



**Secretary General Feridun H. Sinirlioğlu's
Presentation of the Unified Budget Proposal to the Permanent Council
1 October 2026**

Excellencies,

Distinguished Delegates,

The presentation of the Unified Budget Proposal is an important moment in the yearly financial cycle of the Organization. It kickstarts the discussion on the Budget, and it provides the opportunity for participating States to outline their vision for this Organization.

To facilitate this discussion, I am mandated to inform you about how much the basic services of this Organization actually cost. The **Unified Budget Proposal for 2027** that was circulated on 18 September gives you exactly that picture.

On this basis, you, the participating States, **the owners of this Organization**, will need to reach a decision on what gets funded and what does not. My **institutional role** is to make clear what those choices mean.

We should recall the context for our discussion. A war has been raging at the heart of the OSCE region for almost 5 years. Hundreds of thousands have been wounded and killed. Tens of millions of people have been directly impacted. The risk of **further escalation** grows.

And let us be honest. Even before the start of the war, clouds were gathering. Arms control was in retreat. Military budgets were rising.

Against that backdrop, future historians might think that **investment in the OSCE would have increased**. After all, we were created against the global existential threat, to manage the risk of a catastrophic conflict.

Yet, **the reality is different**. Our Organization – your Organization – has been surviving on **ever dwindling resources** for decades. Over the past 20 years, as insecurity across the OSCE region was growing, our budget moved **from 168 MLN to 123 MLN**. This is nominal budget alone. If we added inflation to these numbers, the picture would be even more dramatic.

That is the macro level. Let me now come to the micro, our discussions today on our budget for 2027. Allow me to offer **three points to frame our deliberations**.

First, on the level of funding. We made significant and painful cuts in 2026. These cuts reflected decisions by you, the participating States. And we implemented them. The 2026 budget established a **significantly smaller Organization**.

Let me put this in concrete terms. Compared with the previous adopted budget in 2021, the 2026 Unified Budget **reduced the number of full-time posts by 327**. That means a reduction of **14%**. This does not include the 78 posts from the closed executive structures. Let me stress this. More than 300 posts – **almost one in seven** – were removed earlier this year. And the 2027 proposal cuts another 39 posts, or an additional 2.1%.

We remain strongly focused on the field. More than 70% of our posts are in field operations. This reflects the priority many of you have expressed: to keep the Organization focused on **operational delivery**.

So, the Organization we are budgeting for is already significantly smaller than it was only few years ago, in 2021. And the 2027 proposal reduces it further.

But the cost of the work that remains, so we can deliver on our mandate, is increasing. Staff costs increase. Utilities cost more.

This is why I am proposing a modest Zero **Real Growth** budget. One that simply factors-in inflation for our main cost drivers, while maintaining the reduced level of activity reflected in the 2026 budget.

This is your Organization. The decision on its funding is **yours**. But you must be aware of the consequences. A Zero Nominal Growth budget would mean further reductions in what the Organization can do, including in the core services you rely on every day. The Zero Real Growth budget before you allows us to maintain what we have, while preserving the significant savings and cuts made in 2026.

Further cuts this year would significantly reduce the Organization's ability to respond to your requests, implement the mandates entrusted to us and for us to be ready when called upon. This is the key difference between Zero **Real Growth** and Zero **Nominal Growth**. We all understand that **if costs go up**, the same amount of money buys you less.

My **second point** relates to the Secretariat specifically, and its structure. In my opinion, the enforcement of strict discipline is not sustainable, unless it is accompanied in parallel by serious efforts to improve the way we operate and allocate resources. I carefully listened to the calls of your Ministers and of many of you, and I am committed to align the work of the Organisation to laser-focused priorities.

But this requires **internal change**. As I announced in the Programme outline, I am proposing a **light restructuring of the Secretariat**, built around **three pillars**:

-an **operational** one, headed by the Director of the Conflict Prevention Centre;

-an **administrative** one, headed by the Director of my Office;

-and one specifically focusing on an area of growing interest and potential, **the second dimension**, headed by the Co-ordinator for Economic and Environmental Activities.

Let me be clear: not one penny more is needed here. The purpose of the restructuring is to strengthen internal collaboration between services and offices that need to work more closely together. And to respond to the calls you have made for a clearer focus on priorities.

My **third -broader- point** is about the process that starts today. This discussion should be about the Organization you, the participating States, want. Not about arbitrary percentage points. **What kind of OSCE do you want going forward?** One that is condemned to an inexorable decline? Or one that maintains its limited but crucial ability to be ready to deploy its unique tools when you ask it to?

The OSCE is a comparatively low-cost and lean organization relative to many international organizations of similar scope and complexity. And one we all know we *need*, and *will need* in the weeks and months to come, to help build a **more secure future** for the more than one billion people we serve.

Ladies and Gentlemen, distinguished delegates,

I am very conscious of the difficult financial and political context in your capitals. Most participating States are increasing their spending on arms. Global military expenditure in 2025 averaged roughly 7.9 USD billion per day worldwide. I understand the reasons for that rearming: trust is eroding, insecurity is growing, and so are risks.

But this is precisely why **we cannot give up on diplomatic engagement**, and on **the platforms** that allow us to engage, with our neighbours and with our adversaries, on risk reduction and escalation management.

My role – and indeed *our* role – is to remind your capitals that the maintenance of **strategic stability** in the OSCE area also **rests on multilateral diplomacy and dialogue**, not on military deterrence alone. This is how we remain true to our founding principles. And -I believe- loyal to our national security interests.

I look forward to constructively engaging in this discussion, and to support your deliberations. You can count on me and on the Secretariat to support you throughout this process.

Thank you.