355	0	0	0	0	250	88	60,955	77,461
<b>TOTAL LIABILITIES</b>		<b>95,551</b>	<b>99,429</b>	<b>1,895</b>	<b>980</b>	<b>61</b>	<b>396</b>	<b>68</b>	<b>33</b>	<b>452</b>	<b>482</b>	<b>1,306</b>	<b>1,134</b>	<b>99,333</b>	<b>102,453</b>
Unallocated surplus	2/7	252	267	0	0	0	0	0	0	0	0	0	0	252	267
Revolving Fund	2/7	2,710	2,710	0	0	0	0	0	0	0	0	0	0	2,710	2,710
Contingency Fund	2/2	2,180	2,180	0	0	0	0	0	0	0	0	0	0	2,180	2,180
Fund Balance		13,114	9,256	1,398	1,279	436	373	165	172	614	667	3,899	3,651	19,627	15,398
<b>TOTAL RESERVES AND FUND BALANCE</b>		<b>18,256</b>	<b>14,413</b>	<b>1,398</b>	<b>1,279</b>	<b>436</b>	<b>373</b>	<b>165</b>	<b>172</b>	<b>614</b>	<b>667</b>	<b>3,899</b>	<b>3,651</b>	<b>24,769</b>	<b>20,555</b>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>113,807</b>	<b>113,842</b>	<b>3,293</b>	<b>2,259</b>	<b>497</b>	<b>769</b>	<b>233</b>	<b>205</b>	<b>1,066</b>	<b>1,149</b>	<b>5,205</b>	<b>4,784</b>	<b>124,102</b>	<b>123,008</b>

EUR '000



**STATEMENT 10: Institutions, Missions and Field Operations Statement of Cash Flow**  
for the year ended 31 December 2003

	The General Fund	Office for Democratic Institutions and Human Rights	High Commissioner on National Minorities	Representative on Freedom of the Media	Funds Relating to the conflict dealt with by the Minsk conference	Missions and Field Operations	Total Institutions, Missions and Field Operations
	2003	2003	2003	2003	2003	2003	2003
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>							
(Increase) decrease in assessed contributions receivable	5,339	274	83	17	112	873	6,698
(Increase) decrease in accounts receivable	454	92	28	3	59	170	807
(Increase) decrease in prepaid expenditure and advances	(20)	(70)	(17)	0	0	47	(61)
Increase (decrease) in contributions received in advance	70	(555)	8	0	0	(127)	(605)
Increase (decrease) in reserve for unliquidated obligations	14,080	0	0	0	0	0	14,080
Increase (decrease) in accounts payable	(434)	87	(5)	35	(29)	94	(251)
Distribution of Cash Surplus	(629)	187	3	0	(1)	(57)	(497)
	(1,481)	(154)	(19)	(25)	(165)	(625)	(2,469)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>17,379</b>	<b>(139)</b>	<b>80</b>	<b>31</b>	<b>(24)</b>	<b>376</b>	<b>17,702</b>
(Increase) Decrease in Unallocated Surplus	(14)	0	0	0	0	0	(14)
(Increase) decrease in inter-fund balances receivable	(673)	0	(134)	(31)	19	14	(806)
Increase (decrease) in inter-fund balances payable	(17,038)	703	(333)	0	0	162	(16,506)
Increase (decrease) in funds held for third parties	143	(62)	(1)	0	0	(27)	53
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(17,563)</b>	<b>640</b>	<b>(468)</b>	<b>(31)</b>	<b>19</b>	<b>149</b>	<b>(17,273)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(204)</b>	<b>501</b>	<b>(388)</b>	<b>0</b>	<b>(5)</b>	<b>525</b>	<b>429</b>

EUR '000

**STATEMENT 11: Institutions, Missions and Field Operations Statement of Cash Surplus\***  
for the year ended 31 December 2003

	The General Fund		Office for Democratic Institutions and Human Rights		High Commissioner on National Minorities		Representative on Freedom of the Media		Funds Relating to the conflict dealt with by the Minsk conference		Missions and Field Operations		Total Institutions, Missions and Field Operations	
	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003
<b>EXCESS OF INCOME OVER EXPENDITURE</b>														
Add Contributions Receivable 1. Jan	5,339	274	83	17	112	873	6,698							
Less Contributions Receivable at Period End	3,481	1,309	331	98	332	2,301	7,853							
	(3,027)	(1,217)	(304)	(94)	(273)	(2,131)	(7,046)							
<b>CASH SURPLUS FOR THE YEAR</b>	<b>5,793</b>	<b>366</b>	<b>110</b>	<b>21</b>	<b>171</b>	<b>1,044</b>	<b>7,505</b>							
Cash Surplus 1. Jan	5,775	(30)	41	75	335	1,350	7,545							
Less Credits to participating States / Transfers	(1,481)	(154)	(19)	(25)	(165)	(625)	(2,469)							
<b>Cash Surplus at Period End</b>	<b>10,087</b>	<b>182</b>	<b>132</b>	<b>71</b>	<b>341</b>	<b>1,768</b>	<b>12,581</b>							
Add contributions receivable at Period End	3,027	1,217	304	94	273	2,131	7,046							
<b>Fund Balance at Period End</b>	<b>13,114</b>	<b>1,398</b>	<b>436</b>	<b>165</b>	<b>614</b>	<b>3,899</b>	<b>19,627</b>							

\* See note 2/7

**STATEMENT 12: Missions and Field Operations Part 1 Statement of Income, Expenditure and Changes in Fund Balance**  
for the year ended 31 December 2003

	Note	Office in Minsk/ Advisory and Monitoring Group to Belarus		Assistance Group to Chechnya		OSCE Centre in Tashkent		Centre in Almaty		Centre in Ashgabad		Centre in Bishkek	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Assessed Contributions	2/5	833	679	207	1,772	943	582	1,174	630	705	488	1,316	792
Miscellaneous Income	2/5	12	29	11	34	0	0	0	0	0	0	0	0
Currency Exchange Adjustments	2/4	(2)	3	(8)	(11)	(15)	10	(35)	(5)	(1)	(2)	(18)	(15)
Savings on prior year ULO's	9	1	0	157	0	2	(1)	2	0	3	0	1	7
<b>TOTAL INCOME</b>	2/5	<b>844</b>	<b>711</b>	<b>368</b>	<b>1,795</b>	<b>930</b>	<b>591</b>	<b>1,141</b>	<b>625</b>	<b>706</b>	<b>486</b>	<b>1,299</b>	<b>784</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>740</b>	<b>658</b>	<b>205</b>	<b>1,540</b>	<b>882</b>	<b>566</b>	<b>1,071</b>	<b>594</b>	<b>631</b>	<b>474</b>	<b>1,261</b>	<b>757</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>104</b>	<b>53</b>	<b>163</b>	<b>255</b>	<b>48</b>	<b>25</b>	<b>70</b>	<b>31</b>	<b>76</b>	<b>12</b>	<b>39</b>	<b>26</b>
Less credits to participating States/Transfers	2/7	(49)	0	(114)	0	(99)	0	(21)	0	(11)	0	(8)	0
Fund Balance 1 January		250	197	619	364	206	181	108	77	87	75	120	94
<b>Fund Balance at Period End</b>		<b>305</b>	<b>250</b>	<b>668</b>	<b>619</b>	<b>155</b>	<b>206</b>	<b>157</b>	<b>108</b>	<b>152</b>	<b>87</b>	<b>151</b>	<b>120</b>

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**STATEMENT 13: Missions and Field Operations Part 1 Statement of Assets, Liabilities and Fund Balances**  
as at 31 December 2003

	Note	Office in Minsk/ Advisory and Monitoring Group to Belarus		Assistance Group to Chechnya		OSCE Centre in Tashkent		Centre in Almaty		Centre in Ashgabad		Centre in Bishkek	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Cash Budgetary	2/3	47	4	0	51	16	46	124	24	16	14	197	65
Assessed Contributions Receivable	4	121	130	182	281	93	85	90	71	70	67	116	101
Accounts Receivable	5	0	0	0	0	0	4	0	0	1	0	0	0
Prepaid Expenses and Advances	6	32	0	0	0	38	1	60	3	0	0	2	16
Due From Other Funds		120	139	485	582	70	85	0	32	77	20	0	0
<b>TOTAL ASSETS</b>		<b>320</b>	<b>274</b>	<b>668</b>	<b>914</b>	<b>217</b>	<b>220</b>	<b>275</b>	<b>129</b>	<b>164</b>	<b>102</b>	<b>316</b>	<b>182</b>
Accounts Payable	8	0	0	0	0	0	0	0	0	3	0	1	0
Reserve for unliquidated obligations	9	15	20	0	296	62	14	74	14	8	14	121	12
Funds held for third parties	11	0	3	0	0	0	0	1	7	0	0	0	0
Due To Other Funds		0	0	0	0	0	0	43	0	0	0	43	49
<b>TOTAL LIABILITIES</b>		<b>15</b>	<b>24</b>	<b>0</b>	<b>296</b>	<b>62</b>	<b>14</b>	<b>118</b>	<b>21</b>	<b>12</b>	<b>14</b>	<b>165</b>	<b>62</b>
Fund Balance		305	250	668	619	155	206	157	108	152	87	151	120
<b>TOTAL FUND BALANCE</b>		<b>305</b>	<b>250</b>	<b>668</b>	<b>619</b>	<b>155</b>	<b>206</b>	<b>157</b>	<b>108</b>	<b>152</b>	<b>87</b>	<b>151</b>	<b>120</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>320</b>	<b>274</b>	<b>668</b>	<b>914</b>	<b>217</b>	<b>220</b>	<b>275</b>	<b>129</b>	<b>164</b>	<b>102</b>	<b>316</b>	<b>182</b>

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**STATEMENT 14: Missions and Field Operations Part 2 Statement of Income, Expenditure and Changes in Fund Balance**  
for the year ended 31 December 2003

	Note	Mission to Moldova		Centre in Dushanbe		Office in Baku		Office in Yerevan		Presence in Albania	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Assessed Contributions	2/5	1,115	761	2,674	2,082	1,278	769	933	603	3,949	4,002
Miscellaneous Income	2/5	5	0	16	4	1	0	2	0	7	131
Currency Exchange Adjustments	2/4	(3)	(4)	(37)	(22)	(19)	(7)	(17)	(6)	(7)	22
Savings on prior year ULO's	9	1	0	2	6	2	1	0	0	13	23
<b>TOTAL INCOME</b>	2/5	<b>1,118</b>	<b>758</b>	<b>2,655</b>	<b>2,070</b>	<b>1,262</b>	<b>763</b>	<b>918</b>	<b>597</b>	<b>3,962</b>	<b>4,177</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>1,101</b>	<b>761</b>	<b>2,417</b>	<b>2,028</b>	<b>1,197</b>	<b>725</b>	<b>921</b>	<b>598</b>	<b>3,926</b>	<b>3,904</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>18</b>	<b>(3)</b>	<b>238</b>	<b>42</b>	<b>65</b>	<b>38</b>	<b>(3)</b>	<b>(1)</b>	<b>36</b>	<b>273</b>
Less credits to participating States/Transfers	2/7	(13)	0	16	0	(1)	0	(37)	0	(53)	0
Fund Balance 1 January		131	133	299	257	113	75	105	106	898	626
<b>Fund Balance at Period End</b>		<b>135</b>	<b>131</b>	<b>552</b>	<b>299</b>	<b>177</b>	<b>113</b>	<b>66</b>	<b>105</b>	<b>881</b>	<b>898</b>

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**STATEMENT 15: Missions and Field Operations Part 2 Statement of Assets, Liabilities and Fund Balances**  
as at 31 December 2003

	Note	Mission to Moldova		Centre in Dushanbe		Office in Baku		Office in Yerevan		Presence in Albania	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Cash Budgetary	2/3	39	26	153	65	65	23	48	19	227	71
Assessed Contributions Receivable	4	127	131	293	302	105	88	89	79	544	607
Accounts Receivable	5	34	1	0	0	0	0	0	2	(24)	51
Prepaid Expenses and Advances	6	5	3	1	11	40	0	0	16	9	11
Due From Other Funds		0	69	168	123	55	16	0	0	660	474
<b>TOTAL ASSETS</b>		<b>206</b>	<b>229</b>	<b>615</b>	<b>500</b>	<b>265</b>	<b>127</b>	<b>137</b>	<b>117</b>	<b>1,417</b>	<b>1,214</b>
Accounts Payable	8	15	57	0	0	1	0	0	0	3	24
Reserve for unliquidated obligations	9	26	41	62	201	88	15	11	7	525	266
Funds held for third parties	11	0	0	0	0	0	0	0	0	8	25
Due To Other Funds		29	0	0	0	0	0	60	4	0	0
<b>TOTAL LIABILITIES</b>		<b>70</b>	<b>99</b>	<b>62</b>	<b>201</b>	<b>88</b>	<b>15</b>	<b>71</b>	<b>11</b>	<b>535</b>	<b>316</b>
Fund Balance		135	131	552	299	177	113	66	105	881	898
<b>TOTAL FUND BALANCE</b>		<b>135</b>	<b>131</b>	<b>552</b>	<b>299</b>	<b>177</b>	<b>113</b>	<b>66</b>	<b>105</b>	<b>881</b>	<b>898</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>206</b>	<b>229</b>	<b>615</b>	<b>500</b>	<b>265</b>	<b>127</b>	<b>137</b>	<b>117</b>	<b>1,417</b>	<b>1,214</b>

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**STATEMENT 16: Missions and Field Operations Part 3 Statement of Income, Expenditure and Changes in Fund Balance**  
for the year ended 31 December 2003

	Note	Project Co-ordinator in Ukraine		Representative to the Estonian Commission on Military Pensioners		Representative to the Latvian-Russian JC on Military Pensioners		Closed Field Operations Funds		Total OSCE Missions and Field Operations	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Assessed Contributions	2/5	1,136	623	120	111	12	9	0	337	16,393	14,240
Miscellaneous Income	2/5	5	1	0	0	0	0	0	17	60	217
Currency Exchange Adjustments	2/4	(28)	(9)	0	0	0	0	0	6	(189)	(42)
Savings on prior year ULO's	9	0	4	0	0	0	0	0	(18)	185	22
<b>TOTAL INCOME</b>	2/5	<b>1,114</b>	<b>618</b>	<b>120</b>	<b>110</b>	<b>12</b>	<b>9</b>	<b>0</b>	<b>343</b>	<b>16,448</b>	<b>14,437</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>1,104</b>	<b>585</b>	<b>109</b>	<b>100</b>	<b>10</b>	<b>8</b>	<b>0</b>	<b>322</b>	<b>15,575</b>	<b>13,619</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>9</b>	<b>33</b>	<b>10</b>	<b>11</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>21</b>	<b>873</b>	<b>818</b>
Less credits to participating states / transfers	2/7	(54)	0	(12)	0	0	0	(170)	0	(625)	0
Fund Balance 1 January		197	164	41	31	1	0	475	454	3,651	2,833
<b>Fund Balance at Period End</b>		<b>153</b>	<b>197</b>	<b>39</b>	<b>41</b>	<b>2</b>	<b>1</b>	<b>305</b>	<b>475</b>	<b>3,899</b>	<b>3,651</b>

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**STATEMENT 17: Missions and Field Operations Part 3 Statement of Assets, Liabilities and Fund Balances**  
as at 31 December 2003

	Note	Project Co-ordinator in Ukraine		Representative to the Estonian Commission on Military Pensioners		Representative to the Latvian-Russian JC on Military Pensioners		Closed Field Operations Funds		Total OSCE Missions and Field Operations	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Cash Budgetary	2/3		73	20	10	0	0	0	0	1,015	490
Assessed Contributions Receivable	4	122	114	17	20	1	1	162	226	2,131	2,301
Accounts Receivable	5	2	1	0	0	0	0	0	0	13	60
Prepaid Expenses and Advances	6	8	6	1	2	0	0	0	0	197	71
Due From Other Funds		0	26	4	11	4	0	207	286	1,849	1,862
<b>TOTAL ASSETS</b>		<b>193</b>	<b>220</b>	<b>42</b>	<b>43</b>	<b>4</b>	<b>1</b>	<b>368</b>	<b>511</b>	<b>5,205</b>	<b>4,784</b>
Accounts Payable	8	2	0	0	0	0	0	0	0	25	81
Reserve for unliquidated obligations	9	26	23	2	2	2	0	0	1	1,022	928
Funds held for third parties	11	0	0	0	0	0	0	0	0	9	36
Due To Other Funds	12	12	0	0	0	0	0	63	35	250	88
<b>TOTAL LIABILITIES</b>		<b>40</b>	<b>23</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>63</b>	<b>36</b>	<b>1,306</b>	<b>1,134</b>
Fund Balance		153	197	39	41	2	1	305	475	3,899	3,651
<b>TOTAL FUND BALANCE</b>		<b>153</b>	<b>197</b>	<b>39</b>	<b>41</b>	<b>2</b>	<b>1</b>	<b>305</b>	<b>475</b>	<b>3,899</b>	<b>3,651</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>193</b>	<b>220</b>	<b>42</b>	<b>43</b>	<b>4</b>	<b>1</b>	<b>368</b>	<b>511</b>	<b>5,205</b>	<b>4,784</b>

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**STATEMENT 18: Large Missions Statement of Income, Expenditure and Changes in Fund Balance**  
for the year ended 31 December 2003

	Note	Mission to Croatia		Tasks in Bosnia and Herzegovina		Mission in Kosovo		Spillover Monitor Mission to Skopje		Mission to Serbia and Montenegro		Mission to Georgia		Total Large Missions	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Assessed Contributions	2/5	10,418	11,161	20,044	20,022	42,478	58,216	14,720	18,450	8,604	8,261	20,566	11,307	116,829	127,417
Miscellaneous Income	2/5	20	20	224	34	235	532	7	8	16	18	1	1	504	614
Currency Exchange Adjustments	2/4	(10)	27	0	0	10	(50)	6	18	(6)	8	(14)	(34)	(14)	(31)
Savings on prior year ULO's	9	8	8	19	15	720	2,222	213	128	47	64	238	114	1,245	2,551
Other Adjustments	10	0	0	0	0	0	19	0	0	0	0	0	0	0	19
<b>TOTAL INCOME</b>	2/5	<b>10,436</b>	<b>11,216</b>	<b>20,287</b>	<b>20,072</b>	<b>43,443</b>	<b>60,939</b>	<b>14,946</b>	<b>18,604</b>	<b>8,661</b>	<b>8,351</b>	<b>20,791</b>	<b>11,388</b>	<b>118,564</b>	<b>130,570</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>10,281</b>	<b>10,933</b>	<b>19,877</b>	<b>19,526</b>	<b>42,160</b>	<b>54,454</b>	<b>14,354</b>	<b>17,950</b>	<b>8,107</b>	<b>7,708</b>	<b>19,423</b>	<b>10,951</b>	<b>114,202</b>	<b>121,521</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>155</b>	<b>283</b>	<b>411</b>	<b>546</b>	<b>1,282</b>	<b>6,486</b>	<b>592</b>	<b>654</b>	<b>554</b>	<b>643</b>	<b>1,368</b>	<b>437</b>	<b>4,363</b>	<b>9,049</b>
Less credits to participating States/Transfers	2/7	(1,542)	(2,136)	(4,035)	1,027	(6,854)	(8,486)	1,367	0	616	0	243	0	(10,206)	(9,595)
Fund Balance 1 January		2,405	4,258	6,115	4,541	17,085	19,085	969	315	853	210	1,598	1,160	29,024	29,570
<b>Fund Balance at Period End</b>		<b>1,018</b>	<b>2,405</b>	<b>2,490</b>	<b>6,115</b>	<b>11,513</b>	<b>17,085</b>	<b>2,929</b>	<b>969</b>	<b>2,023</b>	<b>853</b>	<b>3,209</b>	<b>1,598</b>	<b>23,181</b>	<b>29,024</b>

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## STATEMENT 19: Large Missions Statement of Assets, Liabilities and Fund Balances

as at 31 December 2003

	Note	Mission to Croatia		Tasks in Bosnia and Herzegovina		Mission in Kosovo		Spillover Monitor Mission to Skopje		Mission to Serbia and Montenegro		Mission to Georgia		Total Large Missions	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Cash Budgetary	2/3	163	96	579	1,039	969	1,053	403	397	296	306	392	496	2,803	3,387
Assessed Contributions Receivable	4	432	535	1,078	1,381	1,748	2,230	564	720	516	760	1,100	1,359	5,439	6,985
Accounts Receivable	5	0	0	79	41	64	111	273	204	2	2	0	1	418	359
Prepaid Expenses and Advances	6	520	78	165	24	294	233	147	110	129	35	956	164	2,211	644
Due From Other Funds		11,001	10,887	2,216	4,696	29,050	35,186	2,981	1,090	1,594	342	2,593	1,579	49,434	53,780
<b>TOTAL ASSETS</b>		<b>12,117</b>	<b>11,596</b>	<b>4,116</b>	<b>7,180</b>	<b>32,126</b>	<b>38,813</b>	<b>4,368</b>	<b>2,521</b>	<b>2,536</b>	<b>1,446</b>	<b>5,041</b>	<b>3,599</b>	<b>60,304</b>	<b>65,155</b>
Accounts Payable	8	61	67	633	598	1,166	1,593	39	(27)	81	177	275	343	2,253	2,751
Reserve for unliquidated obligations	9	751	459	983	442	3,006	3,694	1,324	1,516	372	416	1,340	1,659	7,775	8,185
Funds held for third parties	11	0	0	11	26	0	0	63	62	0	0	0	0	74	88
Due To Other Funds		10,287	8,665	0	0	16,441	16,441	15	0	61	0	218	0	27,021	25,106
<b>TOTAL LIABILITIES</b>		<b>11,098</b>	<b>9,191</b>	<b>1,627</b>	<b>1,066</b>	<b>20,613</b>	<b>21,728</b>	<b>1,440</b>	<b>1,551</b>	<b>513</b>	<b>593</b>	<b>1,832</b>	<b>2,002</b>	<b>37,123</b>	<b>36,130</b>
Fund Balance		1,018	2,405	2,490	6,115	11,513	17,085	2,929	969	2,023	853	3,209	1,598	23,181	29,024
<b>TOTAL FUND BALANCE</b>		<b>1,018</b>	<b>2,405</b>	<b>2,490</b>	<b>6,115</b>	<b>11,513</b>	<b>17,085</b>	<b>2,929</b>	<b>969</b>	<b>2,023</b>	<b>853</b>	<b>3,209</b>	<b>1,598</b>	<b>23,181</b>	<b>29,024</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>12,117</b>	<b>11,596</b>	<b>4,116</b>	<b>7,180</b>	<b>32,126</b>	<b>38,813</b>	<b>4,368</b>	<b>2,521</b>	<b>2,536</b>	<b>1,446</b>	<b>5,041</b>	<b>3,599</b>	<b>60,304</b>	<b>65,155</b>

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**STATEMENT 20: Large Missions Statement of Cash Flow**  
for the year ended 31 December 2003

	Mission to Croatia	Tasks in Bosnia and Herzegovina	Mission in Kosovo	Spillover Monitor Mission to Skopje	Mission to Serbia and Montenegro	Mission to Georgia	Total Large Missions
	2003	2003	2003	2003	2003	2003	2003
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>	155	411	1,282	592	554	1,368	4,363
(Increase) decrease in assessed contributions receivable	103	303	482	155	245	259	1,547
(Increase) decrease in accounts receivable	0	(38)	47	(69)	0	1	(59)
(Increase) decrease in prepaid expenditure and advances	(442)	(140)	(61)	(37)	(93)	(792)	(1,566)
Increase (decrease) in contributions received in advance	0	0	0	0	0	0	0
Increase (decrease) in reserve for unliquidated obligations	292	541	(689)	(192)	(44)	(318)	(410)
Increase (decrease) in accounts payable	(6)	35	(427)	66	(96)	(69)	(498)
Distribution of Cash Surplus	(1,542)	(4,035)	(6,854)	1,367	616	243	(10,206)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(1,440)</b>	<b>(2,924)</b>	<b>(6,220)</b>	<b>1,881</b>	<b>1,181</b>	<b>691</b>	<b>(6,830)</b>
(Increase) Decrease in Unallocated Surplus	0	0	0	0	0	0	0
(Increase) decrease in inter-fund balances receivable	(114)	2,479	6,136	(1,890)	(1,252)	(1,013)	4,346
Increase (decrease) in inter-fund balances payable	1,622	0	0	15	61	218	1,915
Increase (decrease) in funds held for third parties	0	(15)	0	1	0	0	(14)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>1,507</b>	<b>2,464</b>	<b>6,136</b>	<b>(1,875)</b>	<b>(1,191)</b>	<b>(795)</b>	<b>6,246</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>67</b>	<b>(460)</b>	<b>(84)</b>	<b>6</b>	<b>(10)</b>	<b>(104)</b>	<b>(584)</b>

EUR '000

**STATEMENT 21: Large Missions Statement of Cash Surplus\***  
for the year ended 31 December 2003

	Mission to Croatia	Tasks in Bosnia and Herzegovina	Mission in Kosovo	Spillover Mission to Skopje	Mission to Serbia and Montenegro	Mission to Georgia	Total Large Missions
	2003	2003	2003	2003	2003	2003	2003
<b>EXCESS OF INCOME OVER EXPENDITURE</b>							
Add Contributions Receivable 1. Jan	155	411	1,282	592	554	1,368	4,363
Less Contributions Receivable at Period End	(432)	(1,078)	(1,748)	(564)	(516)	(1,100)	(5,439)
<b>CASH SURPLUS FOR THE YEAR</b>	<b>258</b>	<b>713</b>	<b>1,764</b>	<b>748</b>	<b>799</b>	<b>1,627</b>	<b>5,909</b>
Cash Surplus 1. Jan	1,870	4,734	14,855	250	93	239	22,039
Less Credits to participating States / Transfers	(1,542)	(4,035)	(6,854)	1,367	616	243	(10,206)
<b>Cash Surplus at Period End</b>	<b>586</b>	<b>1,412</b>	<b>9,765</b>	<b>2,364</b>	<b>1,507</b>	<b>2,109</b>	<b>17,742</b>
Add contributions receivable at Period End	432	1,078	1,748	564	516	1,100	5,439
<b>Fund Balance at Period End</b>	<b>1,018</b>	<b>2,490</b>	<b>11,513</b>	<b>2,929</b>	<b>2,023</b>	<b>3,209</b>	<b>23,181</b>

EUR '000

\* See note 2/7

## STATEMENT 22: Extra-budgetary Part 1 Statement of Income, Expenditure and Changes in Fund Balance

for the year ended 31 December 2003

	Note	Funds to support OSCE action for peace, democracy and stability in BiH		Fund to Foster the Integration of Recently Admitted Participating States		Fund for Activities Relating to Economic and Environmental Aspects of Security		Fund for Activities Related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova	
		2003	2002	2003	2002	2003	2002	2003	2002
Extrabudgetary Contributions	3	1,879	5,656	35	40	301	481	51	16,938
Miscellaneous Income	2/5	0	0	0	0	0	0	0	0
Currency Exchange Adjustments	9	0	0	0	0	0	0	(1,886)	0
Savings on prior year ULO's	10	2	0	0	0	0	0	0	0
Other Adjustments		(463)	(209)	0	8	37	(11)	0	0
<b>TOTAL INCOME</b>	2/5	<b>1,417</b>	<b>5,447</b>	<b>35</b>	<b>48</b>	<b>338</b>	<b>470</b>	<b>(1,835)</b>	<b>16,938</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>1,621</b>	<b>4,515</b>	<b>64</b>	<b>65</b>	<b>230</b>	<b>245</b>	<b>1,795</b>	<b>3,609</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>(204)</b>	<b>932</b>	<b>(29)</b>	<b>(17)</b>	<b>107</b>	<b>225</b>	<b>(3,630)</b>	<b>13,329</b>
Refund of unspent XB contributions to Donors		(287)	0	0	0	(9)	0	(1,586)	0
Fund Balance 1 January		2,996	2,064	119	136	555	330	17,513	4,184
<b>Fund Balance at Period End</b>		<b>2,506</b>	<b>2,996</b>	<b>90</b>	<b>119</b>	<b>653</b>	<b>555</b>	<b>12,297</b>	<b>17,513</b>

EUR '000

**STATEMENT 23: Extra-budgetary Part 1 Statement of Assets, Liabilities and Fund Balances**  
as at 31 December 2003

	Note	Funds to support OSCE action for peace, democracy and stability in BiH		Fund to Foster the Integration of Recently Admitted Participating States		Fund for Activities Relating to Economic and Environmental Aspects of Security		Fund for Activities Related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova	
		2003	2002	2003	2002	2003	2002	2003	2002
Accounts Receivable	5	239	164	0	0	0	0	0	0
Prepaid Expenses and Advances	6	85	85	0	0	0	0	0	0
Due From Other Funds		2,665	3,202	90	120	685	585	12,297	17,712
<b>TOTAL ASSETS</b>		<b>2,990</b>	<b>3,452</b>	<b>90</b>	<b>120</b>	<b>685</b>	<b>585</b>	<b>12,297</b>	<b>17,712</b>
Accounts Payable	8	13	13	0	0	0	0	0	0
Reserve for unliquidated obligations	9	28	84	0	1	0	1	0	199
Due To Other Funds		443	359	0	0	31	29	0	0
<b>TOTAL LIABILITIES</b>		<b>484</b>	<b>456</b>	<b>0</b>	<b>1</b>	<b>32</b>	<b>30</b>	<b>0</b>	<b>199</b>
Fund Balance		2,506	2,996	90	119	653	555	12,297	17,513
<b>TOTAL FUND BALANCE</b>		<b>2,506</b>	<b>2,996</b>	<b>90</b>	<b>119</b>	<b>653</b>	<b>555</b>	<b>12,297</b>	<b>17,513</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>2,990</b>	<b>3,452</b>	<b>90</b>	<b>120</b>	<b>685</b>	<b>585</b>	<b>12,297</b>	<b>17,712</b>

EUR '000

## STATEMENT 24: Extra-budgetary Part 2 Statement of Income, Expenditure and Changes in Fund Balance

for the year ended 31 December 2003

	Note	Fund Relating to the Stability Pact for South Eastern Europe		Fund for Activities related to the Reduction of Military Forces and Equipment from Georgia		Bishkek Conference		Other Activities and Special Projects		Total Extra-Budgetary Funds	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Extrabudgetary Contributions	3	9	193	553	679	2	78	18,583	19,588	21,413	43,654
Miscellaneous Income	2/5	0	0	0	0	0	0	0	0	0	0
Currency Exchange Adjustments		0	0	0	0	0	0	0	0	(1,886)	0
Savings on prior year ULO's	9	0	1	0	0	0	2	41	72	43	75
Other Adjustments		(39)	(1)	0	0	0	0	118	(522)	(347)	(735)
<b>TOTAL INCOME</b>	2/5	<b>(30)</b>	<b>193</b>	<b>553</b>	<b>679</b>	<b>2</b>	<b>80</b>	<b>18,743</b>	<b>19,139</b>	<b>19,223</b>	<b>42,994</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>154</b>	<b>874</b>	<b>281</b>	<b>354</b>	<b>0</b>	<b>11</b>	<b>15,237</b>	<b>14,344</b>	<b>19,382</b>	<b>24,017</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>(184)</b>	<b>(681)</b>	<b>272</b>	<b>326</b>	<b>2</b>	<b>68</b>	<b>3,506</b>	<b>4,794</b>	<b>(159)</b>	<b>18,976</b>
Refund of unspent XB contributions to Donors		0	0	0	0	0	0	(1,513)	0	(3,395)	0
Fund Balance 1 January		459	1,139	746	421	24	(44)	12,844	8,050	35,256	16,280
<b>Fund Balance at Period End</b>		<b>275</b>	<b>459</b>	<b>1,018</b>	<b>746</b>	<b>26</b>	<b>24</b>	<b>14,837</b>	<b>12,844</b>	<b>31,702</b>	<b>35,256</b>

EUR '000

**STATEMENT 25: Extra-budgetary Part 2 Statement of Assets, Liabilities and Fund Balances**  
as at 31 December 2003

	Note	Fund Relating to the Stability Pact for South Eastern Europe		Fund for Activities related to the Reduction of Military Forces and Equipment from Georgia		Bishkek Conference		Other Activities and Special Projects		Total Extra-Budgetary Funds	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Accounts Receivable	5	0	0	0	0	0	0	2	2	241	166
Prepaid Expenses and Advances	6	0	0	0	0	0	0	0	0	85	85
Due From Other Funds		275	459	1,547	1,099	26	24	17,556	15,113	35,140	38,313
<b>TOTAL ASSETS</b>		<b>275</b>	<b>459</b>	<b>1,547</b>	<b>1,099</b>	<b>26</b>	<b>24</b>	<b>17,558</b>	<b>15,115</b>	<b>35,467</b>	<b>38,565</b>
Accounts Payable	8	0	0	0	0	0	0	625	749	638	762
Reserve for unliquidated obligations	9	0	0	73	0	0	0	1,296	767	1,397	1,053
Due To Other Funds		0	0	456	352	0	0	800	755	1,730	1,494
<b>TOTAL LIABILITIES</b>		<b>0</b>	<b>0</b>	<b>529</b>	<b>352</b>	<b>0</b>	<b>0</b>	<b>2,721</b>	<b>2,270</b>	<b>3,765</b>	<b>3,309</b>
Fund Balance		275	459	1,018	746	26	24	14,837	12,844	31,702	35,256
<b>TOTAL FUND BALANCE</b>		<b>275</b>	<b>459</b>	<b>1,018</b>	<b>746</b>	<b>26</b>	<b>24</b>	<b>14,837</b>	<b>12,844</b>	<b>31,702</b>	<b>35,256</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>275</b>	<b>459</b>	<b>1,547</b>	<b>1,099</b>	<b>26</b>	<b>24</b>	<b>17,568</b>	<b>15,115</b>	<b>35,467</b>	<b>38,565</b>

EUR '000



## Chapter IV - Notes to the Financial Statements

# Notes to the Financial Statements

## Note 1 - Objectives

Since the beginning of the Helsinki process in 1973, the Conference for Security and Co-operation in Europe (CSCE) and now the Organization for Security and Co-operation in Europe (OSCE), has taken a broad and comprehensive view of security.

The OSCE has a comprehensive and co-operative approach to security that integrates politico-military, economic and environment and human dimension issues. In this endeavour the OSCE is engaged in a wide range of operational activities that address security issues including arms control, preventive diplomacy, confidence and security-building measures, human rights, police development, rule of law, border monitoring, anti-terrorism measures, election monitoring and economic and environmental aspects of security.

Its 55 participating States cover continental Europe, the Caucasus, Central Asia and North America, and it co-operates with Mediterranean and Asian partners. Within its region, the OSCE is a primary instrument for early warning, conflict prevention, crisis management and post-conflict rehabilitation.

## Note 2 - Significant Accounting Policies

### 1) Basis of presentation

The financial statements of the Organization are presented in thousands of Euro and are prepared in accordance with the Financial Regulations and with stated accounting policies.

### 2) Fund Accounting

The OSCE operates a system of fund accounting and the resulting financial statements present the financial results of budgetary Funds approved under PC.DEC/527 dated 30 December 2002 and subsequent budget revisions, the IRMA Fund and extra-budgetary Funds. The following Funds were operated during the year:

#### a) Standard Scale Funds: Assessed Contributions

These Funds are financed from the Revised Standard Scale of Contributions (PC.DEC 468 dated 11 April 2002).

- The General Fund
- Office for Democratic Institutions and Human Rights (ODIHR)
- High Commissioner on National Minorities (HCNM)
- Representative on Freedom of the Media
- Funds Relating to the Conflict dealt with by the OSCE Minsk Conference
- Centre in Almaty
- Centre in Ashgabad
- Centre in Bishkek
- Centre in Tashkent
- Centre in Dushanbe
- Representative to the Estonian Commission on Military Pensioners
- Representative to the Latvian-Russian JC on Military Pensioners
- Office in Minsk<sup>2</sup>
- Project Co-ordinator in Ukraine
- Mission to Moldova
- Office in Yerevan
- Office in Baku
- Assistance Group to Chechnya<sup>3</sup>
- Presence in Albania

<sup>2</sup> The Advisory and Monitoring Group in Belarus was closed on 31 December 2002 and the OSCE Office in Minsk was opened on 1 January 2003 (PC.DEC/526, 30 December 2002).

<sup>3</sup> The mandate of the Assistance Group to Chechnya expired on 31 December 2002 and only a closure budget was approved for 2003.

Missions and Field Operations whose mandate has expired for one financial year are grouped under "Closed Field Operations Funds".

This includes the following Funds:

- Kosovo, Sandjak and Vojvodina
- Mission to Estonia
- Expert Mission to Ukraine
- Mission to Latvia
- Representative to the Joint Committee on the Skundra Radar Station
- Sanctions Assistance Missions
- Action Against Terrorism Fund.

#### b) Scale for Large OSCE Missions and Projects

The following Funds are financed from the Scale for Large OSCE Missions and Projects (PC.DEC/408 dated 05 April 2001).

- Mission to Serbia and Montenegro
- Mission to Croatia
- Spillover Monitor Mission to Skopje
- Tasks in Bosnia and Herzegovina
- Mission in Kosovo
- Mission to Georgia.

#### c) Revolving and Contingency Funds

• The Revolving Fund, amounting to EUR 2.7 million was established by the Permanent Council (PC.DEC/133, 27 June 1996) to meet the short-term cash requirements of duly authorised OSCE activities that could result from the period between the billing and payment of assessed contributions.

• The Contingency Fund, amounting to EUR 2.18 million was established by the Permanent Council (PC.DEC/182, 17 July 1997) to allow OSCE to act immediately after the adoption of a Permanent Council decision on a new activity and to cover the corresponding financial requirements prior to the approval of the relevant supplementary budget.

Neither the Revolving Fund nor the Contingency Fund were utilized during the 2003 Financial Year.

The Statement of Cash Flows for the Revolving and Contingency Funds for the year ending 31 December 2003, expressed in thousands of Euro, is as follows:

EUR '000	Revolving Fund	Contingency Fund
Balance 1 January 2003	2,710	2,180
Cash Outflow	-	-
Cash Inflow	-	-
Balance 31 December 2003	2,710	2,180

#### d) IRMA

The Integrated Resource Management (IRMA) Fund, amounting to EUR 6.9 million, was established by the Permanent Council (PC.DEC/493, 25 July 2002) for the development and implementation of the IRMA system. The Fund covers a project implementation period of three years with the balance carried forward from one year to the next. Total expenditure for 2003 amounted to EUR 4,848 thousand with details below. The closing Fund balance at 31 December 2003 is EUR 2,037 thousand (6,885 - 4,848).

#### IRMA Fund Expenditure for 2003

Staff Costs	236
Consultancy Services	4,140
Investment Costs	265
Training Activities	208
<b>Total</b>	<b>4,848</b>

## e) Extra-budgetary Funds (see Note 3)

### 3) Cash

Cash is managed centrally to ensure the safekeeping of funds and to reduce exchange rate and interest rate exposure (Financial Instructions 7/2001 on Bank Accounts and 10/2001 on Cash). Cash, bank balances and short-term investments as at 31 December 2003 amounted to EUR 111.9 million. EUR 71.5 million of this amount is in respect of budgetary funds (including Revolving, Contingency Funds), EUR 37.6 million is held in a separate bank account for extra-budgetary contributions and EUR 2.8 million is held in a separate bank account for the IRMA Fund. After the final adjustments were made and the accounts closed, the actual net amount due from the General Fund to all Extra-budgetary Funds amounted to EUR 33.4 million. A detailed schedule of Bank and Cash Balances is reflected in Annex I. In accordance with Financial Regulation 5.02, short-term investments were made during the year in the form of time deposits of funds not needed for immediate requirements. A schedule of investments made during the year and the respective interest rates are reflected in Annex II.

### 4) Transactions involving Foreign Currencies

Transactions in foreign currencies are recorded in Euro at the UN Monthly Operational Rates of Exchange in effect on the date of the transactions. At the end of the financial year assets and liabilities are valued at the rates applicable as at 31 December. Gains and losses arising from transactions and translation are recorded as currency exchange adjustments and amounted to a cumulative loss of EUR 1,657 thousand in 2003. This was mainly due to the depreciation of the US Dollar against the Euro. With the introduction of Financial Instruction 13/2002 on 2 January 2003, large exchange rate gains or losses incurred under extra-budgetary programmes/projects have been charged to the respective extra-budgetary programmes/projects.

### 5) Budget and Income

Income from assessed contributions from participating States is recorded on an accrual basis. Accrued income for the financial year ending 31 December 2003 amounted to EUR 170.2 million, which is equal to the year-end revised budget. Total miscellaneous income, which mainly includes bank interest and insurance claims amounted to EUR 4.6 million in 2003.

### 6) Expenditure

Expenditure is accounted for on an accrual and modified accrual basis (Financial Instruction 2/2000). The cost of services is recorded on an accrual basis as expenditure of the current financial year, based on physical delivery. The cost of supplies and equipment is recorded on a modified accrual basis as expenditure in the current financial year based on the existence of a legally enforceable contract. Budgetary expenditure amounted to EUR 165.5 million, extra-budgetary expenditure amounted to EUR 19.4 million and IRMA Fund expenditure amounted to EUR 4.8 million, for a total of EUR 189.7 million in 2003.

### 7) Cash Surplus or Deficit

At the end of each financial year, the cash surplus or deficit for the Funds financed through assessed contributions is determined by calculating the excess of income received over expenditure or the excess of expenditure over income received, as the case may be. The cash surplus of all Funds financed through assessed contributions is credited against contributions of the participating States in accordance with the scale(s) of distribution for the year to which the surplus relates, during the year following the year in which the accounts are accepted by the Permanent Council. The allocation to a participating State of its share of the cash surplus is deferred in cases where the State is in arrears for the year to which the surplus relates and

until such time as these arrears are paid in full (Financial Regulation 7.07). The accumulated undistributed cash surplus, which amounted to EUR 252 thousand as at 31 December 2003, is presented as an unallocated surplus in the Statement of Assets, Liabilities and Fund balances.

The formula used to calculate the cash surplus / deficit, as in previous years, is as follows:

EUR '000	
Assessed Contributions	170,164
+ Miscellaneous Income	4,645
+/- Foreign Exchange gain / (loss)	229
+ Savings on prior year Unliquidated Obligations	1,497
+ Other Adjustments	1
= Total Income	176,536
- Total Expenditure	165,475
= Excess of Income over Expenditure	11,061
+ Assessed Contributions receivable on 1 January 2003	14,838
- Assessed Contributions receivable on 31 December 2003	(12,484)
= <b>Cash Surplus for the year 2003</b>	<b>13,414</b>
+ Cash Surplus 1 January 2003	29,585
- Distribution of cash surplus/transfers	(12,675)
= Cash Surplus as at 31 December 2003	30,323
+ Assessed Contributions receivable on 31 December 2003	12,484
= <b>Fund Balance as at 31 December 2003</b>	<b>42,807</b>

Therefore the declared cash surplus for 2003 amounts to EUR 13,414 thousand. This is comprised of the excess of income over expenditure of EUR 11,061 thousand and the reduction in Assessed Contributions Receivable of EUR 2,354 thousand (EUR 14,838 less EUR 12,484).

### 8) Fund Balance

The total Fund Balance at 31 December 2003 contains five elements, the cash surplus payable to participating States in 2004 and 2005, the reserve for assessed contributions receivable, the IRMA Fund and balances relating to Extra-budgetary projects funded by donors, as follows:

EUR Million	
Cash surplus payable 2004	16.9
Cash surplus payable 2005	13.4
Reserve for Assessed Contributions receivable	12.5
IRMA Fund	2.0
Total Extra-budgetary Fund Balance	31.7
<b>Total Fund Balance</b>	<b>76.5</b>

### 9) Contributions In-Kind

Contributions in-kind in the form of salaries for seconded staff, rental of premises and equipment are not recorded in the accounts of the Organization. For 2003 the estimated value of in kind contributions is approximately EUR 79 million.

## Note 3 - Extra-budgetary Contributions

Extra-budgetary contributions are recorded on a cash basis. Extra-budgetary contributions pledged in 2003 amounted to EUR 25.3 million, of which EUR 18.6 million was received in 2003 and EUR 6.7 million was outstanding as at 31 December 2003. Extra-budgetary contributions received in 2003 in respect of pledges made in 2002 amounted to EUR 2.8 million. Total extra-budgetary contributions received in 2003 amounted to EUR 21.4 million.

Extra-budgetary Funds established by the Permanent Council are as follows:

- The Fund to foster the integration of recently admitted participating States (PC.DEC/23, 2 March 1995);
- The Fund to support OSCE Action for Peace, Democracy and Stability in Bosnia and Herzegovina (PC.DEC/101, 11 January 1996);
- The Fund for Activities Related to Economic Aspects of Security (PC.DEC/150, 19 December 1996);
- The Fund relating to the Stability Pact for South Eastern

- Europe (PC.DEC/306, 1 July 1999);
- The Fund for Activities Related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova (PC.DEC/329, 9 December 1999);
- The Fund for Activities related to the reduction of Military Forces and equipment from Georgia (293<sup>rd</sup> Reinforced Meeting of the Permanent Council on Georgia, 17 July 2000);
- The Bishkek International Conference on Enhancing Security and Stability in Central Asia: Strengthening Comprehensive Efforts to Counter Terrorism (PC.DEC/440, 11 October 2001).

Extra-budgetary contributions that do not fall under Funds established by the Permanent Council are classified, under "Other Activities and Special Projects".

Expenditure of Extra-budgetary resources amounted to EUR 19.4 million for the year ended 31 December 2003. With the introduction of Financial Instruction 13/2002 on Extra-budgetary Contributions, procedures were established to ensure that extra-budgetary contributions were accepted, budgeted, expended, monitored, accounted for and reported under proper authority and control.

#### Note 4 - Assessed Contributions

##### 1) Assessed Contributions Receivable

Assessed Contributions Receivable as at 31 December 2003 amounted to EUR 7.1 million under the Revised Standard Scale of Contributions and EUR 5.4 million under the Scale for Large OSCE Missions and Projects, for a total of EUR 12.5 million. An aged schedule of contributions receivable as at 31 December 2003 is reflected in Annex III.

##### 2) Uncollected Assessed Contributions

If a participating State has not paid all its assessed contributions and dues for special financing for the preceding financial year by 1 April of the current financial year, the Secretary General requests that participating State to pay its arrears within 60 days. If payment is not made in full during that period, the Secretary General requests an explanation of the reasons for non-payment from the participating State concerned. The Secretary General informs the Advisory Committee on Management and Finance of the steps taken as well as other initiatives undertaken and consults the Chairman-in-Office. If the amount of arrears of a participating State equals or exceeds the amount of the contributions due for the preceding two full years the Chairman-in-Office refers the issue to the Permanent Council. The Permanent Council shall take concrete measures to ensure early payment by the participating State concerned (Ref. Financial Regulation 4.09).

Assessed contributions receivable from participating States whose arrears equalled or exceeded the amount of contributions due for the preceding two full years amounted to EUR 9.2 million as at 31 December 2003, detailed as follows:

Participating State	EUR '000			
	2001 and prior	2002	2003	Balance
Albania	16	149	125	290
Armenia	558	122	82	762
Azerbaijan	16	122	82	220
Belarus	11	465	354	830
Georgia	699	136	82	917
Kazakhstan	901	384	294	1,579
Kyrgyzstan	680	122	82	884
Moldova	536	135	82	753
Tajikistan	286	122	82	490
Turkmenistan	570	122	82	774
Uzbekistan	1,053	383	289	1,725
<b>Total</b>	<b>5,326</b>	<b>2,262</b>	<b>1,636</b>	<b>9,224</b>

It should be noted that, subsequent to the balance sheet date in the first quarter of 2004, contributions were received amounting to EUR 811 thousand from Kazakhstan, EUR 79 thousand from Albania and EUR 14 thousand from Tajikistan.

#### Note 5 - Accounts Receivable

Accounts receivable amounted to EUR 4.8 million as at 31 December 2003. This amount is comprised primarily of VAT

reimbursements receivable, amounts receivable from participating States and rent reimbursable from the Austrian government.

#### Note 6 - Prepaid Expenditure and Advances

Prepaid Expenditure and Advances amounted to EUR 4.1 million as at 31 December 2003. This amount is comprised primarily of advances to suppliers and implementing partners and advances to staff for travel.

#### Note 7 - Material Assets

The purchase cost of material assets, such as equipment, motor vehicles, furniture and IT equipment is charged to expenditure upon purchase and therefore, is not reflected as an asset in the balance sheet. Income from the disposal of surplus material assets is normally recorded as miscellaneous income and simultaneously the cost and depreciation are removed from the material asset records. The OSCE maintains separate inventory records in the Finance and Materials Management System (FMMS), including the historical acquisition cost, accumulated depreciation and net book value of material assets that fit the following criteria:

- material assets for which the cost exceeds EUR 250 and a useful life of longer than one year;
- attractive material assets, such as cellular telephones, dictaphones and other portable items for which the cost is below EUR 250 and useful life is longer than one year;
- intellectual property in the form of computer software.

The historical acquisition cost of material assets as at 31 December 2003 is EUR 68.2 million, the accumulated depreciation is EUR 50.9 million and the net book value is EUR 17.3 million. The movement in material assets during the year is summarised in the following table.

EUR '000	Total 2003	Total 2002
<b>Historical acquisition costs</b>	<b>2003</b>	<b>2002</b>
Balance at 1 January	65,575	61,336
Additions	11,963	10,149
Disposals	(9,422)	(5,796)
Cost Adjustments	56	(113)
<b>Balance at 31 December</b>	<b>68,172</b>	<b>65,576</b>
<b>Accumulated depreciation</b>		
Balance at 1 January	(48,200)	(38,783)
Depreciation charge for year	(11,203)	(13,702)
Disposals	8,524	4,285
<b>Balance at 31 December</b>	<b>(50,879)</b>	<b>(48,200)</b>
<b>Net book value as at 31 December</b>	<b>17,293</b>	<b>17,374</b>

Historical acquisition cost comprises its purchase price, including import duties and any non-refundable purchase taxes, and any directly attributable costs of bringing the material asset to working condition for its intended use, including initial delivery and handling costs, installation fees, etc. Useful life is the period of time over which an asset is expected to provide service potential to the Organisation. Depreciation is calculated using the straight-line method so as to depreciate the initial cost over the estimated useful life. The categories of material assets and the range of useful life for each, are as follows:

Category of Material Asset	Useful Life - Range of Years	Historical Acquisition Costs EUR'000
IT hardware	2 to 5	20,695
Domestic Appliances	4 to 7	530
Vehicles	5 to 10	22,028
Household equipment	4 to 7	810
Furniture	5 to 10	789
Communications	3 to 15	8,417
Building materials, construction components	3 to 15	4,669
Office equipment	3 to 8	2,632
Security and safety equipment	3 to 8	2,312
Other equipment	3 to 8	2,259
Generators	5	3,031
<b>Total</b>		<b>68,172</b>

The policy on material assets is under review and major reforms are planned in the process of IRMA implementation.

### Note 8 - Accounts Payable

Accounts Payable amounted to EUR 5.8 million as at 31 December 2003. This amount is comprised of goods and services for which invoices were received but not paid, as well as amounts owing to staff.

### Note 9 - Unliquidated Obligations

Unliquidated obligations charged to expenditure as at 31 December 2003 amounted to EUR 12.8 million. Savings on prior year unliquidated obligations at 31 December 2003 amounted to 1.5 million.

The implementation of Financial Instruction 2/2000 continues to be closely monitored by the Secretariat. Each Purchase Order was screened against the criteria established in the Instruction defining eligibility for accrual as an unliquidated obligation at the year-end.

### Savings on prior year Unliquidated Obligations

Fund Name EUR '000	2002 Reserve for ULO's	Expenditure in 2003 against 2002 Reserve	(Savings)/ Over expenditure on 2002 ULO's
General Fund	1,628	1,580	(48)
Action Against Terrorism Fund	1	1	0
ODIHR	82	82	0
HCNM	8	8	0
Rep. Freedom of the Media	33	18	(15)
High Level Planning Group	1	1	0
The Minsk Process	45	42	(3)
P. R. of the CiO	25	23	(2)
Advisory and Monitoring Group to Belarus	20	19	(1)
Assistance Group to Chechnya	296	139	(157)
Centre in Tashkent	14	12	(2)
Centre in Almaty	14	12	(2)
Centre in Ashgabad	14	11	(3)
Centre in Bishkek	12	11	(1)
Mission to Georgia	1,659	1,420	(239)
Mission to Moldova	41	40	(1)
Mission to Tajikistan/Centre in Dushanbe	201	199	(2)
Office in Baku	15	15	0
Office in Yerevan	7	7	0
Presence in Albania	266	253	(13)
Project Coordinator in Ukraine	23	23	0
Representative to the Estonian Commission on Military Pensioners	2	2	0
Mission to the Federal Republic of Yugoslavia	416	369	(47)
Mission to Croatia	459	451	(8)
Tasks in BiH	442	422	(20)
Mission in Kosovo	3,694	2,974	(720)
Spillover Monitor Mission to Skopje	1,516	1,303	(213)
<b>Total Extra-budgetary Funds</b>	<b>1,053</b>	<b>1,010</b>	<b>(43)</b>
<b>Grand Total</b>	<b>11,987</b>	<b>10,447</b>	<b>(1,540)</b>

### Note 10 - Other Adjustments

Other adjustments, which are mainly the reclassification of extra-budgetary contributions to funds for third parties, amounted to EUR 346 thousand in 2003.

### Note 11 - Funds Held for Third Parties

Funds held for third parties amounted to EUR 2.8 million as at 31 December 2003. This amount consists mainly of funds received from Participating States in advance of paying salaries to seconded staff on their behalf.

### Note 12 - Contributions Received in Advance

Assessed contributions received in advance amounted to EUR 30.3 million as at 31 December 2003. This is mainly due to a large reduction in the year-end budget revision of EUR 15.6 million (PC.DEC/594 dated 17 February 2003) and the distribution of the 2001 cash surplus of 12.7 million, both of which were credited to the participating States in accordance with the Financial Regulations.

### Note 13 - Cash and Other Losses

Cash and other losses for the year ended 31 December 2003 amounted to a total of EUR 13,759. This was comprised of cash losses of EUR 9,436 and other losses of EUR 4,323.

### Cash and Other Losses for 2003

Location	Description	EUR
<b>Cash Losses</b>		
Bishkek	Money missing from petty cash	28
Kosovo	Money stolen from operational advance	1,868
ODIHR/Georgia	Money stolen from per diem	300
Albania	Money stolen from Field Station	7,036
Ukraine	Money not found in car wreckage	204
<b>Total cash losses</b>		<b>9,436</b>
<b>Other Losses</b>		
Bishkek	Overpayment not refunded	60
Vienna	Unpaid amounts due on separation	418
Bosnia	Uncollected insurance contribution	1,028
Bosnia	Cancelled tickets not refunded	1,664
Dushanbe	Unreported advances	1,087
Croatia	Operational advance not refunded	66
<b>Total other losses</b>		<b>4,323</b>
<b>Grand Total</b>		<b>13,759</b>

Loss and theft of material assets in 2003 amounted to EUR 181 thousand (2002 EUR 186 thousand).

### Loss and Theft Report for 2003 - Material Assets

Mission EUR	Loss	Theft	Grand Total
Secretariat	6,988	102	7,090
Assistance Group to Chechnya	1,137	4,914	6,051
Centre in Almaty		1,362	1,362
Centre in Bishkek	167	734	901
HCNM		573	573
Mission to Georgia	1,760	16,839	18,599
Mission to Croatia	2,699		2,699
Mission to Moldova	186		186
Mission in Kosovo	30,480	72,078	102,558
Mission to Tajikistan		2,032	2,032
Mission in Bosnia and Herzegovina	18,176	17,134	35,310
Office in Baku		121	121
Office in Yerevan	73		73
Spillover Monitor Mission to Skopje	2,297	1,067	3,364
<b>Grand Total</b>	<b>63,963</b>	<b>116,956</b>	<b>180,919</b>



## Note 14 - Contingent Liabilities

The following contingent liabilities are noted as at 31 December 2003 for claims and potential claims against the OSCE:

- Mission in Kosovo  
To cover eventual potential liabilities arising from the operational activities in Kosovo, a contingent liability is noted in the amount of EUR 3 million. The OSCE has taken steps to protect the Organization against undue claims by co-ordinating with the United Nations.
- Centre in Bishkek  
A contingent liability is noted for a potential claim for income tax on local staff salaries in Bishkek in the amount of EUR 178 thousand.

## Note 15 - Ex-Gratia Payments

During 2003 an ex-gratia payment of EUR 1,000 was approved by the Secretary General.

## Note 16 - Separation Benefits

Separation payments that would have been due to staff if they had separated on 31 December 2003 amounted to approximately EUR 15.9 million. This figure is made up of termination indemnity, accrued annual leave, notice period, repatriation grant, travel and removal costs.

## Note 17 - Provident Fund

The OSCE Provident Fund is managed by Generali Worldwide Insurance Company Ltd., Guernsey, Channel Islands. The closing balance of the Provident Fund as at 31 December 2003 was EUR 26.9 million.

## Provident Fund Summary Statement for the Year Ended 31 December 2003

	Deposit Administration Funds				International Equity Funds				TOTAL EUR '000
	Units '000	EUR '000	Units '000	USD '000	Units '000	EUR '000	Units '000	USD '000	
Opening Balance 1 Jan 2003	14,788	14,788	5,241	5,241	34	561	39	688	
Contributions	7,598	7,725	2,378	2,417	14	245	14	274	
Unit Adjustments	272	277	13	13	1	17	0	5	
Surrenders	(3,213)	(3,245)	(1,406)	(1,423)	(7)	121	(11)	(202)	
Withdrawals	(323)	(328)	(64)	(65)	(1)	14	(1)	(11)	
Switch Out	-	-	-	-	-	-	0	(3)	
Switch In	-	-	3	3	-	-	-	-	
Fees (initial and annual member fee)	(53)	(53)	(16)	(16)	-	-	-	-	
Total movements during year	4,280	4,375	908	929					
Guaranteed Interest on Opening Balance: 1.03		444		157					
Guaranteed Interest on units accumulated during year		34		6					
Deposit Administration Units (additional interest)	151	156	106	109					
<b>Closing Balance 31 December 2003</b>	<b>19,219</b>		<b>6,255</b>		<b>41</b>		<b>42</b>		
<b>Market Value as at 31 December 2003</b>		<b>19,796</b>		<b>6,443</b>		<b>789</b>		<b>1,011</b>	
<b>Exchange Rate</b>				<b>1.187648</b>				<b>1.187648</b>	
<b>Closing Balance in EUR '000</b>		<b>19,796</b>		<b>5,425</b>		<b>789</b>		<b>851</b>	<b>26,861</b>

## Annex I - Bank and Cash Balances as at 31 December 2003

EUR '000				
Financial Institution	Currency	Interest rate		Balance
Bank Austria, Vienna - Communications Network	EUR	1.25%		26
Bank Austria, Vienna - Current Account	EUR	1.25%		103
Bank Austria, Vienna - IRMA	EUR	1.25%		89
Bank Austria, Vienna - IRMA Fixed Deposit	EUR	2.21%		2,700
Bank Austria, Vienna - Fixed Deposit	EUR	2.21%		60,800
Bank Austria, Vienna - Revolving and Contingency Funds Fixed Deposit	EUR	2.21%		4,890
Bank Austria, Vienna - Current Account	USD	0.13%		45
Bank Austria, Vienna - Conference Services	EUR	1.25%		457
Bank Austria, Moscow - Current Account	USD	0.00%		12
<b>Sub Total: Secretariat Budgetary Bank Accounts</b>				<b>69,122</b>
Bank Austria, Vienna - Current Account	EUR	1.25%		116
Bank Austria, Vienna - Fixed Deposit	EUR	2.21%		29,300
Bank Austria, Vienna - Current Account	USD	0.13%		41
Bank Austria, Vienna - Fixed Deposit	USD	0.90%		8,167
<b>Sub Total: Extra Budgetary Bank Accounts</b>				<b>37,624</b>
<b>Total : Secretariat Bank Accounts</b>				<b>106,746</b>
Raiffeisen Bank, Warsaw - ODIHR	EUR	1.80%		525
Raiffeisen Bank, Warsaw - ODIHR	USD	0.50%		441
Raiffeisen Bank, Warsaw - ODIHR	PLN	-		105
ING Bank, The Hague - HCNM	EUR	1.50%		12
ING Bank, The Hague - HCNM	USD	-		3
Ceskoslovenska Obchodni Banka, Prague	EUR	0.50%		133
Ceskoslovenska Obchodni Banka, Prague	CZK	0.35%		58
<b>Total: Institutions Bank Accounts</b>				<b>1,277</b>
American Bank of Albania, Tirana	EUR	-		112
American Bank of Albania, Tirana	USD	-		82
American Bank of Albania, Tirana	ALL	-		18
Raiffeisen Bank DD, Sarajevo	EUR	-		243
Raiffeisen Bank DD, Mostar	EUR	-		10
Raiffeisen Bank DD, Tuzla	EUR	-		22
Raiffeisen Bank DD, Banja Luka	EUR	-		5
Raiffeisen Bank DD, Sarajevo	BAM	-		64
Raiffeisen Bank DD, Sarajevo	BAM	-		11
Raiffeisen Bank DD, Tuzla	BAM	-		3
Raiffeisen Bank DD, Mostar	BAM	-		5
Splitska banka DD, Split	EUR	-		4
Splitska banka DD, Split	HRK	-		1
Zagrebacka Banka DD, Zagreb	EUR	0.11%		74
Zagrebacka Banka DD, Zagreb	USD	0.06%		55
Zagrebacka Banka DD, Zagreb	HRK	0.50%		11
Raiffeisen Bank Kosovo J.S.C., Kosovo	EUR	-		50
ProCredit Bank, Kosovo	EUR	-		467
BPK Bank, Pristina	EUR	-		34
Komercijalna Banka A.D., Skopje OMIK	EUR	-		5
Komercijalna Banka A.D., Skopje OMIK	MKD	-		0
Commercial Bank, Belgrade	EUR	-		89
Commercial Bank, Belgrade	EUR	2.00%		121
Commercial Bank, Belgrade	USD	1.80%		46
Commercial Bank, Belgrade	YUM	0.00%		22
Komercijalna Banka A.D., Skopje	EUR	1.57%		45
Komercijalna Banka A.D., Skopje	USD	0.79%		13
Komercijalna Banka A.D., Skopje	MKD	-		118
ProCredit Bank, Skopje	EUR	-		187
ProCredit Bank, Skopje	USD	-		4
ProCredit Bank, Skopje	MKD	-		25
Hansapank, Tallin	EUR	0.20%		16
Hansapank, Tallin	USD	0.20%		0
Hansapank, Tallin	EEK	0.20%		4
Priorbank, Minsk	EUR	-		22
Priorbank, Minsk	USD	-		4
Priorbank, Minsk	BYR	-		4

## Annex I - Bank and Cash Balances as at 31 December 2003 (continued)

EUR '000			
Financial Institution	Currency	Interest rate	Balance
Credit Lyonnais, Ukraine	USD	-	10
Credit Lyonnais, Ukraine	UAH	-	37
Universalbank, Moldova	EUR	-	19
Universalbank, Moldova	USD	-	9
Universalbank, Moldova	MDL	-	0
Bank of Georgia, Tbilisi	EUR	-	227
Bank of Georgia, Tbilisi	USD	-	126
Bank of Georgia, Tbilisi	GEL	-	4
International Bank of Azerbaijan, Baku	USD	-	61
International Bank of Azerbaijan, Baku	AZM	-	0
HSBC, Midland Armenia Bank jsc, Yerevan	USD	-	44
HSBC, Midland Armenia Bank jsc, Yerevan	AMD	-	0
ABN - AMRO Bank Kazakhstan, Almaty	EUR	-	8
ABN - AMRO Bank Kazakhstan, Almaty	USD	-	91
ABN - AMRO Bank Kazakhstan, Almaty	KZT	-	1
Turkmen Turkish Commercial Bank, Ashgabad	USD	-	14
Turkmen Turkish Commercial Bank, Ashgabad	TMM	-	0
Demir Kyrgyz International Bank, Bishkek	EUR	-	43
Demir Kyrgyz International Bank, Bishkek	USD	-	140
Demir Kyrgyz International Bank, Bishkek	KGS	-	1
National Bank of Foreign Econ.Act., Tashkent	USD	1.50%	4
National Bank of Foreign Econ.Act., Tashkent	UZS	-	0
<b>Total: Field Missions Bank Accounts</b>			<b>2,837</b>
<b>Total Bank Accounts</b>			<b>110,861</b>
<b>Total Cash</b>			<b>1,073</b>
<b>Grand Total</b>			<b>111,934</b>



## Annex II - Short-term Investments and Interest Rates for 2003

From	To	Amount EUR '000	Interest Rate % p.A.
30-Dec-02	7-Jan-03	75,890	2.99
7-Jan-03	13-Jan-03	75,890	2.87
13-Jan-03	20-Jan-03	75,890	2.81
20-Jan-03	27-Jan-03	75,890	2.81
27-Jan-03	3-Feb-03	71,890	2.81
3-Feb-03	10-Feb-03	70,890	2.80
10-Feb-03	17-Feb-03	69,890	2.78
17-Feb-03	24-Feb-03	68,890	2.77
24-Feb-03	3-Mar-03	62,890	2.79
3-Mar-03	10-Mar-03	60,890	3.11
10-Mar-03	17-Mar-03	57,890	2.76
17-Mar-03	24-Mar-03	53,890	2.60
24-Mar-03	31-Mar-03	53,890	2.55
31-Mar-03	7-Apr-03	82,890	2.56
7-Apr-03	14-Apr-03	95,890	2.53
14-Apr-03	22-Apr-03	94,890	2.53
22-Apr-03	29-Apr-03	94,890	2.57
29-Apr-03	5-May-03	95,890	2.54
5-May-03	12-May-03	98,390	2.54
12-May-03	19-May-03	107,390	2.54
19-May-03	26-May-03	140,890	2.54
26-May-03	2-Jun-03	158,890	2.57
2-Jun-03	6-Jun-03	155,890	2.60
6-Jun-03	10-Jun-03	149,000	2.14
6-Jun-03	16-Jun-03	9,890	2.14
10-Jun-03	16-Jun-03	145,000	2.11
16-Jun-03	23-Jun-03	152,890	2.12
23-Jun-03	30-Jun-03	155,890	2.15
30-Jun-03	7-Jul-03	153,890	2.12
7-Jul-03	14-Jul-03	150,390	2.11
14-Jul-03	21-Jul-03	149,390	2.09
21-Jul-03	28-Jul-03	146,390	2.08
28-Jul-03	4-Aug-03	141,890	2.07
4-Aug-03	11-Aug-03	139,890	2.07
11-Aug-03	18-Aug-03	140,890	2.06
18-Aug-03	25-Aug-03	140,890	2.06
25-Aug-03	1-Sep-03	134,890	2.09
1-Sep-03	8-Sep-03	132,890	2.09
8-Sep-03	15-Sep-03	130,890	2.07
15-Sep-03	22-Sep-03	128,890	2.07
22-Sep-03	29-Sep-03	124,890	2.04
29-Sep-03	6-Oct-03	122,890	2.08
6-Oct-03	13-Oct-03	131,890	2.05
13-Oct-03	20-Oct-03	132,390	2.05
20-Oct-03	27-Oct-03	125,190	2.00
27-Oct-03	3-Nov-03	122,390	2.05
30-Oct-03	6-Nov-03	7,300	2.05
3-Nov-03	10-Nov-03	119,190	2.05
6-Nov-03	13-Nov-03	7,000	2.04
10-Nov-03	17-Nov-03	116,490	2.04
13-Nov-03	20-Nov-03	7,000	2.03
17-Nov-03	24-Nov-03	114,490	2.00
20-Nov-03	27-Nov-03	5,500	2.04
24-Nov-03	1-Dec-03	109,040	2.03
27-Nov-03	4-Dec-03	6,000	2.05
1-Dec-03	9-Dec-03	105,940	2.05
4-Dec-03	11-Dec-03	5,700	2.03
9-Dec-03	15-Dec-03	99,970	2.03
11-Dec-03	18-Dec-03	5,000	2.03
15-Dec-03	22-Dec-03	94,890	2.03
18-Dec-03	29-Dec-03	3,700	1.97
22-Dec-03	29-Dec-03	91,890	2.07
29-Dec-03	5-Jan-04	95,590	2.21
31-Dec-03	7-Jan-04	2,100	2.19

## Annex II - Short-term Investments and Interest Rates for 2003 (continued)

From	To	Extra Budgetary USD '000	Interest Rate % p.A.
30-Dec-02	7-Jan-03	10,000	1.32
7-Jan-03	14-Jan-03	10,000	1.24
14-Jan-03	22-Jan-03	10,000	1.23
22-Jan-03	29-Jan-03	10,000	1.21
29-Jan-03	5-Feb-03	10,000	1.21
5-Feb-03	12-Feb-03	10,000	1.21
12-Feb-03	19-Feb-03	10,000	1.20
19-Feb-03	26-Feb-03	10,000	1.24
26-Feb-03	5-Mar-03	10,000	1.19
5-Mar-03	12-Mar-03	10,000	1.23
12-Mar-03	19-Mar-03	10,000	1.19
19-Mar-03	26-Mar-03	10,000	1.19
26-Mar-03	2-Apr-03	10,000	1.22
2-Apr-03	9-Apr-03	10,000	1.21
9-Apr-03	16-Apr-03	10,000	1.24
16-Apr-03	30-Apr-03	9,500	1.19
30-Apr-03	7-May-03	9,500	1.20
7-May-03	14-May-03	9,500	1.19
14-May-03	21-May-03	9,000	1.19
21-May-03	28-May-03	9,000	1.19
28-May-03	4-Jun-03	9,500	1.21
4-Jun-03	11-Jun-03	10,000	1.19
11-Jun-03	18-Jun-03	9,500	1.17
18-Jun-03	25-Jun-03	9,500	1.19
25-Jun-03	2-Jul-03	10,000	0.94
2-Jul-03	9-Jul-03	9,000	1.01
9-Jul-03	16-Jul-03	9,000	0.99
16-Jul-03	23-Jul-03	9,000	0.99
23-Jul-03	30-Jul-03	8,500	0.99
30-Jul-03	6-Aug-03	9,000	0.99
6-Aug-03	13-Aug-03	9,000	0.97
13-Aug-03	20-Aug-03	9,000	0.99
20-Aug-03	27-Aug-03	9,000	0.99
27-Aug-03	3-Sep-03	8,500	1.00
3-Sep-03	10-Sep-03	9,000	1.00
10-Sep-03	17-Sep-03	9,500	1.00
17-Sep-03	24-Sep-03	9,500	0.99
24-Sep-03	1-Oct-03	9,500	1.01
1-Oct-03	8-Oct-03	9,500	1.01
8-Oct-03	15-Oct-03	9,500	0.95
15-Oct-03	22-Oct-03	9,500	1.01
22-Oct-03	29-Oct-03	9,500	1.01
29-Oct-03	5-Nov-03	9,500	0.99
5-Nov-03	12-Nov-03	9,500	0.99
12-Nov-03	19-Nov-03	9,500	0.99
19-Nov-03	26-Nov-03	8,000	0.99
26-Nov-03	3-Dec-03	8,000	0.97
3-Dec-03	10-Dec-03	8,000	1.00
10-Dec-03	17-Dec-03	8,000	0.97
17-Dec-03	23-Dec-03	9,500	0.96
23-Dec-03	30-Dec-03	8,000	0.97
30-Dec-03	7-Jan-04	9,700	0.90

## Annex III - Assessed Contributions Receivable as at 31 December 2003

EUR '000 Participating State	2001 and prior	2002	2003	Balance
Albania	16	149	125	290
Andorra	0	0	0	0
Armenia	557	122	82	762
Austria	0	0	0	0
Azerbaijan	16	122	82	220
Belarus	11	465	354	830
Belgium	0	0	0	0
Bosnia-Herzegovina	0	0	0	0
Bulgaria	0	0	0	0
Canada	0	0	0	0
Croatia	0	0	0	0
Cyprus	0	0	0	0
Czech Republic	0	0	0	0
Denmark	0	0	0	0
Estonia	0	0	0	0
the Former Yugoslav Republic of Macedonia	0	0	117	117
Finland	0	0	0	0
France	0	0	0	0
Georgia	699	136	82	917
Germany	0	0	0	0
Greece	0	0	0	0
Holy See	0	0	0	0
Hungary	0	0	0	0
Iceland	0	0	0	0
Ireland	0	0	0	0
Italy	0	0	0	0
Kazakhstan	901	383	294	1,579
Kyrgyzstan	680	122	82	884
Latvia	0	0	0	0
Liechtenstein	0	0	0	0
Lithuania	0	0	0	0
Luxembourg	0	0	0	0
Malta	0	0	0	0
Moldova	536	136	82	753
Monaco	0	0	0	0
Netherlands	0	0	0	0
Norway	0	0	0	0
Poland	0	927	1,973	2,901
Portugal	0	0	0	0
Romania	0	0	0	0
Russian Federation	0	0	0	0
San Marino	0	14	90	104
Serbia and Montenegro	0	0	138	138
Slovak Republic	0	0	0	0
Slovenia	0	0	0	0
Spain	0	0	0	0
Sweden	0	0	0	0
Switzerland	0	0	0	0
Tajikistan	286	122	82	490
Turkey	0	0	0	0
Turkmenistan	570	122	82	774
Ukraine	0	0	0	0
United Kingdom	0	0	0	0
United States	0	0	0	0
Uzbekistan	1,053	383	289	1,725
<b>Total</b>	<b>5,326</b>	<b>3,204</b>	<b>3,954</b>	<b>12,484</b>