



United States Mission to the OSCE

Statement on OSCE Reform

As prepared for delivery by Ambassador Darrell Owens
to the Permanent Council, Vienna
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As now Assistant Secretary Hanrahan said at last year's Ministerial Council, "If properly reformed, this organization can still play a meaningful role." We have made significant strides forward, but more is needed to meet the moment. This body, and this organization as a whole, needs to be an effective venue to pursue work on pressing security issues.

With this in mind, I want to outline five key reform priorities that are essential for the OSCE's future.

First, fiscal discipline through Zero Nominal Growth (ZNG) until results are delivered. The OSCE has taken positive steps on fiscal reform, agreeing on a budget for the first time in five years designed to save €15 million. We must hold the line with a 2027 Zero Nominal Growth budget to ensure these savings are fully institutionalized. Only once we have consolidated these savings can we look at investing in initiatives that directly support the OSCE's core mission. Everyone here today should be prepared to join consensus on a ZNG budget for 2027.

Second, refocus the work of Extra-Budgetary (ExB) projects. The proliferation of ExB projects drains the OSCE's limited management and administrative resources and spreads thin the contributions from donor participating States. While ExB projects are a flexible means to respond to host country and participating State requests, the OSCE must focus exclusively on ExB projects that deliver concrete results on core priorities. Projects that lack sufficient financial support to be implemented should not remain on the books indefinitely, incurring administrative costs without outcome. We call on all participating States with ExBs to make these projects more impactful or shut them down.

Third, modernize OSCE operations. Internal operational procedures frequently hinder the OSCE's ability to achieve its objectives. We must fully modernize the Secretariat, field operations, and administrative procedures. This includes evaluating current staffing requirements and organizational structures for effectiveness, revising recruitment, procurement, and management procedures to mirror international best practices, and instituting strict professional codes of conduct. It is time to look to an outside consultant who can help us modernize salary and benefits packages and update procurement processes.

Fourth, modernize the management of the OSCE. To make this organization effective, it must be easier for participating States and the Chair-in-Office (CiO) to guide and manage its work. We should strengthen processes supporting the CiO and reform the process for selecting future CiOs to ensure the transition between chairs is smooth and does not hinder

the organization's work. Specifically, we must select Chairs-in-Office in advance for 2027 and 2028 to re-establish the Troika so that this body can function.

Fifth, update the Scales of Contributions. Funding the OSCE falls disproportionately on a few key states—most of all the United States. If the OSCE is doing its job, everyone benefits. We must implement a reasonable floor for contributions while lowering the ceiling to ensure fair burden-sharing. Every participating State in this room must have a stake in the success of this Organization and should come prepared, with instructions, to negotiate.

This reform package requires prioritization. In instances where OSCE structures cannot or will not prioritize, we will need to make tough decisions. That is why we have decided not to invite the OSCE to observe mid-term elections in the United States this year. In this constrained budget environment – one in which ODIHR had to cut its budget by over €1.3 million – it is important that ODIHR focus its limited resources on those elections where it can have the biggest impact, and not on elections in one of the oldest constitutional democracies with a robust independent media and legal system.

This morning, I asked that we lower the temperature in this council. The Permanent Council should focus on constructive discussions for the diplomats in the room, rather than grandstanding. We should be prepared to adjust agenda items if necessary to foster genuine dialogue. This is foundational to everything we do here and for preparing this organization to meet today's and tomorrow's challenges.

Mr. Chair, dear colleagues, reform cannot be an open-ended project with tepid intent; it must be serious and urgent.

We are grateful to you and the Finnish delegation for starting these discussions, and we are committed to delivering solutions. I hope everyone here is willing to work with us through the ACMF, through Informal Working Groups, and in support of the Chair to make this organization more relevant. We invite all delegates to join us in shaping an OSCE prepared to meet today's -- and tomorrow's -- challenges.

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