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United States Mission to the OSCE

Response to the Presentation by the OSCE Secretary General of the 2023 Unified Budget Proposal

As delivered by Ambassador Michael Carpenter
to the Permanent Council, Vienna
October 20, 2022

Thank you, Madam Secretary General, for your presentation of the OSCE's 2023 Unified Budget Proposal.

The United States welcomes your presentation today and shares your sentiment that the OSCE is facing, frankly, existential challenges and is in dire need of an approved budget. I want to express my appreciation first to the Secretariat, the fund managers, and their staffs for the tremendous effort involved in coordinating the proposal we have before us.

Before we turn to the 2023 Unified Budget, allow me to express our extreme disappointment that we have been unable to come to consensus on the 2022 Unified Budget, which a few States have been unwilling to move forward through compromise. First and foremost, of course, this is Russia, which is undermining the integrity of this organization in just about every imaginable way. There are others, and we ask them to seriously think about adopting compromise proposals.

Madam Secretary General, the United States appreciates the challenging task before you: to present a unified proposal which allows the organization and its individual parts to execute the OSCE's mandate amidst significant inflationary pressures. We hear you loud and clear that maintaining the current pace of OSCE work, which we support, without increasing the budget is just simply unsustainable. Zero nominal growth budgets are unsustainable, and as you said, this is no way to operate.

We look forward to discussing the outlines of the department and field mission budget proposals in the ACMF to better understand how the current inflationary pressures are affecting their abilities to fulfill OSCE mandates. In particular, we look forward to discussing one of the largest budget increases in the 2023 proposal – an increase of over a million euros to cover rental costs here at the Hofburg. While rental cost increases throughout the OSCE space have been in line with inflationary pressures, the Hofburg rent appears to have doubled in comparison to 2021. This is completely unsustainable, and we should seriously review whether this is a justified use of our taxpayers' hard-earned money or whether we need to look at other premises, potentially in other locations. Again, this is unsustainable, this can't go forward.

We realize some COVID savings which helped absorb flat-lined budgets are just simply no longer a reality. We understand that after nearly ten years of zero nominal growth budgets, requesting the OSCE to entertain additional efficiencies is simply no longer possible.

The 2023 Unified Budget proposal clearly shows that we are increasingly relying on Extra-Budgetary projects and in-kind support, such as seconded personnel. While we are prepared to make full use of Extra-Budgetary programs and projects, this trendline also demonstrates how our normal budget procedures are broken, frankly. While Extra-Budgetary assistance provides greater flexibility, it should not be considered a long-term solution.

The United States continues to support a stable and reliable budget for the OSCE, one that is approved on time, to allow for proper planning and the fulfillment of the organization's mandate. We also support efforts to improve our budgetary processes, perhaps by adopting a two-year budget, as proposed by some colleagues, and/or adopting an automatic rollover process that requires consensus only for new commitments.

Before I conclude, it bears repeating that the organization cannot endure a prolonged period without an approved budget. Those who take hostages with the budget process must understand that they are weakening the integrity of this organization, from which they benefit, and they will be held responsible by the rest of us.

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