

OSCE Audited Financial Report for the year ended 31 December 2013

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Letter of Transmittal to the Chairperson of the Permanent Council of the OSCE from the Secretary General



Organization for Security and Co-operation in Europe
The Secretariat

18 June 2014

Sir,

Pursuant to Financial Regulation 7.04 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 2013 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 'Lamberto Zannier'. The signature is fluid and cursive.

Lamberto Zannier
Secretary General

INDEPENDENT AUDITOR'S REPORT

CERTIFICATE OF THE EXTERNAL AUDITOR ON THE ACCOUNTS OF THE ORGANIZATION FOR SECURITY AND CO-OPERATION IN EUROPE FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013

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

Identification of the financial statements

I have audited the financial statements of the Organization for Security and Co-operation in Europe (hereinafter "the OSCE") for the financial period ended 31 December 2013, comprising

- the Statement of Financial Position,
- the Statement of Financial Performance,
- the Statement of Changes in Net Assets,
- the Cash Flow Statement,
- the Statement of Comparison of Budget and Actual Amounts,
- the Accounting Policies,
- supporting Notes.

Statement of Responsibilities

The Secretary General, in accordance with the OSCE's Financial Regulations, is responsible for preparing the financial statements. My responsibility, under Article 8.06 of the Financial Regulations, is to express an opinion on these financial statements based on my audit.

Basis of Opinion

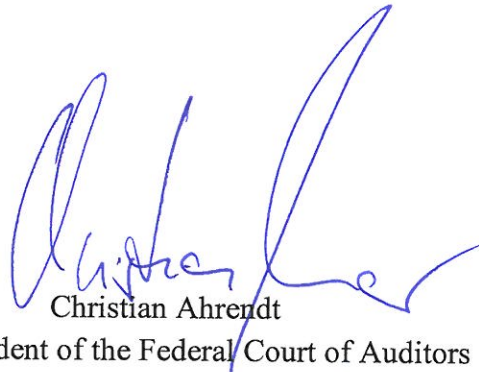
I conducted my audit in conformity with International Standards on Auditing (ISA) as adopted and expanded by the International Organization of Supreme Audit Institutions (INTOSAI) and issued as International Standards for Supreme Audit Institutions (ISSAI). These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, 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

As a result of my audit, I am of the opinion that the financial statements present fairly the financial position as at 31 December 2013 and that they were prepared in accordance with the OSCE's stated accounting policies and that the transactions were in accordance with the Financial Regulations and legislative authority.

Report Reference

In accordance with Article 8 of the Financial Regulations, I have also prepared a long-form report on the OSCE's financial statements.



Christian Ahrendt
Vice-President of the Federal Court of Auditors
Germany
External Auditor

14 June 2014

II - OSCE FINANCIAL REPORT
AND
FINANCIAL STATEMENTS

Letter of Transmittal to the Auditor General from the Secretary General



Organization for Security and Co-operation in Europe
The Secretariat

31 March 2014

Sir,

Pursuant to Financial Regulation 7.04 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 2013 and the Audit Report of the External Auditor thereon for your consideration and approval.

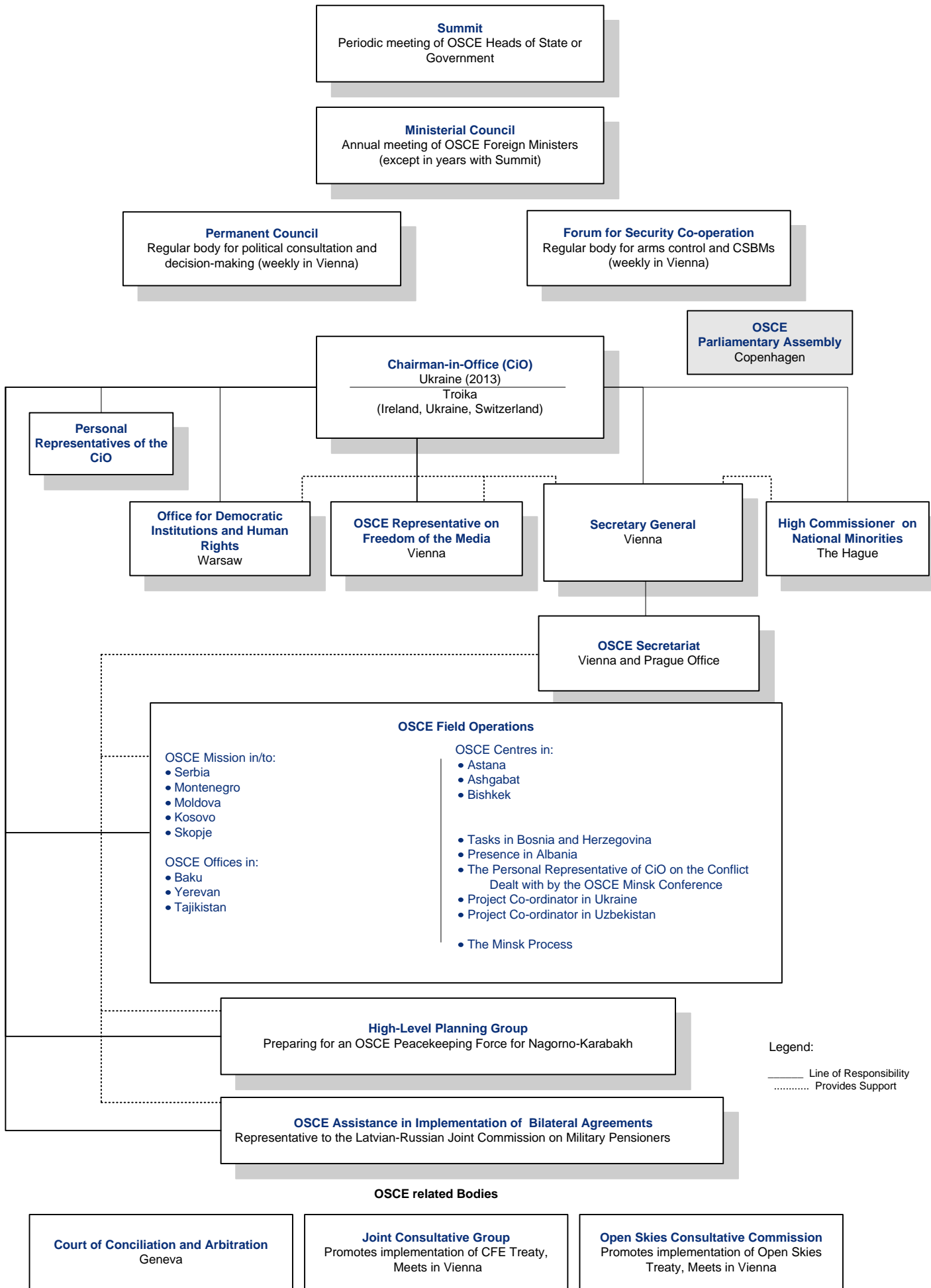
Yours sincerely,

A handwritten signature in black ink, appearing to read 'L. Zannier', written in a cursive style.

Lamberto Zannier
Secretary General

Prof. Dr. Dieter Engels
President of the Federal
Court of Auditors
Adenauerallee, 81
53113 Bonn
GERMANY

Chapter I – Financial Report



Chapter I – Financial Report of the Secretary General for the year ended 31 December 2013

INTRODUCTION

1. The Secretary General of the Organization for Security and Co-operation in Europe (OSCE) submits herewith the Report on the Financial Statements of the Organization for the year ended 31 December 2013. This Financial Report provides the financial results for the OSCE's activities during the financial year 2013.
2. The Report of the External Auditor, with his unqualified opinion on the Financial Statements is submitted in accordance with Financial Regulation 7.04.
3. The OSCE operates a system of fund accounting and the resulting Financial Statements present the financial results of the Secretariat, Institutions and Field Operations, Extra-Budgetary Funds, the Network Operating System Fund and the ERP Upgrade Fund.
4. Pursuant to PC.DEC/1040 dated 10 May 2012, the OSCE has been following a progressive adoption of International Public Sector Accounting Standards (IPSAS). This strategy of progressive adoption of the Standards started in 2011 and continued until 2013, with the remaining applicable IPSAS standards being adopted, therefore finalizing the progressive adoption of IPSAS one year before the target deadline established by the PC.DEC/1040. While the Financial Statements I to IV are presented on an accrual basis, the Statement V (Comparison of Budget and Actual Amounts) and the calculation of cash surplus/deficit remain on a modified accrual basis. A reconciliation between the two accounting bases is described in Notes 20 and 29 of the Financial Statements.

FINANCIAL AND BUDGET ANALYSIS

Summary

5. The year 2013 started and concluded on a solid financial basis. Assets cover liabilities nearly 1.5 times. The same applies to cash and investments which exceed current liabilities. Assessed contributions receivable have declined considerably by 51% which contributed to a substantial cash surplus in 2013. Revenue and expenses declined somewhat between 2012 and 2013 in accordance with approved budget reductions and despite a small increase in extra-budgetary resources. Variations are to be expected under the IPSAS accounting standard: revenues are recognized in the period to which they relate, and expenses in the period in which the goods or services are delivered. Consequently, expenses in any one-year period may be higher or lower than the revenue in that year. Finally, budget implementation was on track with an implementation rate of 97.8% as compared to the initially approved Unified Budget and despite a rather low occupancy rate of 81.7% for seconded positions, an issue which is of growing concern. The following table shows financial highlights in accordance with IPSAS:

Financial Highlights

EUR'000	2013	2012
Total revenue	168,998	171,010
Total expenses	163,058	170,033
UB revenue	142,299	145,794
XB revenue	26,713	25,216
Net assets	22,517	23,763
Outstanding assessed contributions	5,784	11,857
Cash and Investments	67,413	61,370
Cash surplus /(deficit)	6,976	(1,904)
In-kind contributions	42,223	43,588

6. A unique feature of the OSCE is the significant amount of in-kind contributions provided in the form of seconded staff salaries and rent-free premises as elaborated in Note 1.13 of the Financial Statements. In particular, generous contributions are acknowledged from the Austrian government for office rent and conference facilities and the Polish government for ODIHR's premises. These governments have provided further substantial contributions in-kind in the form of tax concessions, security and parking areas.

Financial Position

7. The financial position is disclosed in Statement I "Statement of Financial Position". Total current assets amount to EUR 78,696 thousand (2012: EUR 79,148 thousand). This includes cash and investments in the amount of EUR 67,413 thousand (2012: EUR 61,370 thousand), reflecting an increase of EUR 6,044 or 9.8%. Cash and investment exceed current liabilities 1.5 times, indicating an appropriate liquidity level. Cash is managed centrally in order to safeguard funds, better monitor cash flows and optimise investment income. Most of the cash, namely 96.4% of the total, is held at the Secretariat. In 2013 the Investment Committee continued to monitor cash management activities and to assess the risks associated with placing deposits with banks. The Investment Committee regularly reviews the investment portfolio and approves the banks where investments are placed. The Notes to the Financial Statements provide details of how OSCE manages its financial risks, including currency, credit, interest rate, market and liquidity risk.

8. Total current assets also include outstanding assessed contribution in the amount of EUR 5,784 thousand (2012: EUR 11,857 thousand). The major decrease of EUR 6,073 thousand or 51% reflect the payment of arrears. The average collection period in 2013 was 1.5 months. Receivables due beyond one year have increased slightly by EUR 173 thousand (2012: EUR 4,758 thousand compared to 2013: EUR 4,931 thousand). During 2013, 99.2% of the assessed contributions for 2013 was collected (2012: 95%), as well as 58% of prior years' arrears. For IPSAS reporting purposes, an allowance of EUR 5,344 thousand (2012: EUR 5,178 thousand) was established. This is calculated as 100% of the outstanding receivable from participating States whose arrears exceeded the amount of contributions due for the preceding two full years. The allowance increased by EUR 166 thousand from 2012 to 2013.

9. Total non-current assets amount to EUR 5,991 thousand (2012: EUR 5,715 thousand). There has been a decrease in the net book value of property, plant and equipment (PP&E) by 23% to EUR 4,370 thousand (2012: EUR 5,680), as disposals and depreciation charges of the year 2013 exceeded the total

amount of additions, reflecting a declining trend in investment in tangible assets. The aged profile of the PP&E is also reflected in the high percentage of assets already fully depreciated but still in use of 65%.

10. In compliance with IPSAS requirements, intangible assets amounting to EUR 1,611 thousand are reported for the first time in 2013. Intangible assets refer to property that does not have physical substance, such as the ERP upgrade project and software licenses.

11. Total liabilities amount to EUR 56,179 thousand (2012: EUR 55,384 thousand). This includes deferred revenue of EUR 26,976 thousand (2012: EUR 27,415 thousand) which reflects voluntary contributions received from donors subject to conditions. Once the conditions are met, this amount is shown as revenue in Statement II.

12. Liabilities also include employee benefits of EUR 7,824 thousand at 31 December 2013 (2012: EUR 7,691 thousand) and covers benefits that staff has earned but not yet received. The increase in non-current cash surplus to EUR 6,976 thousand (2012: deficit of EUR 1,904 thousand) is mainly due to the payment of arrears.

13. As at 31 December 2013, total net assets amounted to EUR 22,517 thousand (2012: EUR 23,763 thousand). Assets of EUR 78,696 thousand cover liabilities of EUR 56,179 thousand at 31 December 2013 1.4 times. This is considered a financially solid position which compares favourably to other international organisations. Net assets include the reserves of the Revolving Fund and the Contingency Fund of EUR 4,890 thousand and IPSAS reserves of EUR -35,177 thousand (2012: EUR -32,976 thousand). The latter reflect the financial impact of the changes in accounting policy derived from the adoption of IPSAS as well as actuarial gains and losses. Finally, accumulated surplus amount to EUR 52,535 thousand (2012: EUR 51,571 thousand) and pertain mainly to unspent funds of ongoing multi-year extra-budgetary projects.

14. As shown in Statement VI.1 “Segment Reporting”, of total net assets, EUR 7,253 thousand relate to the Unified Budget, EUR 11,626 thousand to Extra-Budgetary Funds, EUR 3,616 thousand to the ERP Upgrade Fund and EUR 22 thousand to the Network Operating System Fund. This is further complemented with detailed segment reporting information relating to Statement I and covering the Secretariat and Institutions (Statement VI.1.A), Field Operations (Statements VI.1.B to F) and Extra-Budgetary Funds (Statements VI.1.X 1 and 2).

Financial Performance

15. The financial performance is disclosed in Statement II “Statement of Financial Performance”. Total revenue in 2013 was EUR 168,998 thousand (2012: EUR 171,010 thousand), a decrease of EUR 2,012 thousand or 1.2%. Total expense in 2013 was EUR 163,058 thousand (2012: EUR 170,033 thousand), a decrease of EUR 6,975 thousand or 4.1%. This resulted in a surplus of EUR 5,940 thousand in 2013 (2012: EUR 977 thousand).

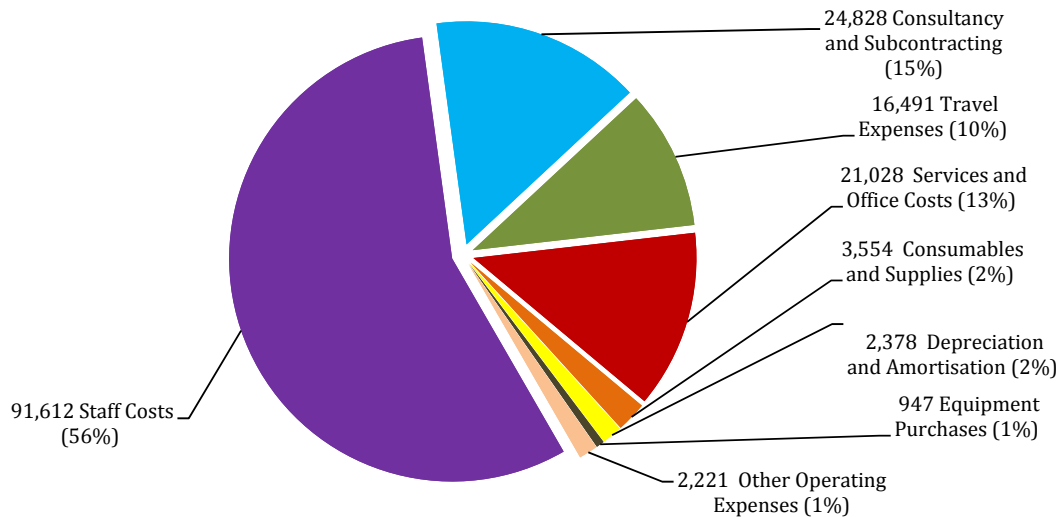
16. Total revenue is comprised of assessed contributions of EUR 141,767 thousand (2012: EUR 144,823 thousand) related to the Unified Budget, extra-budgetary contributions of EUR 27,356 thousand (2012: EUR 25,144 thousand), currency exchange adjustments, finance revenue, revenue from the sale of assets and other miscellaneous revenue. The decrease in total revenue reflects a decrease in revenue from assessed contributions by EUR 3,057 thousand, partly offset by an increase in extra-budgetary contributions by EUR 2,212 thousand.

17. Assessed contributions for 2013 include EUR 53,387 thousand based on the Standard Scale of Contributions and EUR 88,380 thousand based on the Field Operations Scale of Contributions.

18. Extra-budgetary contributions continue to be an important source of funding for the OSCE to finance projects and activities that are consistent with OSCE objectives. Unlike resources provided under the Unified Budget, extra-budgetary resources are normally multi-year in nature with balances carried forward from one year to the next.

19. Total OSCE expenses are illustrated below according to details indicated in Statement II.

2013 Total OSCE Expenses by nature (in EUR '000 and as % of total)



20. The decrease in staff costs to EUR 91,612 thousand (2012: EUR 93,700 thousand) or 2.2% is mainly attributable to the reduction in the number of positions. Other reductions compared to 2012 include the decrease in services and office costs to EUR 21,028 thousand (2012: EUR 23,708 thousand) or 11.2%, consumables and supplies to EUR 3,554 thousand (2012: EUR 4,622 thousand) or 23.1% and equipment purchases to EUR 947 thousand (2012: EUR 2,419 thousand) or 60.9%.

21. Staff costs in line with accrual accounting include costs recorded as the benefits are earned by staff, rather than on a cash basis. In line with IPSAS requirements, purchases of software licenses previously included under service and office costs are being capitalized as intangible assets and therefore excluded from expenses.

Change in Net Assets

22. The changes in net assets are disclosed in Financial Statement IV “Statement of Changes in Net Assets”. The balance as at 31 December 2012 has been restated in accordance with changes in the IPSAS accounting standards resulting in an adjustment from EUR 44,142 thousand to EUR 23,763 thousand.

23. The positive impact in IPSAS reserves derived from the capitalization of PP&E as non-current assets in line with the adoption of IPSAS 17 - Property, Plant and Equipment was more than offset by the negative impact of the adoption of IPSAS 23 - Revenue from Non-Exchange Transactions, whereby

revenue from conditional funding agreements which had been previously recognized in the Statement of Financial Performance is now re-classified as deferred revenue until the underlying conditions are met.

24. Changes during 2013 include the classification of cash surplus for 2013 as a non-current liability resulting in a reduction in net assets of EUR 6,976 thousand and the recognition of the surplus for the year 2013 amounting to EUR 5,940 thousand.

Cash Flow

25. The cash flow is disclosed in Financial Statement III “Cash Flow Statement”. Overall the cash balance held to support OSCE’s requirements decreased to EUR 26,861 thousand (2012: EUR 30,161 thousand) by EUR 3,300 thousand or 11%. The decrease mainly reflects cash outflow for the purchase of investments which increased to EUR 40,553 thousand (2012: EUR 31,208 thousand).

Budgetary Analysis

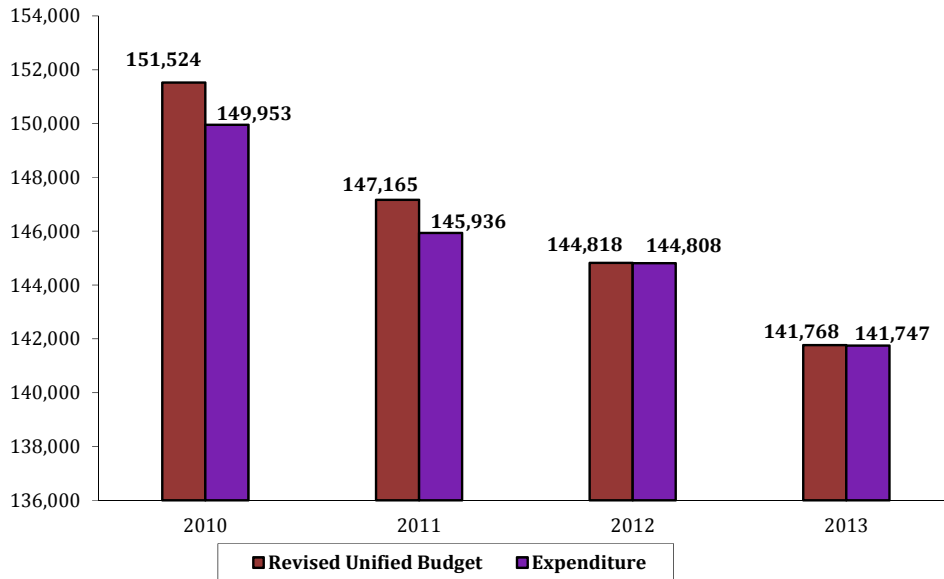
26. The budget figures for the Unified Budget are disclosed in Financial Statement V “Statement of Comparison of Budget and Actual Amounts” for the Unified Budget of 2013.

27. The 2013 Unified Budget continues to be prepared under the modified accrual basis: Expenditure is recognized on a commitment basis whereas under IPSAS and as shown in Statement II, expenditure is recognized in the period in which the goods or services are delivered. In order to facilitate comparison between expenditure in Statement II and V, the reconciliation of IPSAS to modified accrual data is shown in note 20 and 29.

28. The 2013 Unified Budget was approved under PC.DEC/1073 on 7 February 2013, in the amount of EUR 144,823 thousand. Revised budgets approved under subsequent Permanent Council Decisions resulted in a net decrease of EUR 3,056 thousand, resulting in a Year-end Revised Budget of EUR 141,768 thousand (PC.DEC/1113 of 27 February 2014).

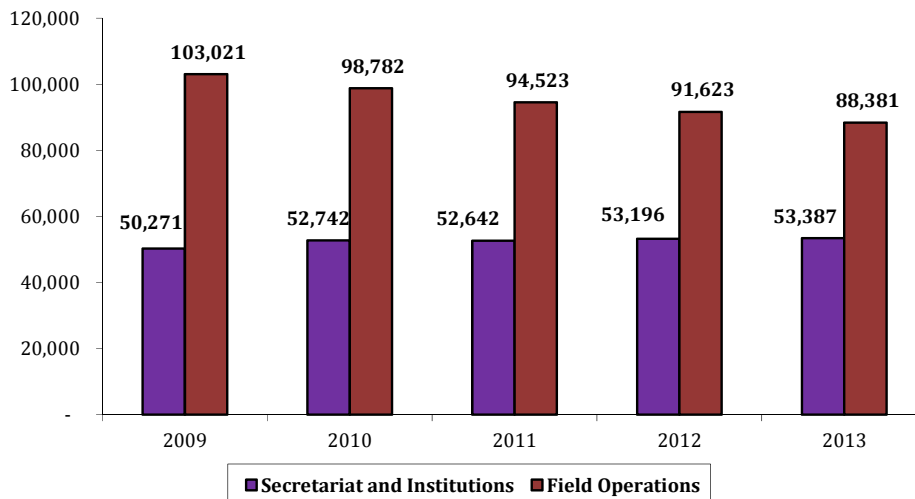
29. OSCE implemented EUR 141,747 thousand or 99.9 % of the revised budget of EUR 141,768 thousand in 2013 as shown in Statement V (2012: 99.9%). Compared to the initial Unified Budget approved on 7 February 2013 (PC.DEC/1073) of EUR 144,823 thousand, expenditure was 97.9% (2012: 97.8%).

Budget vs. Expenditure 2010-2013 (EUR '000)



30. OSCE remains a field-oriented Organization, with the expenditure share of the budget allocated to field operations representing EUR 88,381 thousand (62.3%) of the 2013 Unified Budget. The share of resources in the Secretariat and Institutions was EUR 53,387 thousand (37.7%). The following chart shows the budget distribution from 2009 to 2013:

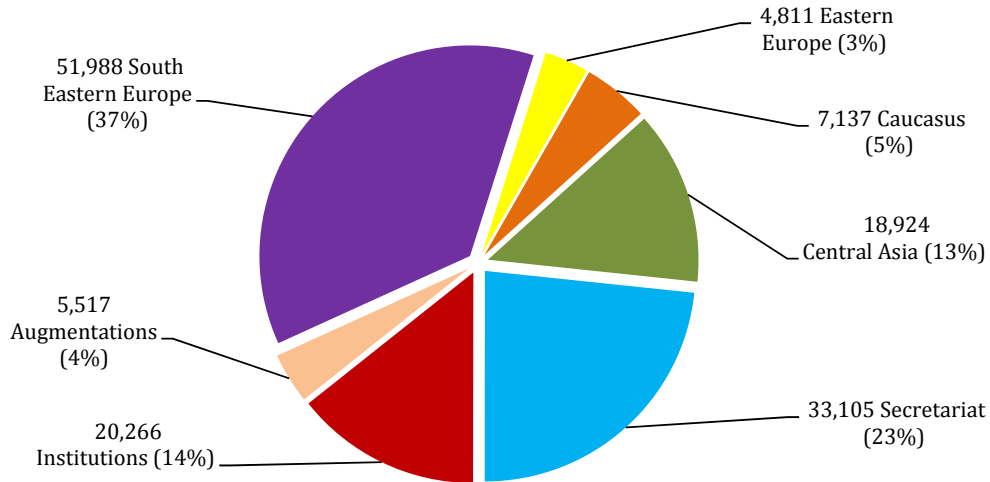
Distribution of Unified Budget 2009-2013 (EUR '000)



31. The 2013 expenditure against the Unified Budget amounted to a total of EUR 141,747 thousand (2012: EUR 144,808 thousand), representing a decrease of 2.1%. Details on budget and expenditure by

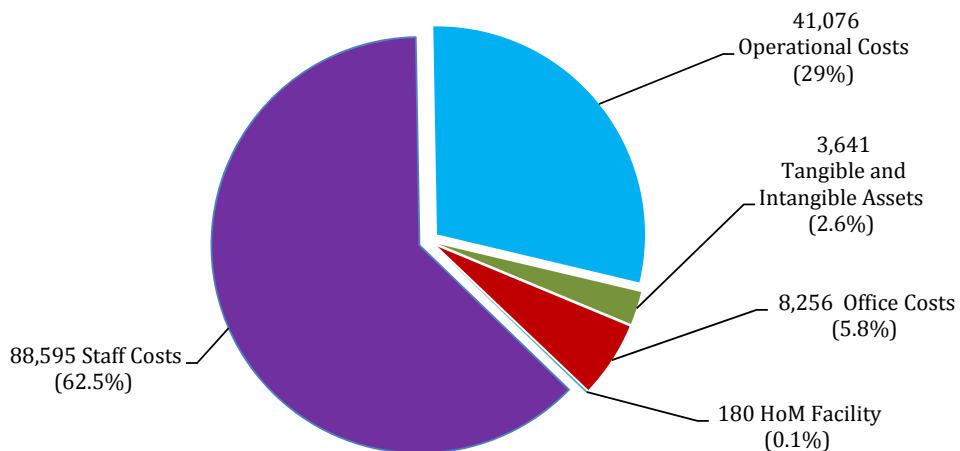
Fund, Main Programme and Programme are shown in Chapter II. The following chart presents the distribution of expenditure.

2013 Unified Budget Expenditure by Region (in EUR' 000 and as % of total)



32. When comparing 2013 to 2012, the distribution of resources allocated to OSCE's Secretariat, Institutions and Field Operations reflect the following small changes: increase for the Secretariat and Institutions from EUR 53,192 thousand in 2012 to EUR 53,370 thousand in 2013, Augmentations from EUR 5,300 thousand to EUR 5,517 thousand, Eastern Europe from EUR 4,591 thousand to EUR 4,811 and in Central Asia from EUR 18,327 thousand to EUR 18,924. All other locations experienced a decrease in UB expenditure. The distribution of Unified Budget Expenditure by cost category is shown below:

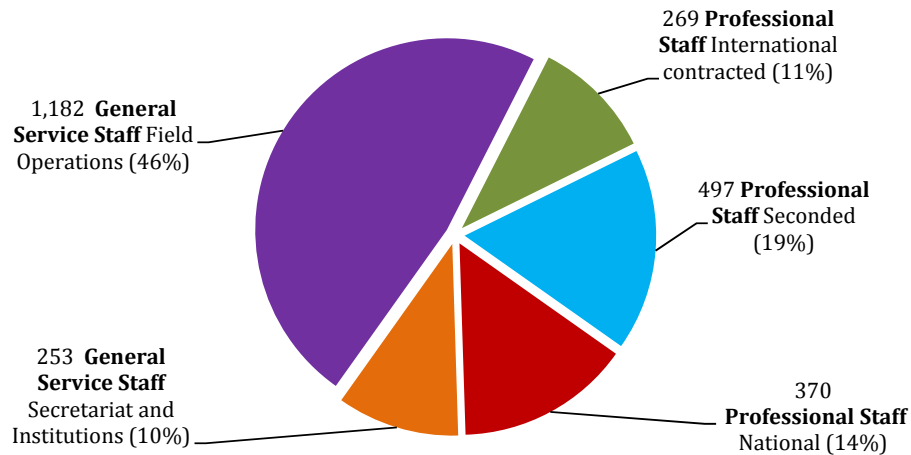
2013 Unified Budget Expenditure by Cost Category (in EUR '000 and as % of total)



33. Between 2013 and 2012 there was a small decrease for Operational Costs (by 0.6%), increase in the category Staff Costs (by 0.3%) and Asset/Equipment (by 0.3%). Other categories remained unchanged.

34. Total budgeted positions as at 31 December 2013 were 2,570.5, representing a 6.3% decrease over the previous year (2012: 2,743). The following chart indicates the number of budgeted posts by post category in 2013.

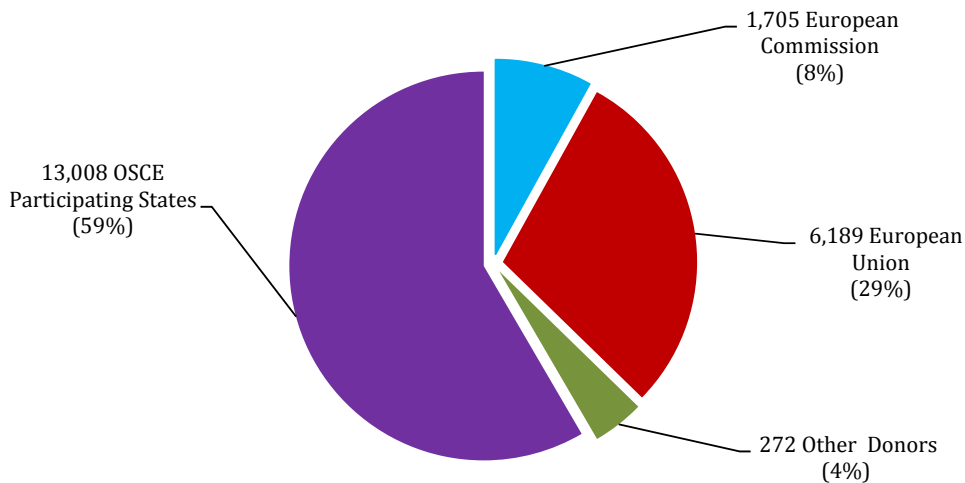
2013 Budgeted Positions (number of positions and as % of total)



35. Of the 2,570.5 budgeted posts, 2,378.5 or 92.5% had been filled by 31 December 2013. The occupancy rate for professional posts was 88.0% (999 filled, out of 1,135.5 budgeted) and for General Service Staff was 96.1% (1,379.5 filled, out of 1,435 budgeted). The occupancy rate was lowest for seconded staff with 81.7% (406 filled, out of 497 budgeted). The distribution of budgeted posts and staff in post by Fund is shown in Chapter II.

36. The following chart illustrates the relative proportions of the various sources of voluntary contributions (pledged amounts) in 2013. Participating States are the largest source of voluntary contributions, followed by the European Union and the European Commission.

2013 Approved Pledge Amounts by Donor (in EUR'000 and as % of total)



MANAGEMENT ISSUES

Performance Based Programme Budgeting

37. In its Decision 18/06 of 5 December 2006, the Ministerial Council stated its commitment to further introduction and application of PBPB in the OSCE. Since 2007 the Secretariat devoted significant efforts to apply PBPB across all OSCE Funds. 2013 was the six full year of implementation of PBPB methodology across the Organisation and the third budget cycle in which all the Funds used the Performance Indicators at the Outcome level as an internal tool for their Programmes.

Common Regulatory Management System

38. On 1 December 2005, participating States adopted the decision on establishing a comprehensive Common Regulatory Management System (CRMS) (PC.DEC/705) to facilitate the effective and efficient management of OSCE's human, financial and material resources.

39. Included in the approval of the 2012 Unified Budget (PC.DEC/1028), the ACMF was tasked to continue deliberations on amending the OSCE Financial Regulations with the aim of achieving timely approval of new OSCE Financial Regulations; however no further progress was made by participating States during 2012 or 2013 towards reaching an agreement.

Enterprise Resource Planning (ERP) Upgrade Fund

40. The ERP Upgrade Fund was established in 2012 (PC.DEC/1033) to finance the upgrade of the OSCE's ERP system. This fund was established by allocating EUR 3,930 thousand in three equal instalments of EUR 1,310 thousand from each of the 2009, 2010 and 2011 cash surplus. Update reports regarding the ERP project are presented to OSCE's Advisory Committee on Management and Finance (ACMF) on a quarterly basis.

Statement of Internal Control

41. In 2012 the OSCE issued for the first time a 'Statement of Internal Control' (SIC) along with the Financial Statements. The SIC is the means by which the Secretary General declares his approach to, and responsibility for, risk management, internal control and corporate governance. Please refer to Chapter V - Statement of Internal Control.

RESPONSIBILITY

42. Pursuant to Financial Regulation 7.04 and PC Decision 553 dated 27 June 2003, I am pleased to submit the following Financial Statements. These Financial Statements have been prepared in accordance to International Public Sector Accounting Standards and the OSCE's Financial Regulations. I certify that to the best of my knowledge and information, all transactions during the period have been properly entered in the accounting records and that these transactions together with the following Financial Statements and Notes, details of which form part of this document, fairly present the financial position and performance of the OSCE for 2013:

- Statement I - Statement of Financial Position as at 31 December 2013
- Statement II - Statement of Financial Performance for the Year Ended 31 December 2013
- Statement III - Cash Flow Statement for the Year Ended 31 December 2013
- Statement IV - Statement of Changes in Net Assets for the Year Ended 31 December 2013
- Statement V - Statement of Comparison of Budget and Actual Amounts for the Year Ended 31 December 2013
- Notes to the Financial Statements

Lamberto Zannier

Secretary General

Chapter II – Budget and Expenditure Report
and
Staffing Overview

Budget and Expenditure Report as at 31 December 2013

Fund	Approved	Approved	PC	PC	Revised	Transfers	Revised	Disbursement	ULO	Expenditure	Utiliz.
Main Programme	Budget	Budget	Authorized	Authorized	Budget	Fin. Reg.	Budget after			Rate	
Programme	PC.DEC/1073	PC.DEC/1073	Transfers	Transfers	PC.DEC/1113	3.02(b)	Transfers			%	
EUR '000											
I. FUNDS RELATED TO SECRETARIAT AND INSTITUTIONS											
The Secretariat											
Secretary General and Central Services											
Executive Management	1,011,000	1,011	2,200	2	1,013	-	1,013	1,010	3	1,013	100
Security Management	375,500	376	14,300	14	390	-	390	389	0	390	100
External Co-operation	668,100	668	9,200	9	677	-	677	676	1	677	100
Legal Services	529,900	530	(8,700)	(9)	521	-	521	521	0	521	100
Press and Public Information	1,204,500	1,205	(30,200)	(30)	1,174	-	1,174	1,157	17	1,174	100
Records Management	264,300	264	(3,600)	(4)	261	-	261	260	0	261	100
Prague Office	395,400	395	(31,000)	(31)	364	-	364	358	7	364	100
Gender Issues	359,000	359	(14,100)	(14)	345	-	345	344	0	345	100
TOTAL	4,807,700	4,808	(61,900)	(62)	4,746	-	4,746	4,716	30	4,745	100
Chairman-in-Office											
Short-Term Mission/Visits of CiO and PR of the CiO	390,000	390	(23,600)	(24)	366	-	366	360	6	366	100
Advisory Committee on Management and Finance (ACMF)	15,000	15	(300)	(0)	15	-	15	11	3	15	100
Panel of Adjudicators	39,000	39	(28,400)	(28)	11	-	11	10	0	11	100
Audit Committee	49,200	49	(36,200)	(36)	13	-	13	13	-	13	100
External Auditors	100,000	100	(60,800)	(61)	39	-	39	39	-	39	100
TOTAL	593,200	593	(149,300)	(149)	444	-	444	434	10	444	100
Internal Oversight											
Internal Oversight	1,342,300	1,342	(99,400)	(99)	1,243	-	1,243	1,241	2	1,243	100
TOTAL	1,342,300	1,342	(99,400)	(99)	1,243	-	1,243	1,241	2	1,243	100
Office of the Special Representative/Co-ordinator for Combating Trafficking in Human Beings											
Office of the Special Representative/Co-ordinator for Combating Trafficking in Human Beir	894,000	894	21,200	21	915	-	915	912	3	915	100
TOTAL	894,000	894	21,200	21	915	-	915	912	3	915	100
Addressing Transnational Threats											
Co-ordination of TNT Activities	518,000	518	18,100	18	536	-	536	532	4	536	100
Strategic Police Matters Unit	598,300	598	(72,800)	(73)	526	-	526	513	13	525	100
Action Against Terrorism	751,700	752	(49,300)	(49)	702	-	702	701	1	702	100
Border Security and Management	411,500	412	3,600	4	415	-	415	410	5	415	100
TOTAL	2,279,500	2,280	(100,400)	(100)	2,179	-	2,179	2,156	22	2,179	100
Activities Related to the Economic and Environmental Aspects of Security											
Co-ordinator of OSCE Economic and Environmental Activities	1,470,300	1,470	(16,700)	(17)	1,454	-	1,454	1,443	11	1,454	100
Economic and Environmental Forum	449,100	449	(16,800)	(17)	432	-	432	421	11	432	100
TOTAL	1,919,400	1,919	(33,500)	(34)	1,886	-	1,886	1,864	22	1,886	100
Conflict Prevention											
CPC Direction and Management	403,300	403	25,800	26	429	-	429	425	4	429	100
Policy Support Service	886,100	886	(22,300)	(22)	864	-	864	863	0	864	100
Operations Service	677,100	677	13,400	13	691	-	691	654	36	690	100
Programming and Evaluation Support Unit	349,300	349	20,300	20	370	-	370	369	0	370	100
FSC Chairmanship	33,100	33	(800)	(1)	32	-	32	27	6	32	100
FSC Support	563,400	563	11,900	12	575	-	575	575	0	575	100
Communications Network	560,800	561	(8,900)	(9)	552	-	552	494	58	552	100
TOTAL	3,473,100	3,473	39,400	39	3,513	-	3,513	3,407	105	3,512	100

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Main Programme	Budget	Budget	Authorized	Authorized	Budget	Fin. Reg.	Budget after			Rate	
Programme	PC.DEC/1073	PC.DEC/1073	Transfers	Transfers	PC.DEC/1113	3.02(b)	Transfers			%	
EUR '000											
Human Resources Management											
HR Direction and Management	452,000	452	(88,200)	(88)	364	-	364	341	23	364	100
Personnel Management and Payroll Administration	1,095,700	1,096	48,100	48	1,144	-	1,144	1,095	49	1,144	100
Recruitment	543,800	544	(900)	(1)	543	-	543	540	3	543	100
Training Section	996,300	996	(49,000)	(49)	947	-	947	933	14	947	100
Common Staff Costs	2,019,900	2,020	49,600	50	2,070	-	2,070	1,969	100	2,069	100
TOTAL	5,107,700	5,108	(40,400)	(40)	5,067	-	5,067	4,878	189	5,067	100
Department of Management and Finance											
DMF Direction and Management	325,700	326	(1,400)	(1)	324	-	324	324	1	324	100
Conference and Language Services	4,936,200	4,936	(267,300)	(267)	4,669	-	4,669	4,539	130	4,669	100
Budget and Internal Control Services	641,700	642	(26,300)	(26)	615	-	615	615	0	615	100
Financial Accounting and Treasury Services	934,000	934	35,100	35	969	-	969	960	10	969	100
Information and Communication Technology Services	2,052,800	2,053	(56,800)	(57)	1,996	-	1,996	1,873	123	1,996	100
Mission Support Services	1,329,300	1,329	37,400	37	1,367	-	1,367	1,362	4	1,367	100
Secretariat Common Operational Costs	3,307,400	3,307	(133,900)	(134)	3,174	-	3,174	2,485	688	3,173	100
TOTAL	13,527,100	13,527	(413,200)	(413)	13,114	-	13,114	12,158	956	13,114	100
TOTAL FOR THE SECRETARIAT	33,944,000	33,944	(837,500)	(838)	33,107	-	33,107	31,766	1,339	33,105	100
Office for Democratic Institutions and Human Rights											
Direction and Policy	1,264,800	1,265	108,600	109	1,373	-	1,373	1,343	29	1,372	100
Fund Administration Unit	2,018,200	2,018	61,600	62	2,080	-	2,080	2,064	16	2,080	100
Common Operational Costs	834,500	835	(77,100)	(77)	757	-	757	625	131	757	100
Human Dimension Meetings	658,800	659	(89,700)	(90)	569	-	569	563	6	569	100
Democratization	1,468,200	1,468	41,000	41	1,509	-	1,509	1,500	9	1,509	100
Human Rights	1,180,300	1,180	41,400	41	1,222	-	1,222	1,197	24	1,221	100
Elections	6,544,200	6,544	(381,200)	(381)	6,163	-	6,163	5,824	327	6,152	100
Tolerance and Non-Discrimination	1,295,300	1,295	66,900	67	1,362	-	1,362	1,337	25	1,362	100
Roma and Sinti Issues	540,900	541	(2,600)	(3)	538	-	538	502	36	538	100
TOTAL	15,805,200	15,805	(231,100)	(231)	15,574	-	15,574	14,957	603	15,560	100
High Commissioner on National Minorities											
Fund Administration Unit	363,700	364	5,400	5	369	-	369	369	-	369	100
Common Operational Costs	175,400	175	800	1	176	-	176	166	11	176	100
Office of the High Commissioner	2,868,500	2,869	(131,300)	(131)	2,737	-	2,737	2,686	51	2,737	100
TOTAL	3,407,600	3,408	(125,100)	(125)	3,283	-	3,283	3,221	62	3,282	100
Representative on Freedom of the Media											
Freedom of the Media	1,451,600	1,452	(28,100)	(28)	1,424	-	1,424	1,389	35	1,424	100
TOTAL	1,451,600	1,452	(28,100)	(28)	1,424	-	1,424	1,389	35	1,424	100
TOTAL FOR FUNDS RELATED TO THE SECRETARIAT AND INSTITUTIONS	54,608,400	54,608	(1,221,800)	(1,222)	53,387	-	53,387	51,332	2,038	53,370	100

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Main Programme	Budget	Budget	Authorized	Authorized	Budget	Fin. Reg.	Budget after				Rate
Programme	PC.DEC/1073	PC.DEC/1073	Transfers	Transfers	PC.DEC/1113	3.02(b)	Transfers				%
EUR '000											
II. FUNDS RELATED TO OSCE FIELD OPERATIONS											
AUGMENTATIONS											
Secretariat Augmentations											
Press and Public Information	268,500	269	(56,200)	(56)	212	-	212	212	0	212	100
Internal Oversight	282,400	282	(16,800)	(17)	266	-	266	265	1	266	100
Policy Support Service	399,600	400	13,400	13	413	-	413	413	0	413	100
Programming and Evaluation Support Unit	59,800	60	6,900	7	67	-	67	66	0	67	100
Operations Service	179,400	179	(1,500)	(2)	178	-	178	177	1	178	100
Personnel Management and Payroll Administration	312,300	312	4,400	4	317	-	317	315	1	317	100
Recruitment	514,000	514	(4,800)	(5)	509	-	509	509	1	509	100
Budget and Internal Control Services	396,100	396	(62,800)	(63)	333	-	333	333	0	333	100
Financial Accounting and Treasury Services	455,500	456	16,600	17	472	-	472	465	7	472	100
Information and Communication Technology Services	1,357,900	1,358	52,500	53	1,410	-	1,410	1,415	(4)	1,410	100
Mission Support Service	1,100,200	1,100	11,600	12	1,112	-	1,112	1,109	3	1,112	100
TOTAL	5,325,700	5,326	(36,700)	(37)	5,289	-	5,289	5,278	10	5,288	100
ODIHR Augmentations											
ODIHR Democratization	234,100	234	(5,400)	(5)	229	-	229	229	0	229	100
TOTAL	234,100	234	(5,400)	(5)	229	-	229	229	0	229	100
TOTAL FOR AUGMENTATIONS	5,559,800	5,560	(42,100)	(42)	5,518	-	5,518	5,507	11	5,517	100
SOUTH-EASTERN EUROPE											
Mission in Kosovo											
Office of Head of Mission	2,977,700	2,978	362,100	362	3,340	-	3,340	3,278	62	3,340	100
Fund Administration Unit	2,594,300	2,594	317,900	318	2,912	-	2,912	2,843	69	2,912	100
Common Operational Costs	3,798,200	3,798	(144,300)	(144)	3,654	-	3,654	2,967	687	3,654	100
Security and Public Safety	1,298,700	1,299	(13,900)	(14)	1,285	-	1,285	1,274	11	1,285	100
Democratization	2,901,500	2,902	(162,100)	(162)	2,739	-	2,739	2,519	220	2,739	100
Human Rights and Communities	6,942,400	6,942	(361,100)	(361)	6,581	-	6,581	6,498	83	6,581	100
TOTAL FOR THE MISSION	20,512,800	20,513	(1,400)	(1)	20,511	-	20,511	19,380	1,131	20,511	100
Tasks in Bosnia and Herzegovina											
Office of Head of Mission	1,519,900	1,520	(48,500)	(49)	1,471	-	1,471	1,469	2	1,471	100
Fund Administration Unit	1,948,400	1,948	(100,000)	(100)	1,848	-	1,848	1,847	1	1,848	100
Common Operational Costs	2,498,300	2,498	210,800	211	2,709	-	2,709	2,268	441	2,709	100
Security Co-operation	591,600	592	(25,500)	(26)	566	-	566	566	0	566	100
Human Dimension	6,523,000	6,523	(268,300)	(268)	6,255	-	6,255	6,238	17	6,255	100
TOTAL FOR THE MISSION	13,081,200	13,081	(231,500)	(232)	12,850	-	12,850	12,388	461	12,849	100
Regional Stabilization/Arms Control											
Implementation of Article IV	212,900	213	(10,200)	(10)	203	-	203	198	4	203	100
TOTAL REGIONAL STABILIZATION / ARMS CONTROL	212,900	213	(10,200)	(10)	203	-	203	198	4	203	100
Grand Total for Tasks in Bosnia and Herzegovina	13,294,100	13,294	(241,700)	(242)	13,052	-	13,052	12,587	465	13,052	100

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Main Programme	Budget	Budget	Authorized	Authorized	Budget	Fin. Reg.	Budget after			Rate	
Programme	PC.DEC/1073	PC.DEC/1073	Transfers	Transfers	PC.DEC/1113	3.02(b)	Transfers			%	
EUR '000											
Mission to Serbia											
Office of Head of Mission	954,900	955	6,300	6	961	-	961	932	29	961	100
Fund Administration Unit	748,400	748	26,400	26	775	-	775	768	7	775	100
Common Operational Costs	1,333,300	1,333	(16,100)	(16)	1,317	-	1,317	1,196	121	1,317	100
Police Affairs	1,300,600	1,301	(105,200)	(105)	1,195	-	1,195	1,171	24	1,195	100
Democratization	1,143,300	1,143	(32,400)	(32)	1,111	-	1,111	1,104	6	1,111	100
Media	402,800	403	(700)	(1)	402	-	402	401	1	402	100
Rule of Law and Human Rights	1,026,200	1,026	(4,100)	(4)	1,022	-	1,022	1,015	7	1,022	100
TOTAL	6,909,500	6,910	(125,800)	(126)	6,784	-	6,784	6,589	195	6,783	100
Presence in Albania											
Office of Head of Mission	475,400	475	(14,400)	(14)	461	-	461	458	3	461	100
Fund Administration Unit	422,500	423	7,400	7	430	-	430	394	35	430	100
Common Operational Costs	695,800	696	(30,700)	(31)	665	-	665	583	82	665	100
Security Co-operation	356,700	357	4,600	5	361	-	361	337	24	361	100
Governance in Economic and Environmental Issues	303,500	304	(23,700)	(24)	280	-	280	228	52	280	100
Democratization	447,200	447	2,900	3	450	-	450	427	23	450	100
Rule of Law and Human Rights	339,500	340	3,400	3	343	-	343	320	23	343	100
TOTAL	3,040,600	3,041	(50,500)	(51)	2,990	-	2,990	2,747	243	2,990	100
Mission to Skopje											
Office of Head of Mission	961,800	962	55,600	56	1,017	-	1,017	1,014	3	1,017	100
Fund Administration Unit	868,900	869	67,400	67	936	-	936	931	6	936	100
Common Operational Costs	1,014,100	1,014	37,700	38	1,052	-	1,052	991	60	1,052	100
Public Safety and Community Outreach	1,864,600	1,865	(112,100)	(112)	1,753	-	1,753	1,728	24	1,752	100
Human Dimension	1,854,900	1,855	(94,200)	(94)	1,761	-	1,761	1,706	55	1,761	100
TOTAL	6,564,300	6,564	(45,600)	(46)	6,519	-	6,519	6,370	148	6,518	100
Mission to Montenegro											
Office of Head of Mission	336,600	337	(24,500)	(25)	312	-	312	312	-	312	100
Fund Administration Unit	267,800	268	400	0	268	-	268	268	-	268	100
Common Operational Costs	436,300	436	(23,600)	(24)	413	-	413	403	10	413	100
Police Affairs	419,400	419	(33,900)	(34)	386	-	386	383	2	385	100
Democratization	409,300	409	(17,400)	(17)	392	-	392	390	2	392	100
Media	119,300	119	(2,500)	(3)	117	-	117	117	-	117	100
Rule of Law and Human Rights	255,200	255	(8,700)	(9)	247	-	247	246	-	246	100
TOTAL	2,243,900	2,244	(110,200)	(110)	2,134	-	2,134	2,119	14	2,133	100
TOTAL FOR SOUTH-EASTERN EUROPE	52,565,200	52,565	(575,200)	(575)	51,990	-	51,990	49,792	2,196	51,988	100
EASTERN EUROPE											
Mission to Moldova											
Office of Head of Mission	400,800	401	1,800	2	403	-	403	390	12	403	100
Fund Administration Unit	221,500	222	1,000	1	223	-	223	222	1	222	100
Common Operational Costs	479,200	479	21,800	22	501	-	501	391	112	503	100
Conflict Prevention/Resolution	461,000	461	(25,700)	(26)	435	-	435	434	1	435	100
Human Rights Monitoring/Democratization	294,000	294	(19,400)	(19)	275	-	275	271	4	275	100
Anti-Trafficking/Gender	268,700	269	(48,200)	(48)	221	-	221	216	4	220	100
TOTAL	2,125,200	2,125	(68,700)	(69)	2,057	-	2,057	1,924	134	2,058	100

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Main Programme	Budget	Budget	Authorized	Authorized	Budget	Fin. Reg.	Budget after				Rate
Programme	PC.DEC/1073	PC.DEC/1073	Transfers	Transfers	PC.DEC/1113	3.02(b)	Transfers				%
EUR '000											
Project Co-ordinator in Ukraine											
Office of Head of Mission	211,300	211	(1,000)	(1)	210	-	210	210	0	210	100
Fund Administration Unit	324,700	325	4,600	5	329	-	329	329	0	329	100
Common Operational Costs	394,900	395	30,600	31	426	-	426	393	32	425	100
Democratization and Good Governance	306,400	306	(25,300)	(25)	281	-	281	281	0	281	100
Rule of Law and Human Rights	897,200	897	(5,700)	(6)	892	-	892	891	0	891	100
Economic, Environmental and Politico-Military Projects	691,500	692	(82,800)	(83)	609	-	609	604	5	609	100
TOTAL	2,826,000	2,826	(79,600)	(80)	2,746	-	2,746	2,708	38	2,746	100
Representative to the Latvian-Russian Joint Commission on Military Pensioner											
Office of Head of Mission	9,300	9	(2,000)	(2)	7	-	7	7	0	7	100
TOTAL	9,300	9	(2,000)	(2)	7	-	7	7	0	7	100
TOTAL FOR EASTERN EUROPE	4,960,500	4,961	(150,300)	(150)	4,810	-	4,810	4,640	172	4,812	100
CAUCASUS											
Office in Yerevan											
Office of Head of Mission	286,800	287	(14,100)	(14)	273	-	273	262	10	273	100
Fund Administration Unit	220,600	221	(17,000)	(17)	204	-	204	202	1	204	100
Common Operational Costs	389,000	389	17,000	17	406	-	406	374	32	406	100
Politico-Military Activities	526,500	527	(44,100)	(44)	482	-	482	482	-	482	100
Economic and Environmental Activities	489,800	490	28,700	29	519	-	519	518	0	518	100
Democratization	270,200	270	16,000	16	286	-	286	286	-	286	100
Human Rights	297,600	298	(8,800)	(9)	289	-	289	289	-	289	100
Good Governance	310,900	311	(4,700)	(5)	306	-	306	306	0	306	100
TOTAL	2,791,400	2,791	(27,900)	(27)	2,764	-	2,764	2,720	44	2,764	100
Office in Baku											
Office of Head of Mission	253,800	254	23,300	23	277	-	277	215	62	277	100
Fund Administration Unit	280,100	280	(900)	(1)	279	-	279	277	2	279	100
Common Operational Costs	568,500	569	(16,900)	(17)	552	-	552	516	36	552	100
Politico-Military Activities	511,000	511	(37,000)	(37)	474	-	474	447	27	474	100
Economic and Environmental Activities	392,400	392	(13,900)	(14)	379	-	379	304	74	378	100
Democratization	401,600	402	(7,100)	(7)	395	-	395	340	55	394	100
Rule of Law and Human Rights	422,500	423	(22,800)	(23)	400	-	400	341	59	400	100
TOTAL	2,829,900	2,830	(75,300)	(75)	2,755	-	2,755	2,439	315	2,754	100
High-Level Planning Group											
Office of Head of Mission	245,100	245	(62,400)	(62)	183	-	183	181	2	183	100
TOTAL	245,100	245	(62,400)	(62)	183	-	183	181	2	183	100
The Minsk Process											
Office of Head of Mission	927,500	928	(569,000)	(569)	359	-	359	347	11	358	100
TOTAL	927,500	928	(569,000)	(569)	359	-	359	347	11	358	100

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Main Programme	Budget	Budget	Authorized	Authorized	Budget	Fin. Reg.	Budget after			Rate	
Programme	PC.DEC/1073	PC.DEC/1073	Transfers	Transfers	PC.DEC/1113	3.02(b)	Transfers			%	
EUR '000											
Personal Representative of the CiO on the Conflict Dealt with by the Minsk Conference											
Office of Head of Mission	545,500	546	(44,700)	(45)	501	-	501	473	28	501	100
Fund Administration Unit	225,300	225	(6,200)	(6)	219	-	219	219	0	219	100
Common Operational Costs	396,200	396	(37,900)	(38)	358	-	358	316	42	358	100
TOTAL	1,167,000	1,167	(88,800)	(89)	1,078	-	1,078	1,008	70	1,078	100
TOTAL FOR CAUCASUS	7,960,900	7,961	(822,500)	(823)	7,138	-	7,138	6,695	442	7,137	100
CENTRAL ASIA											
Centre in Astana											
Office of Head of Mission	208,000	208	(1,600)	(2)	206	-	206	203	3	206	100
Fund Administration Unit	249,200	249	(6,000)	(6)	243	-	243	233	10	243	100
Common Operational Costs	383,300	383	(20,200)	(20)	363	-	363	316	47	363	100
Politico-Military Activities	430,300	430	3,400	3	434	-	434	422	12	434	100
Economic and Environmental Activities	443,700	444	5,000	5	449	-	449	383	66	449	100
Human Dimension Activities	433,900	434	3,200	3	437	-	437	400	37	437	100
TOTAL	2,148,400	2,148	(16,200)	(16)	2,132	-	2,132	1,958	174	2,132	100
Centre in Ashgabat											
Office of Head of Mission	297,900	298	15,200	15	313	-	313	291	22	313	100
Fund Administration Unit	178,900	179	(4,600)	(5)	174	-	174	165	9	174	100
Common Operational Costs	268,200	268	(18,700)	(19)	250	-	250	233	17	249	100
Conflict Prevention and Confidence and Security Building	281,800	282	(13,600)	(14)	268	-	268	249	19	268	100
Economic and Environmental Activities	236,900	237	(5,600)	(6)	231	-	231	229	2	231	100
Human Dimension Activities	248,000	248	3,600	4	252	-	252	206	45	252	100
TOTAL	1,511,700	1,512	(23,700)	(24)	1,488	-	1,488	1,374	114	1,488	100
Centre in Bishkek											
Office of Head of Mission	1,020,200	1,020	2,200	2	1,022	-	1,022	946	76	1,022	100
Fund Administration Unit	563,800	564	(22,500)	(23)	541	-	541	530	12	541	100
Common Operational Costs	804,000	804	(17,800)	(18)	786	-	786	726	60	786	100
Politico-Military Activities	1,376,200	1,376	104,900	105	1,481	-	1,481	1,324	158	1,481	100
Economic and Environmental Activities	1,096,100	1,096	(7,100)	(7)	1,089	-	1,089	1,001	88	1,089	100
Human Dimension Activities	1,006,500	1,007	(16,100)	(16)	990	-	990	813	177	990	100
Police Reform Programme	943,600	944	(93,200)	(93)	850	-	850	614	237	850	100
TOTAL	6,810,400	6,810	(49,600)	(50)	6,761	-	6,761	5,953	807	6,760	100
Project Co-ordinator in Uzbekistan											
Office of Head of Mission	180,200	180	(7,800)	(8)	172	-	172	150	22	172	100
Fund Administration Unit	105,100	105	(300)	(0)	105	-	105	98	6	105	100
Common Operational Costs	268,500	269	22,100	22	291	-	291	266	24	291	100
Politico-Military Activities	405,100	405	10,800	11	416	-	416	330	86	416	100
Economic and Environmental Activities	523,500	524	(4,000)	(4)	520	-	520	449	70	519	100
Human Dimension Activities	496,700	497	(33,500)	(34)	463	-	463	393	70	463	100
TOTAL	1,979,100	1,979	(12,700)	(13)	1,966	-	1,966	1,686	279	1,966	100

Budget and Expenditure Report as at 31 December 2013

Fund	Approved	Approved	PC	PC	Revised	Transfers	Revised	Disbursement	ULO	Expenditure	Utiliz.
Main Programme	Budget	Budget	Authorized	Authorized	Budget	Fin. Reg.	Budget after				Rate
Programme	PC.DEC/1073	PC.DEC/1073	Transfers	Transfers	PC.DEC/1113	3.02(b)	Transfers				%
EUR '000											
Office in Tajikistan											
Office of Head of Mission	1,183,500	1,184	(31,800)	(32)	1,152	-	1,152	1,140	11	1,152	100
Fund Administration Unit	602,400	602	(34,600)	(35)	568	-	568	562	6	568	100
Common Operational Costs	1,633,700	1,634	36,400	36	1,670	-	1,670	1,458	215	1,672	100
Political and Military Aspects of Security	1,310,900	1,311	(18,400)	(18)	1,293	-	1,293	1,217	76	1,292	100
Economic and Environmental Activities	961,200	961	(36,000)	(36)	925	-	925	859	66	925	100
Human Dimension Activities	1,026,500	1,027	(57,600)	(58)	969	-	969	895	74	969	100
TOTAL	6,718,200	6,718	(142,000)	(142)	6,576	-	6,576	6,130	448	6,578	100
TOTAL FOR CENTRAL ASIA	19,167,800	19,168	(244,200)	(244)	18,924	-	18,924	17,101	1,822	18,924	100
TOTAL FOR FUNDS RELATED TO THE OSCE FIELD OPERATIONS	90,214,200	90,214	(1,834,300)	(1,834)	88,380	-	88,380	83,735	4,643	88,378	100
TOTAL OSCE UNIFIED BUDGET	144,822,600	144,823	(3,056,100)	(3,056)	141,767	-	141,767	135,067	6,682	141,749	100

Staffing Overview - Budget and Actual Staff Positions

as at 31 December 2013

Fund number of positions	International Staff				National Professional		Local Staff General Service		Sub-Total		Grand Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
The Secretariat	143.00	128.00	45.00	39.00	0.00	0.00	184.00	178.00	184.00	178.00	372.00	345.00
Office for Democratic Institutions and Human Rights	62.00	56.00	16.00	11.00	0.00	0.00	57.00	56.00	57.00	56.00	135.00	123.00
High Commissioner on National Minorities	16.00	15.00	5.00	5.00	0.00	0.00	9.00	9.00	9.00	9.00	30.00	29.00
Representative on Freedom of the Media	7.00	6.00	6.00	5.00	0.00	0.00	3.00	3.00	3.00	3.00	16.00	14.00
Secretariat and Institutions	228.00	205.00	72.00	60.00	0.00	0.00	253.00	246.00	253.00	246.00	553.00	511.00
Mission in Kosovo	15.00	12.00	151.00	126.00	85.00	81.00	352.50	341.50	437.50	422.50	603.50	560.50
Tasks in Bosnia and Herzegovina	4.00	4.00	68.00	49.00	137.50	130.00	210.00	204.50	347.50	334.50	419.50	387.50
Mission to Serbia	2.00	2.00	28.00	23.00	27.00	25.00	89.50	83.00	116.50	108.00	146.50	133.00
Presence in Albania	1.00	1.00	20.00	15.00	16.00	15.00	48.00	43.00	64.00	58.00	85.00	74.00
Mission to Skopje	3.00	3.00	46.00	36.00	20.00	19.00	90.00	84.50	110.00	103.50	159.00	142.50
Mission to Montenegro	1.00	1.00	10.00	9.00	7.00	7.00	25.00	24.00	32.00	31.00	43.00	41.00
South-Eastern Europe	26.00	23.00	323.00	258.00	292.50	277.00	815.00	780.50	1,107.50	1,057.50	1,456.50	1,338.50
Mission to Moldova	1.00	1.00	12.00	12.00	9.00	8.00	30.00	30.00	39.00	38.00	52.00	51.00
Project Co-ordinator in Ukraine	1.00	1.00	2.00	2.00	22.00	22.00	19.00	18.00	41.00	40.00	44.00	43.00
Eastern Europe	2.00	2.00	14.00	14.00	31.00	30.00	49.00	48.00	80.00	78.00	96.00	94.00
Office in Yerevan	1.00	1.00	6.00	6.00	12.00	12.00	28.00	27.00	40.00	39.00	47.00	46.00
Office in Baku	1.00	1.00	10.00	8.00	7.00	7.00	22.00	21.00	29.00	28.00	40.00	37.00
High-Level Planning Group	0.00	0.00	8.00	5.00	0.00	0.00	1.00	1.00	1.00	1.00	9.00	6.00
Personal Representative of the CiO on the Conflict Dealt with by the Minsk Conference	1.00	1.00	5.00	5.00	0.00	0.00	12.00	11.00	12.00	11.00	18.00	17.00
Caucasus	3.00	3.00	29.00	24.00	19.00	19.00	63.00	60.00	82.00	79.00	114.00	106.00
Centre in Astana	1.00	1.00	5.00	5.00	4.00	4.00	18.00	18.00	22.00	22.00	28.00	28.00
Centre in Ashgabat	1.00	1.00	5.00	5.00	2.00	2.00	17.00	16.00	19.00	18.00	25.00	24.00
Centre in Bishkek	4.00	4.00	22.00	16.00	7.00	5.00	84.00	76.00	91.00	81.00	117.00	101.00
Project Co-ordinator in Uzbekistan	0.00	0.00	3.00	3.00	3.00	3.00	15.00	15.00	18.00	18.00	21.00	21.00
Office in Tajikistan	4.00	4.00	24.00	21.00	11.00	10.00	121.00	120.00	132.00	130.00	160.00	155.00
Central Asia	10.00	10.00	59.00	50.00	27.00	24.00	255.00	245.00	282.00	269.00	351.00	329.00
Total for Funds Related to OSCE Field Operations	41.00	38.00	425.00	346.00	369.50	350.00	1,182.00	1,133.50	1,551.50	1,483.50	2,017.50	1,867.50

Chapter III – Financial Statements

I. Statement of Financial Position

Total OSCE

As at 31 December 2013

EUR '000	TOTAL OSCE		
	Note	2013	2012 Restated
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	26,861	30,161
Investments	4	40,553	31,208
Assessed Contributions Receivable	5.1	5,784	11,857
Allowance for Assessed Contributions Receivable	5.2	(5,344)	(5,178)
Accounts Receivable	6	2,421	2,641
Prepayments	7	2,428	2,720
Other Current Assets		3	23
		72,706	73,433
Non-Current Assets			
Property, Plant and Equipment	8	4,370	5,680
Intangible Assets	9	1,611	0
Other Non-Current Assets	10	10	35
		5,991	5,715
Total Assets		78,696	79,148
LIABILITIES			
Current Liabilities			
Accounts Payable	11	2,897	4,206
Accruals	12	3,676	8,002
Deferred Revenue	13	26,976	27,415
Funds Held for Third Parties	14	3,209	5,174
Employee Benefits Current	15	5,084	4,948
Cash Surplus Current	17.1	(1,904)	1,812
Provisions	18	6,099	2,685
Other Current Liabilities		425	266
		46,463	54,508
Non-Current Liabilities			
Employee Benefits Non-Current	15	2,740	2,743
Cash Surplus Non-Current	17.2	6,976	(1,904)
Other Non-Current Liabilities		0	37
		9,716	876
Total Liabilities		56,179	55,384
NET ASSETS			
Cash Surplus Withheld	17.3	269	278
Revolving Fund	1.3	2,710	2,710
Contingency Fund	1.3	2,180	2,180
IPSAS Reserves	19	(35,177)	(32,976)
Accumulated Surplus/(Deficit)	20	52,535	51,571
Total Net Assets		22,517	23,763

II. Statement of Financial Performance

Total OSCE

For the Year Ended 31 December 2013

EUR '000	TOTAL OSCE		
	Note	2013	2012 Restated
REVENUE			
Assessed Contributions	21	141,767	144,823
Extra-Budgetary Contributions	22	27,356	25,144
Finance Revenue	23	206	448
Revenue from Exchange Transactions	24	(88)	150
Foreign Exchange Gains/(Losses)	25	(388)	47
Savings on Prior Year Accruals	26	0	337
Other Revenue	27	145	61
Total Revenue		168,998	171,010
EXPENSES			
Staff Costs	28.1	91,612	93,700
Consultancy and Subcontracting	28.2	24,828	24,694
Travel Expenses	28.3	16,491	16,028
Services and Office Costs	28.4	21,028	23,708
Consumables and Supplies	28.5	3,554	4,622
Depreciation and Amortisation	28.6	2,378	2,978
Equipment Purchases	28.7	947	2,419
Other Operating Expenses	28.8	2,221	1,883
Total Expenses		163,058	170,033
Surplus/(Deficit) for the Period	20.1	5,940	977

III. Cash Flow Statement

Total OSCE

For the Year Ended 31 December 2013

EUR '000		TOTAL OSCE	
	Note	2013	2012 Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(Deficit)	20.1	5,940	977
Non-Cash Movements			
Deduction of Effects of Changes in Foreign Exchange	24	388	(47)
Deduction of Depreciation, Amortisation and Impairments	28.6	2,379	3,014
Deduction of Gains/Losses on Disposal of PP&E	24	93	(104)
(Increase) / Decrease in Assessed Contributions Receivable	5.1	6,073	(2,929)
Increase /(Decrease) in Allowance for AC Receivable	5.2	166	280
(Increase) / Decrease in Accounts Receivable	6	220	(73)
(Increase) / Decrease in Prepayments	7	292	(529)
(Increase) / Decrease in Other Current/Non-Current Assets		45	216
Increase /(Decrease) in Accounts Payable	11	(1,308)	17
Increase /(Decrease) in Accruals	12	(4,326)	1,497
Increase /(Decrease) in Deferred Revenue	13	(439)	20,706
Increase /(Decrease) in Funds Held for Third Parties	14	(1,964)	1,374
Increase /(Decrease) in Employee Benefits	15	134	4
Increase /(Decrease) in Provisions	18	3,413	2,685
Increase /(Decrease) in Other Liabilities		121	(255)
Increase /(Decrease) in IPSAS Reserves	19	(2,201)	(19,575)
Net Cash Flows from Operating Activities		9,026	7,258
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	4	(9,344)	(10,593)
(Addition) / Disposal of PP&E and Intangibles	8,9	(2,680)	(8,590)
Net Cash Flows from Investing Activities		(12,025)	(19,183)
CASH FLOWS FROM FINANCING ACTIVITIES			
Credits for Cash Surplus Withheld	15.3	(8)	(6)
Credits for Cash Surplus	17	0	(190)
Refund of Unspent Extra-budgetary Contributions	20	(131)	(1,377)
Net Cash Flows from Financing Activities		(139)	(1,574)
Net Increase/(Decrease) in Cash and Cash Equivalents		(3,138)	(13,499)
Cash and Cash Equivalents at Beginning of Period		30,161	43,613
Foreign Exchange Gains/(Losses) on Cash and Cash Equivalents		(162)	47
Cash and Cash Equivalents at End of Period		26,861	30,161

IV. Statement of Changes in Net Assets

Total OSCE

For the Year Ended 31 December 2013

EUR '000	Note	Cash Surplus Withheld	Revolving Fund	Contingency Fund	IPSAS Reserves	Accumulated Surplus/(Deficit)	Total Net Assets
Balance as at 31 December 2012		278	2,710	2,180	(10,740)	49,714	44,142
<i>Changes in Accounting Policy</i>	19						
Adoption of IPSAS 17					6,756	(1,040)	5,716
Adoption of IPSAS 21					0	(36)	(36)
Adoption of IPSAS 23					(26,058)	0	(26,058)
Changes in PP&E initially recognized in net asset	19				(2,933)	2,933	0
Restated Balance as at 31 December 2012		278	2,710	2,180	(32,976)	51,571	23,763
Changes in Net Assets for 2013							
Change in Provision for Pending Claims	18				325		325
Changes in PP&E initially recognized in net assets	19				(2,130)	2,130	0
Release of Cash Surplus Withheld	17.3	(8)					(8)
Allocation of Cash Surplus for 2013	17.2					(6,976)	(6,976)
Actuarial Gain/(Loss)	15				(396)		(396)
Refund of Unspent Extrabudgetary Contributions	18					(131)	(131)
Surplus/(Deficit) for the Period	20.1					5,940	5,940
Total Recognized Revenue and Expense for the Period		269	2,710	2,180	(35,177)	52,535	22,517

V. Statement of Comparison of Budget and Actual Amounts

Total Unified Budget *

For the Year Ended 31 December 2013

EUR '000	Approved Budget	PC Authorized Transfers	Revised Budget	Actuals	Variance
The Secretariat	33,944	(838)	33,107	33,105	2
Office for Democratic Institutions and Human Rights	15,805	(231)	15,574	15,560	14
High Commissioner on National Minorities	3,408	(125)	3,283	3,282	1
Representative on Freedom of the Media	1,452	(28)	1,424	1,424	0
Total funds related to the Secretariat and Institutions	54,608	(1,222)	53,387	53,370	17
Augmentations	5,560	(42)	5,518	5,517	1
South-Eastern Europe	52,565	(575)	51,990	51,988	2
Eastern Europe	4,961	(150)	4,811	4,811	0
Caucasus	7,961	(823)	7,138	7,137	1
Central Asia	19,168	(244)	18,924	18,924	0
Total funds related to OSCE Field Operations	90,215	(1,834)	88,381	88,377	4
Total Unified Budget	144,823	(3,056)	141,768	141,747	21

* The budget basis and the accounting basis differ. Actuals are reported on this statement on a budget basis and include solely Unified Budget funds.

VI.1 Segment Reporting
Statement of Financial Position
Summary by Source of Funds

As at 31 December 2013

EUR '000		Total Institutions		Total Field Operations		Total Unified Budget		Network Operating System		ERP Upgrade		Total Extra-Budgetary Funds		TOTAL OSCE	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
ASSETS															
Current Assets															
Cash and Cash Equivalents	3	19,574	12,935	2,281	2,307	21,855	15,241	0	0	0	0	5,005	14,920	26,861	30,161
Investments	4	6,708	6,708	0	0	6,708	6,708	0	0	0	0	33,844	24,500	40,553	31,208
Assessed Contributions Receivable	5.1	3,379	5,464	2,405	6,393	5,784	11,857	0	0	0	0	0	0	5,784	11,857
Allowance for Assessed Contributions Receivable	5.2	(3,159)	(3,006)	(2,185)	(2,172)	(5,344)	(5,178)	0	0	0	0	0	0	(5,344)	(5,178)
Accounts Receivable	6	1,867	2,125	554	516	2,421	2,641	0	0	0	0	0	0	2,421	2,641
Prepayments	7	1,382	1,387	1,046	1,333	2,428	2,720	0	0	0	0	0	0	2,428	2,720
Due From Other Funds		1,208	1,333	7,059	2,333	8,267	3,666	22	22	2,253	3,916	4,960	4,645	15,502	12,249
Other Current Assets		3	23	0	0	3	23	0	0	0	0	0	0	3	23
		30,963	26,969	11,160	10,710	42,123	37,679	22	22	2,253	3,916	43,809	44,065	88,208	85,682
Non-Current Assets															
Property, Plant and Equipment	8	743	979	3,159	3,734	3,902	4,712	0	45	20	0	448	923	4,370	5,680
Intangible Assets	9	197	0	52	0	250	0	0	0	1,345	0	15	0	1,611	0
Other Non-Current Assets	10	1	0	9	35	10	35	0	0	0	0	0	0	10	35
		941	979	3,221	3,769	4,162	4,747	0	45	1,365	0	463	923	5,991	5,715
Total Assets		31,904	27,948	14,380	14,478	46,285	42,426	22	67	3,619	3,916	44,273	44,988	94,198	91,397
LIABILITIES															
Current Liabilities															
Accounts Payable	11	1,461	2,065	1,927	2,141	3,388	4,206	0	0	(2)	0	(489)	0	2,897	4,206
Accruals	12	639	1,170	1,810	2,105	2,449	3,276	0	0	4	57	1,222	4,669	3,676	8,002
Deferred Revenue	13	5,166	3,442	0	0	5,166	3,442	0	0	0	0	21,810	23,973	26,976	27,415
Funds Held for Third Parties	14	3,188	5,154	21	20	3,209	5,174	0	0	0	0	0	0	3,209	5,174
Employee Benefits Current	15	1,843	1,704	3,056	3,122	4,899	4,826	0	0	0	0	185	123	5,084	4,948
Cash Surplus Current	17.1	(539)	1,000	(1,365)	812	(1,904)	1,812	0	0	0	0	0	0	(1,904)	1,812
Due To Other Funds		10,956	6,545	605	1,611	11,561	8,155	0	0	0	0	3,941	4,094	15,502	12,249
Provisions	18	0	0	275	600	275	600	0	0	0	0	5,824	2,085	6,099	2,685
Other Current Liabilities		209	208	109	37	317	245	0	0	0	0	108	21	425	266
		22,924	21,287	6,438	10,447	29,362	31,735	0	0	3	57	32,600	34,965	61,965	66,757
Non-Current Liabilities															
Employee Benefits Non-Current	15	2,280	2,282	413	411	2,694	2,693	0	0	0	0	47	49	2,740	2,743
Cash Surplus Non-Current	17.2	2,697	(539)	4,279	(1,365)	6,976	(1,904)	0	0	0	0	0	0	6,976	(1,904)
Other Non-Current Liabilities		0	0	0	37	0	37	0	0	0	0	0	0	0	37
		4,978	1,743	4,692	(916)	9,670	827	0	0	0	0	47	49	9,716	876
Total Liabilities		27,902	23,030	11,129	9,531	39,031	32,561	0	0	3	57	32,647	35,015	71,681	67,633
NET ASSETS															
Cash Surplus Withheld	17.3	203	210	66	68	269	278	0	0	0	0	0	0	269	278
Revolving Fund	1.3	2,710	2,710	0	0	2,710	2,710	0	0	0	0	0	0	2,710	2,710
Contingency Fund	1.3	2,180	2,180	0	0	2,180	2,180	0	0	0	0	0	0	2,180	2,180
IPSAS Reserves	19	(5,931)	(5,224)	(3,503)	(2,598)	(9,434)	(7,822)	123	152	0	0	(25,866)	(25,305)	(35,177)	(32,976)
Accumulated Surplus/(Deficit)	20	4,840	5,042	6,688	7,477	11,528	12,519	(100)	(85)	3,616	3,859	37,491	35,279	52,535	51,571
Total Net Assets		4,002	4,917	3,251	4,947	7,253	9,865	22	67	3,616	3,859	11,626	9,973	22,517	23,763

VI.2 Segment Reporting
Statement of Financial Performance
Summary by Source of Funds

For the Year Ended 31 December 2013

EUR '000	Note	Total Institutions		Total Field Operations		Total Unified Budget		Network Operating System		ERP Upgrade		Total Extra-Budgetary Funds		Total OSCE	
		2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
REVENUE															
Assessed Contributions	21	53,387	53,198	88,380	91,625	141,767	144,823	0	0	0	0	0	0	141,767	144,823
Extra-Budgetary Contributions	22	0	0	0	0	0	0	0	0	0	0	27,356	25,144	27,356	25,144
Finance Revenue	23	197	434	9	15	206	448	0	0	0	0	0	0	206	448
Revenue from Exchange Transactions	24	27	14	249	229	277	243	(14)	0	0	0	(351)	(94)	(88)	150
Foreign Exchange Gains/(Losses)	25	(21)	(95)	(75)	(24)	(96)	(119)	0	0	0	0	(292)	166	(388)	47
Savings on Prior Year Accruals	26	0	192	0	145	0	337	0	0	0	0	0	0	0	337
Other Revenue	27	101	42	44	19	145	61	0	0	0	0	0	0	145	61
Total Revenue		53,691	53,785	88,608	92,008	142,299	145,794	(14)	0	0	0	26,713	25,216	168,998	171,010
EXPENSES															
Staff Costs	28.1	33,208	32,998	53,268	56,473	86,476	89,471	0	0	8	0	5,128	4,230	91,612	93,700
Consultancy and Subcontracting	28.2	5,248	5,884	7,745	8,109	12,993	13,993	0	3	202	71	11,632	10,627	24,828	24,694
Travel Expenses	28.3	4,462	4,492	7,570	7,902	12,033	12,394	0	26	0	0	4,458	3,608	16,491	16,028
Services and Office Costs	28.4	6,549	7,824	12,289	13,350	18,838	21,174	0	320	4	0	2,186	2,214	21,028	23,708
Consumables and Supplies	28.5	651	1,013	2,581	2,889	3,233	3,902	0	14	24	0	297	706	3,554	4,622
Depreciation and Amortisation	28.6	404	495	1,685	2,186	2,089	2,682	4	14	4	0	282	282	2,378	2,978
Equipment Purchases	28.7	197	579	612	964	809	1,543	0	(17)	0	0	137	893	947	2,419
Other Operating Expenses	28.8	737	707	680	810	1,417	1,517	0	0	0	0	804	365	2,221	1,883
Total Expenses		51,457	53,991	86,430	92,684	137,887	146,676	4	360	243	71	24,924	22,926	163,058	170,033
Surplus/(Deficit) for the Period	20.1	2,234	(206)	2,178	(676)	4,412	(882)	(18)	(360)	(243)	(71)	1,789	2,290	5,940	977

VI.3 Segment Reporting
Cash Flow Statement
Summary by Source of Funds

For the Year Ended 31 December 2013

EUR '000	Note	Total Institutions		Total Field Operations		Total Unified Budget		Network Operating System		ERP Upgrade		Total Extra-Budgetary Funds		Total OSCE	
		2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
CASH FLOWS FROM OPERATING ACTIVITIES															
Surplus/(Deficit)	20.1	2,234	(206)	2,178	(676)	4,412	(882)	(18)	(360)	(243)	(71)	1,789	2,290	5,940	977
Non-Cash Movements															
Deduction of Effects of Changes in Foreign Exchange	24	21	95	75	24	96	119	0	0	0	0	292	(166)	388	(47)
Deduction of Depreciation, Amortisation and Impairments	28.6	404	495	1,686	2,222	2,090	2,718	4	14	4	0	282	282	2,379	3,014
Deduction of Gains/Losses on Disposal of PP&E	24	(29)	(4)	(243)	(194)	(272)	(198)	14	0	0	0	351	94	93	(104)
(Increase) / Decrease in Assessed Contributions Receivable	5.1	2,084	(1,187)	3,989	(1,741)	6,073	(2,929)	0	0	0	0	0	0	6,073	(2,929)
Increase /(Decrease) in Allowance for AC Receivable	5.2	153	243	13	37	166	280	0	0	0	0	0	0	166	280
(Increase) / Decrease in Accounts Receivable	6	259	(294)	(39)	221	220	(73)	0	0	0	0	0	0	220	(73)
(Increase) / Decrease in Prepayments	7	6	(90)	286	(439)	292	(529)	0	0	0	0	0	0	292	(529)
(Increase) / Decrease in Other Current/Non-Current Assets		19	184	26	32	45	216	0	0	0	0	0	0	45	216
Increase /(Decrease) in Accounts Payable	11	(603)	(163)	(214)	179	(817)	17	0	0	(2)	0	(489)	0	(1,308)	17
Increase /(Decrease) in Accruals	12	(531)	182	(295)	173	(827)	355	0	(7)	(53)	57	(3,447)	1,092	(4,326)	1,497
Increase /(Decrease) in Deferred Revenue	13	1,724	(3,267)	0	0	1,724	(3,267)	0	0	0	0	(2,163)	23,973	(439)	20,706
Increase /(Decrease) in Funds Held for Third Parties	14	(1,966)	1,375	1	(1)	(1,964)	1,374	0	0	0	0	0	0	(1,964)	1,374
Increase /(Decrease) in Employee Benefits	15	138	325	(64)	(474)	74	(149)	0	0	0	0	60	153	134	4
Increase /(Decrease) in Provisions	18	0	0	(325)	600	(325)	600	0	0	0	0	3,738	2,085	3,413	2,685
Increase /(Decrease) in Other Liabilities		1	(0)	34	(34)	35	(34)	0	0	0	0	86	(220)	121	(255)
Increase /(Decrease) in Inter-Fund Balances		3,826	(1,425)	(5,053)	3,310	(1,227)	1,885	(12)	372	1,663	(3,916)	(424)	1,658	(0)	(0)
Increase /(Decrease) in IPSAS Reserves	19	(707)	448	(905)	2,408	(1,612)	2,856	(29)	29	0	0	(560)	(25,393)	(2,201)	(22,509)
Net Cash Flows from Operating Activities		7,031	(3,289)	1,151	5,647	8,182	2,358	(41)	48	1,369	(3,930)	(484)	5,848	9,026	4,324
CASH FLOWS FROM INVESTING ACTIVITIES															
Purchase of Investments	4	0	(318)	0	0	0	(318)	0	0	0	0	(9,344)	(10,275)	(9,344)	(10,593)
(Addition) / Disposal of PP&E and Intangibles	8.9	(365)	(1,041)	(1,165)	(3,625)	(1,530)	(4,666)	41	(48)	(1,369)	0	178	(942)	(2,680)	(5,657)
Net Cash Flows from Investing Activities		(365)	(1,359)	(1,165)	(3,625)	(1,530)	(4,984)	41	(48)	(1,369)	0	(9,167)	(11,217)	(12,025)	(16,250)
CASH FLOWS FROM FINANCING ACTIVITIES															
Credits for Cash Surplus Withheld	15.3	(7)	(4)	(2)	(2)	(8)	(6)	0	0	0	0	0	0	(8)	(6)
Credits for Cash Surplus	17	0	(1,794)	0	(2,325)	0	(4,119)	0	0	0	3,930	0	0	0	(189)
Refund of Unspent Extra-budgetary Contributions	20	0	0	0	0	0	0	0	0	0	0	(131)	(1,377)	(131)	(1,377)
Net Cash Flows from Financing Activities		(7)	(1,799)	(2)	(2,327)	(8)	(4,126)	0	0	0	3,930	(131)	(1,377)	(139)	(1,573)
Net Increase/(Decrease) in Cash and Cash Equivalents		6,659	(6,447)	(15)	(305)	6,644	(6,752)	0	(0)	0	0	(9,782)	(6,746)	(3,138)	(13,499)
Cash and Cash Equivalents at Beginning of Period		12,935	19,477	2,307	2,636	15,241	22,113	0	0	0	0	14,920	21,500	30,161	43,613
Foreign Exchange Gains/(Losses) on Cash and Cash Equivalents		(19)	(95)	(11)	(24)	(30)	(119)	0	0	0	0	(133)	166	(162)	47
Cash and Cash Equivalents at End of Period		19,574	12,935	2,281	2,307	21,855	15,241	0	(0)	0	0	5,005	14,920	26,861	30,161

VI.1.A Segment Reporting
Statement of Financial Position
Institutions

As at 31 December 2013

EUR '000		The Secretariat		Office for Democratic Institutions and Human Rights		High Commissioner on National Minorities		Representative on Freedom of the Media		Total Institutions	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
ASSETS											
Current Assets											
Cash and Cash Equivalents	3	19,435	12,086	120	728	19	120	0	0	19,574	12,935
Investments	4	6,708	6,708	0	0	0	0	0	0	6,708	6,708
Assessed Contributions Receivable	5.1	2,124	3,400	960	1,586	212	340	83	138	3,379	5,464
Allowance for Assessed Contributions Receivable	5.2	(1,987)	(1,891)	(896)	(853)	(199)	(189)	(78)	(74)	(3,159)	(3,006)
Accounts Receivable	6	1,685	2,011	157	98	24	17	0	0	1,867	2,125
Prepayments	7	1,009	1,114	279	120	94	154	0	0	1,382	1,387
Due From Other Funds		0	1,320	1,055	4	66	1	87	8	1,208	1,333
Other Current Assets		0	10	3	13	0	0	0	0	3	23
		28,975	24,758	1,679	1,697	217	443	93	72	30,963	26,969
Non-Current Assets											
Property, Plant and Equipment	8	562	786	143	148	32	37	6	8	743	979
Intangible Assets	9	153	0	40	0	4	0	0	0	197	0
Other Non-Current Assets	10	0	0	1	0	0	0	0	0	1	0
		715	786	183	148	37	37	6	8	941	979
Total Assets		29,690	25,544	1,862	1,844	253	480	99	80	31,904	27,948
LIABILITIES											
Current Liabilities											
Accounts Payable	11	1,041	1,347	358	630	63	91	(1)	(3)	1,461	2,065
Accruals	12	398	852	199	276	22	22	20	21	639	1,170
Deferred Revenue	13	5,166	3,442	0	0	0	0	0	0	5,166	3,442
Funds Held for Third Parties	14	3,011	4,968	177	186	0	0	0	0	3,188	5,154
Employee Benefits Current	15	1,265	1,177	428	399	93	80	57	47	1,843	1,704
Cash Surplus Current	17.1	(130)	964	(318)	28	(67)	8	(23)	0	(539)	1,000
Due To Other Funds		10,956	6,300	0	12	0	233	0	0	10,956	6,545
Provisions	18	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities		209	208	(0)	0	(0)	(0)	0	0	209	208
		21,917	19,259	843	1,530	112	434	52	65	22,924	21,287
Non-Current Liabilities											
Employee Benefits Non-Current	15	1,468	1,586	623	460	134	169	56	67	2,280	2,282
Cash Surplus Non-Current	17.2	1,778	(130)	723	(318)	138	(67)	58	(23)	2,697	(539)
Other Non-Current Liabilities		0	0	0	0	0	0	0	0	0	0
		3,246	1,456	1,346	141	272	102	114	44	4,978	1,743
Total Liabilities		25,163	20,715	2,189	1,671	384	536	166	109	27,902	23,030
NET ASSETS											
Cash Surplus Withheld	17.3	190	196	8	8	4	4	1	1	203	210
Revolving Fund	1.3	2,710	2,710	0	0	0	0	0	0	2,710	2,710
Contingency Fund	1.3	2,180	2,180	0	0	0	0	0	0	2,180	2,180
IPSAS Reserves	19	(3,806)	(3,364)	(1,555)	(1,329)	(436)	(381)	(134)	(150)	(5,931)	(5,224)
Accumulated Surplus/(Deficit)	20	3,252	3,107	1,221	1,494	302	321	65	120	4,840	5,042
Total Net Assets		4,527	4,829	(327)	173	(131)	(56)	(67)	(29)	4,002	4,917

VI.2.A Segment Reporting
Statement of Financial Performance
Institutions

For the Year Ended 31 December 2013

EUR '000		The Secretariat		Office for Democratic Institutions and Human Rights		High Commissioner on National Minorities		Representative on Freedom of the Media		Total Institutions	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
REVENUE											
Assessed Contributions	21	33,107	32,726	15,574	15,800	3,283	3,283	1,424	1,390	53,387	53,198
Extra-Budgetary Contributions	22	0	0	0	0	0	0	0	0	0	0
Finance Revenue	23	194	431	2	3	0	0	0	0	197	434
Revenue from Exchange Transactions	24	3	4	24	10	(0)	0	0	0	27	14
Foreign Exchange Gains/(Losses)	25	(2)	(21)	(18)	(73)	(0)	(0)	(1)	(0)	(21)	(95)
Savings on Prior Year Accruals	26	0	100	0	86	0	0	0	6	0	192
Other Revenue	27	97	32	4	7	0	3	0	0	101	42
Total Revenue		33,399	33,272	15,587	15,832	3,282	3,286	1,423	1,396	53,691	53,785
EXPENSES											
Staff Costs	28.1	22,054	22,119	7,715	7,412	2,395	2,421	1,044	1,047	33,208	32,998
Consultancy and Subcontracting	28.2	990	1,074	3,884	4,448	262	313	112	49	5,248	5,884
Travel Expenses	28.3	2,310	2,306	1,693	1,655	296	368	164	163	4,462	4,492
Services and Office Costs	28.4	4,989	6,014	1,355	1,588	137	106	69	116	6,549	7,824
Consumables and Supplies	28.5	330	622	274	356	37	27	10	7	651	1,013
Depreciation and Amortisation	28.6	311	402	73	73	15	16	4	4	404	495
Equipment Purchases	28.7	88	248	90	301	10	23	9	7	197	579
Other Operating Expenses	28.8	598	526	105	120	22	42	11	20	737	707
Total Expenses		31,672	33,310	15,189	15,953	3,174	3,318	1,422	1,411	51,457	53,991
Surplus/(Deficit) for the Period	20.1	1,727	(38)	398	(121)	109	(32)	1	(15)	2,234	(206)

VI.1.B Segment Reporting
Statement of Financial Position
Field Operations by Region

As at 31 December 2013

EUR '000		Augmentations		South-Eastern Europe		Eastern Europe		Caucasus		Central Asia		Total Regions		Closed Funds		Total Field Operations	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
ASSETS																	
Current Assets																	
Cash and Cash Equivalents	3	0	0	985	939	197	179	335	424	763	765	2,281	2,307	0	0	2,281	2,307
Investments	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assessed Contributions Receivable	5.1	44	270	1,354	3,789	94	290	167	473	303	1,092	1,962	5,914	442	479	2,405	6,393
Allowance for Assessed Contributions Receivable	5.2	(30)	(26)	(1,229)	(1,223)	(82)	(80)	(147)	(144)	(257)	(246)	(1,745)	(1,720)	(440)	(451)	(2,185)	(2,172)
Accounts Receivable	6	0	0	239	373	230	109	0	0	85	34	554	516	0	0	554	516
Prepayments	7	0	0	295	321	17	70	155	335	579	607	1,046	1,333	0	0	1,046	1,333
Due From Other Funds		608	0	3,308	784	157	13	426	187	2,274	994	6,774	1,978	285	356	7,059	2,333
Other Current Assets		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		622	244	4,954	4,982	614	582	935	1,275	3,747	3,244	10,872	10,327	287	383	11,160	10,710
Non-Current Assets																	
Property, Plant and Equipment	8	0	0	1,572	1,857	151	127	296	294	1,140	1,455	3,159	3,734	0	0	3,159	3,734
Intangible Assets	9	0	0	30	0	6	0	4	0	13	0	52	0	0	0	52	0
Other Non-Current Assets	10	0	0	0	0	0	26	0	0	9	9	9	35	0	0	9	35
		0	0	1,602	1,857	157	153	300	294	1,162	1,464	3,221	3,769	0	0	3,221	3,769
Total Assets		622	244	6,556	6,839	771	736	1,235	1,569	4,910	4,709	14,093	14,095	287	383	14,380	14,478
LIABILITIES																	
Current Liabilities																	
Accounts Payable	11	(0)	0	709	677	55	54	109	120	1,053	1,290	1,927	2,141	0	0	1,927	2,141
Accruals	12	1	17	733	954	98	93	272	314	706	727	1,810	2,105	0	0	1,810	2,105
Deferred Revenue	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Funds Held for Third Parties	14	0	0	20	19	0	0	0	0	0	0	21	20	0	0	21	20
Employee Benefits Current	15	303	278	2,121	2,395	115	95	155	116	363	238	3,056	3,122	(1)	0	3,056	3,122
Cash Surplus Current	17.1	(93)	(8)	(841)	293	(73)	6	(88)	283	(297)	151	(1,393)	726	28	86	(1,365)	812
Due To Other Funds		0	70	48	548	233	302	123	225	0	244	404	1,388	201	222	605	1,611
Provisions	18	0	0	275	600	0	0	0	0	0	0	275	600	0	0	275	600
Other Current Liabilities		0	0	92	23	0	11	2	2	15	0	109	37	0	0	109	37
		211	357	3,158	5,510	428	562	572	1,060	1,840	2,649	6,209	10,139	229	308	6,438	10,447
Non-Current Liabilities																	
Employee Benefits Non-Current	15	247	204	115	153	9	7	11	13	30	34	413	411	0	0	413	411
Cash Surplus Non-Current	17.2	237	(93)	2,568	(841)	210	(73)	330	(88)	898	(297)	4,242	(1,393)	37	28	4,279	(1,365)
Other Non-Current Liabilities		0	0	0	37	0	0	0	0	0	0	0	37	0	0	0	37
		484	112	2,683	(651)	219	(66)	341	(76)	928	(264)	4,655	(945)	37	28	4,692	(916)
Total Liabilities		696	469	5,841	4,859	646	496	913	985	2,768	2,386	10,864	9,195	265	336	11,129	9,531
NET ASSETS																	
Cash Surplus Withheld	17.3	0	0	30	31	2	2	10	10	5	5	47	49	19	19	66	68
Revolving Fund	1.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency Fund	1.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IPSAS Reserves	19	(390)	(409)	(2,498)	(2,170)	(120)	(101)	(169)	(91)	140	639	(3,037)	(2,132)	(466)	(466)	(3,503)	(2,598)
Accumulated Surplus/(Deficit)	20	317	184	3,182	4,118	243	339	481	664	1,996	1,679	6,220	6,984	468	493	6,688	7,477
Total Net Assets		(74)	(225)	714	1,980	125	240	322	584	2,141	2,323	3,229	4,900	22	47	3,251	4,947

VI.2.B Segment Reporting
Statement of Financial Performance
Field Operations by Region

For the Year Ended 31 December 2013

EUR '000		Augmentations		South-Eastern Europe		Eastern Europe		Caucasus		Central Asia		Total Regions		Closed Funds		Total Field Operations	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
REVENUE																	
Assessed Contributions	21	5,518	5,301	51,990	56,160	4,810	4,592	7,138	7,243	18,924	18,329	88,380	91,625	0	0	88,380	91,625
Extra-Budgetary Contributions	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance Revenue	23	0	0	7	12	1	1	1	2	0	0	9	15	0	0	9	15
Revenue from Exchange Transactions	24	0	0	257	208	13	11	12	13	(32)	(3)	249	229	0	0	249	229
Foreign Exchange Gains/(Losses)	25	0	0	(1)	(3)	(8)	10	(33)	(9)	(33)	(23)	(75)	(24)	0	0	(75)	(24)
Savings on Prior Year Accruals	26	0	18	0	28	0	12	0	32	0	55	0	145	0	0	0	145
Other Revenue	27	0	0	12	7	5	5	1	1	26	7	44	19	0	0	44	19
Total Revenue		5,518	5,319	52,265	56,412	4,821	4,631	7,119	7,281	18,885	18,365	88,608	92,008	0	0	88,608	92,008
EXPENSES																	
Staff Costs	28.1	4,850	5,124	36,473	40,380	2,254	2,007	3,002	2,821	6,688	6,141	53,268	56,473	(1)	(1)	53,268	56,473
Consultancy and Subcontracting	28.2	89	74	2,210	2,352	711	783	1,273	1,241	3,462	3,660	7,745	8,109	0	0	7,745	8,109
Travel Expenses	28.3	181	140	2,902	2,803	654	597	992	1,220	2,841	3,143	7,570	7,902	0	0	7,570	7,902
Services and Office Costs	28.4	13	34	6,965	7,972	839	878	1,319	1,282	3,153	3,184	12,289	13,350	0	0	12,289	13,350
Consumables and Supplies	28.5	6	3	1,396	1,720	172	148	186	195	820	822	2,581	2,889	0	0	2,581	2,889
Depreciation and Amortisation	28.6	0	0	883	1,347	74	67	113	120	615	653	1,685	2,186	0	0	1,685	2,186
Equipment Purchases	28.7	0	0	199	349	(3)	80	53	98	363	436	612	964	0	0	612	964
Other Operating Expenses	28.8	8	11	290	321	53	49	107	179	233	264	692	824	(11)	(13)	680	810
Total Expenses		5,148	5,386	51,319	57,244	4,754	4,610	7,046	7,155	18,174	18,303	86,442	92,698	(12)	(14)	86,430	92,684
Surplus/(Deficit) for the Period	20.1	370	(67)	945	(832)	67	21	73	126	710	62	2,166	(690)	12	14	2,178	(676)

VI.1.C Segment Reporting
Statement of Financial Position
South-Eastern Europe

As at 31 December 2013

EUR '000	Note	Mission in Kosovo		Tasks in Bosnia and Herzegovina		Office in Zagreb		Mission to Serbia		Presence in Albania		Mission to Skopje		Mission to Montenegro		Total South-Eastern Europe	
		2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
ASSETS																	
Current Assets																	
	3	44	77	191	82	0	0	433	374	133	96	169	283	15	27	985	939
	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5.1	549	1,510	288	921	0	0	178	490	146	280	173	470	21	117	1,354	3,789
	5.2	(499)	(498)	(257)	(258)	0	0	(161)	(159)	(139)	(138)	(157)	(156)	(15)	(14)	(1,229)	(1,223)
	6	0	0	106	110	0	0	0	0	51	127	83	135	0	0	239	373
	7	32	52	8	0	0	0	131	64	38	65	25	22	62	118	295	321
		2,216	718	592	6	0	0	0	0	315	43	144	17	42	0	3,308	784
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		2,341	1,859	928	861	0	0	581	769	543	474	436	772	124	248	4,954	4,982
Non-Current Assets																	
	8	714	938	278	272	0	0	279	232	41	84	207	283	53	48	1,572	1,857
	9	18	0	4	0	0	0	5	0	1	0	2	0	0	0	30	0
	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		732	938	282	272	0	0	284	232	42	84	209	283	53	48	1,602	1,857
Total Assets		3,073	2,798	1,210	1,133	0	0	865	1,000	585	557	645	1,055	178	295	6,556	6,839
LIABILITIES																	
Current Liabilities																	
	11	331	140	31	79	0	0	103	220	176	85	53	134	16	19	709	677
	12	269	395	81	173	0	0	113	93	153	178	109	90	8	25	733	954
	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	14	0	0	5	6	0	0	0	0	0	0	15	14	0	0	20	19
	15	948	1,128	597	680	0	0	220	221	72	106	229	212	55	49	2,121	2,395
	17.1	(305)	45	(239)	5	0	0	(117)	149	(45)	25	(105)	27	(29)	43	(841)	293
		0	17	0	185	0	0	48	12	0	0	0	249	0	84	48	548
	18	275	600	0	0	0	0	0	0	0	0	0	0	0	0	275	600
		90	14	0	7	0	0	0	0	0	1	(1)	(0)	3	2	92	23
		1,607	2,338	475	1,135	0	0	367	695	355	395	299	724	54	222	3,158	5,510
Non-Current Liabilities																	
	15	55	80	22	30	0	0	8	11	8	9	19	17	4	6	115	153
	17.2	1,022	(305)	651	(239)	0	0	327	(117)	156	(45)	309	(105)	104	(29)	2,568	(841)
		0	37	0	0	0	0	0	0	0	0	0	0	0	0	0	37
		1,077	(188)	673	(208)	0	0	335	(106)	163	(36)	327	(89)	108	(23)	2,683	(651)
Total Liabilities		2,684	2,150	1,148	927	0	0	702	589	519	359	627	635	162	199	5,841	4,859
NET ASSETS																	
	17.3	19	20	9	10	0	0	2	2	6	6	(6)	(6)	0	0	30	31
	1.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	19	(894)	(885)	(828)	(720)	0	0	(274)	(222)	(155)	(108)	(307)	(198)	(41)	(37)	(2,498)	(2,170)
	20	1,264	1,513	880	917	0	0	435	631	215	300	331	623	56	133	3,182	4,118
Total Net Assets		389	648	61	206	0	0	163	412	67	198	18	419	16	96	714	1,980

VI.2.C Segment Reporting
Statement of Financial Performance
South-Eastern Europe

For the Year Ended 31 December 2013

EUR '000	Note	Mission in Kosovo		Tasks in Bosnia and Herzegovina		Office in Zagreb		Mission to Serbia		Presence in Albania		Mission to Skopje		Mission to Montenegro		Total South-Eastern Europe	
		2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
REVENUE																	
Assessed Contributions	21	20,511	21,862	13,052	14,396	0	618	6,784	7,171	2,990	3,088	6,519	6,800	2,134	2,225	51,990	56,160
Extra-Budgetary Contributions	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance Revenue	23	3	4	0	0	0	0	1	5	(0)	0	2	3	0	0	7	12
Revenue from Exchange Transactions	24	65	57	64	57	0	0	76	16	1	(0)	47	71	3	7	257	208
Foreign Exchange Gains/(Losses)	25	(0)	(0)	(0)	6	0	(6)	2	(17)	0	9	(2)	4	0	0	(1)	(3)
Savings on Prior Year Accruals	26	0	(27)	0	8	0	9	0	19	0	3	0	14	0	1	0	28
Other Revenue	27	0	0	9	4	0	0	0	2	0	0	2	1	0	(0)	12	7
Total Revenue		20,580	21,897	13,126	14,471	0	622	6,863	7,196	2,992	3,100	6,568	6,893	2,137	2,233	52,265	56,412
EXPENSES																	
Staff Costs	28.1	15,226	16,024	9,736	11,348	0	494	4,248	4,598	1,639	1,877	4,445	4,761	1,179	1,277	36,473	40,380
Consultancy and Subcontracting	28.2	718	1,004	313	182	0	23	336	405	329	232	357	333	157	173	2,210	2,352
Travel Expenses	28.3	622	746	699	741	0	6	643	582	223	198	421	298	294	232	2,902	2,803
Services and Office Costs	28.4	2,487	2,987	1,485	1,670	0	91	1,166	1,215	524	576	926	1,020	377	413	6,965	7,972
Consumables and Supplies	28.5	620	900	269	311	0	1	119	178	114	88	219	179	56	63	1,396	1,720
Depreciation and Amortisation	28.6	446	809	161	227	0	0	91	77	39	77	132	146	14	11	883	1,347
Equipment Purchases	28.7	49	85	(68)	167	0	0	120	3	43	64	54	25	2	4	199	349
Other Operating Expenses	28.8	12	38	40	77	0	2	65	49	45	32	91	83	37	40	290	321
Total Expenses		20,180	22,594	12,634	14,724	0	618	6,788	7,108	2,957	3,143	6,645	6,846	2,116	2,213	51,319	57,244
Surplus/(Deficit) for the Period	20.1	400	(697)	492	(252)	0	4	75	88	35	(44)	(77)	48	21	20	945	(832)

VI.1.D Segment Reporting
Statement of Financial Position
Eastern Europe

As at 31 December 2013

EUR '000		Mission to Moldova		Project Co-ordinator in Ukraine		Office in Minsk		Rep. on the Latvian-Russian Joint Commission on Military Pensioners		Total Eastern Europe	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
ASSETS											
Current Assets											
Cash and Cash Equivalents	3	18	40	180	139	0	0	0	0	197	179
Investments	4	0	0	0	0	0	0	0	0	0	0
Assessed Contributions Receivable	5.1	44	131	50	159	0	0	0	1	94	290
Allowance for Assessed Contributions Receivable	5.2	(39)	(38)	(43)	(42)	0	0	(0)	(0)	(82)	(80)
Accounts Receivable	6	43	14	187	95	0	0	0	0	230	109
Prepayments	7	15	32	2	38	0	0	0	0	17	70
Due From Other Funds		157	0	0	12	0	0	0	0	157	13
Other Current Assets		0	0	0	0	0	0	0	0	0	0
		238	180	376	402	0	0	0	1	614	582
Non-Current Assets											
Property, Plant and Equipment	8	113	102	38	25	0	0	0	0	151	127
Intangible Assets	9	1	0	5	0	0	0	0	0	6	0
Other Non-Current Assets	10	0	26	0	0	0	0	0	0	0	26
		114	128	43	25	0	0	0	0	157	153
Total Assets		352	308	418	427	0	0	0	1	771	736
LIABILITIES											
Current Liabilities											
Accounts Payable	11	18	35	38	19	0	0	0	0	55	54
Accruals	12	79	49	19	45	0	0	0	0	98	93
Deferred Revenue	13	0	0	0	0	0	0	0	0	0	0
Funds Held for Third Parties	14	0	0	0	0	0	0	0	0	0	0
Employee Benefits Current	15	38	31	77	65	0	0	0	0	115	95
Cash Surplus Current	17.1	(25)	2	(48)	4	0	0	(0)	0	(73)	6
Due To Other Funds		0	39	233	262	0	0	0	0	233	302
Provisions	18	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities		0	10	0	1	0	0	0	0	0	11
		110	166	318	396	0	0	(0)	0	428	562
Non-Current Liabilities											
Employee Benefits Non-Current	15	7	5	2	2	0	0	0	0	9	7
Cash Surplus Non-Current	17.2	101	(25)	108	(48)	0	0	0	(0)	210	(73)
Other Non-Current Liabilities		0	0	0	0	0	0	0	0	0	0
		109	(20)	109	(46)	0	0	0	(0)	219	(66)
Total Liabilities		219	146	427	349	0	0	0	0	646	496
NET ASSETS											
Cash Surplus Withheld	17.3	1	1	1	1	0	0	0	0	2	2
Revolving Fund	1.3	0	0	0	0	0	0	0	0	0	0
Contingency Fund	1.3	0	0	0	0	0	0	0	0	0	0
IPSAS Reserves	19	(36)	(9)	(84)	(92)	0	0	(0)	(0)	(120)	(101)
Accumulated Surplus/(Deficit)	20	169	170	74	168	0	0	0	1	243	339
Total Net Assets		134	162	(9)	78	0	0	0	0	125	240

VI.2.D Segment Reporting
Statement of Financial Performance
Eastern Europe

For the Year Ended 31 December 2013

EUR '000		Mission to Moldova		Project Co-ordinator in Ukraine		Office in Minsk		Rep.on the Latvian- Russian Joint Commission on Military Pensioners		Total Eastern Europe	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
REVENUE											
Assessed Contributions	21	2,057	2,017	2,746	2,566	0	0	7	9	4,810	4,592
Extra-Budgetary Contributions	22	0	0	0	0	0	0	0	0	0	0
Finance Revenue	23	0	0	1	1	0	0	0	0	1	1
Revenue from Exchange Transactions	24	13	9	1	1	0	0	0	0	13	11
Foreign Exchange Gains/(Losses)	25	(2)	0	(6)	10	0	(0)	0	0	(8)	10
Savings on Prior Year Accruals	26	0	8	0	4	0	0	0	0	0	12
Other Revenue	27	4	4	1	1	0	0	0	0	5	5
Total Revenue		2,071	2,039	2,743	2,583	0	0	7	9	4,821	4,631
EXPENSES											
Staff Costs	28.1	1,073	959	1,181	1,048	0	0	0	0	2,254	2,007
Consultancy and Subcontracting	28.2	151	179	559	604	0	0	0	0	711	783
Travel Expenses	28.3	203	296	444	293	0	0	7	8	654	597
Services and Office Costs	28.4	414	406	425	472	0	0	0	1	839	878
Consumables and Supplies	28.5	89	78	84	71	0	0	0	0	172	148
Depreciation and Amortisation	28.6	60	47	14	20	0	0	0	0	74	67
Equipment Purchases	28.7	(16)	28	13	53	0	0	0	0	(3)	80
Other Operating Expenses	28.8	36	33	17	16	0	0	0	0	53	49
Total Expenses		2,010	2,026	2,737	2,575	0	0	7	9	4,754	4,610
Surplus/(Deficit) for the Period	20.1	61	13	6	8	0	0	0	0	67	21

VI.1.E Segment Reporting
Statement of Financial Position
Caucasus

As at 31 December 2013

EUR '000		Office in Yerevan		Office in Baku		High-Level Planning Group		The Minsk Process		Personal Representative of the CIO		Total Caucasus	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
ASSETS													
Current Assets													
Cash and Cash Equivalents	3	29	50	194	233	0	0	0	0	112	141	335	424
Investments	4	0	0	0	0	0	0	0	0	0	0	0	0
Assessed Contributions Receivable	5.1	45	160	47	167	8	14	30	44	37	88	167	473
Allowance for Assessed Contributions Receivable	5.2	(38)	(36)	(40)	(39)	(7)	(7)	(27)	(28)	(35)	(35)	(147)	(144)
Accounts Receivable	6	0	0	0	0	0	0	0	0	0	0	0	0
Prepayments	7	48	170	104	165	0	0	0	0	3	0	155	335
Due From Other Funds		25	2	217	34	41	33	0	115	143	2	426	187
Other Current Assets		0	0	0	0	0	0	0	0	0	0	0	0
		110	345	521	560	41	41	2	132	261	197	935	1,275
Non-Current Assets													
Property, Plant and Equipment	8	83	81	106	57	0	0	0	0	107	156	296	294
Intangible Assets	9	4	0	0	0	0	0	0	0	0	0	4	0
Other Non-Current Assets	10	0	0	0	0	0	0	0	0	0	0	0	0
		86	81	106	57	0	0	0	0	107	156	300	294
Total Assets		196	426	627	617	41	41	2	132	368	353	1,235	1,569
LIABILITIES													
Current Liabilities													
Accounts Payable	11	6	14	101	106	0	0	0	0	1	0	109	120
Accruals	12	8	6	251	286	2	0	2	11	9	11	272	314
Deferred Revenue	13	0	0	0	0	0	0	0	0	0	0	0	0
Funds Held for Third Parties	14	0	0	0	0	0	0	0	0	0	0	0	0
Employee Benefits Current	15	57	48	79	44	7	5	0	0	12	19	155	116
Cash Surplus Current	17.1	(54)	7	(34)	21	(4)	1	12	254	(8)	0	(88)	283
Due To Other Funds		0	223	0	2	0	0	123	0	0	0	123	225
Provisions	18	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities		0	0	2	2	0	0	0	0	0	0	2	2
		18	297	400	462	4	6	137	265	14	30	572	1,060
Non-Current Liabilities													
Employee Benefits Non-Current	15	3	5	4	5	0	0	0	0	4	3	11	13
Cash Surplus Non-Current	17.2	106	(54)	138	(34)	7	(4)	16	12	62	(8)	330	(88)
Other Non-Current Liabilities		0	0	0	0	0	0	0	0	0	0	0	0
		110	(49)	142	(29)	7	(4)	16	12	66	(5)	341	(76)
Total Liabilities		127	248	542	433	11	2	152	277	80	25	913	985
NET ASSETS													
Cash Surplus Withheld	17.3	1	1	1	1	1	1	5	5	2	2	10	10
Revolving Fund	1.3	0	0	0	0	0	0	0	0	0	0	0	0
Contingency Fund	1.3	0	0	0	0	0	0	0	0	0	0	0	0
IPSAS Reserves	19	(77)	(54)	(66)	(53)	(13)	(13)	(28)	(28)	15	58	(169)	(91)
Accumulated Surplus/(Deficit)	20	144	230	150	237	43	51	(127)	(122)	272	268	481	664
Total Net Assets		69	178	85	184	30	39	(150)	(144)	289	328	322	584

VI.2.E Segment Reporting
Statement of Financial Performance
Caucasus

For the Year Ended 31 December 2013

EUR '000		Office in Yerevan		Office in Baku		High-Level Planning Group		The Minsk Process		Personal Representative of the CiO		Total Caucasus	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
REVENUE													
Assessed Contributions	21	2,764	2,683	2,755	2,777	183	173	359	460	1,078	1,150	7,138	7,243
Extra-Budgetary Contributions	22	0	0	0	0	0	0	0	0	0	0	0	0
Finance Revenue	23	0	0	0	0	0	0	0	0	1	2	1	2
Revenue from Exchange Transactions	24	8	3	2	0	0	0	0	0	2	10	12	13
Foreign Exchange Gains/(Losses)	25	(13)	(4)	(20)	(3)	0	0	0	0	0	(2)	(33)	(9)
Savings on Prior Year Accruals	26	0	2	0	23	0	1	0	2	0	4	0	32
Other Revenue	27	0	(0)	1	1	0	0	0	0	0	0	1	1
Total Revenue		2,759	2,684	2,737	2,797	183	174	359	463	1,081	1,164	7,119	7,281
EXPENSES													
Staff Costs	28.1	1,009	976	1,270	1,128	74	67	3	0	647	649	3,002	2,821
Consultancy and Subcontracting	28.2	790	729	480	509	0	0	0	0	2	3	1,273	1,241
Travel Expenses	28.3	300	375	254	290	23	12	314	433	101	111	992	1,220
Services and Office Costs	28.4	452	368	579	622	85	90	15	15	187	187	1,319	1,282
Consumables and Supplies	28.5	77	83	50	53	2	2	1	1	56	56	186	195
Depreciation and Amortisation	28.6	37	47	30	23	0	0	0	0	46	50	113	120
Equipment Purchases	28.7	57	39	(7)	48	0	0	0	2	4	9	53	98
Other Operating Expenses	28.8	40	40	39	50	0	0	15	10	13	79	107	179
Total Expenses		2,762	2,656	2,695	2,724	184	171	348	460	1,056	1,144	7,046	7,155
Surplus/(Deficit) for the Period	20.1	(2)	28	42	73	(1)	2	10	3	25	19	73	126

VI.1.F Segment Reporting
Statement of Financial Position
Central Asia

As at 31 December 2013

EUR '000		Centre in Astana		Centre in Ashgabat		Centre in Bishkek		Project Co-ordinator in Uzbekistan		Office in Tajikistan		Total Central Asia	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
ASSETS													
Current Assets													
Cash and Cash Equivalents	3	37	58	97	85	267	215	117	120	245	286	763	765
Investments	4	0	0	0	0	0	0	0	0	0	0	0	0
Assessed Contributions Receivable	5.1	39	131	29	91	83	371	38	121	115	378	303	1,092
Allowance for Assessed Contributions Receivable	5.2	(34)	(33)	(25)	(24)	(66)	(62)	(33)	(32)	(99)	(95)	(257)	(246)
Accounts Receivable	6	0	0	0	0	50	34	0	0	34	0	85	34
Prepayments	7	115	82	(0)	1	287	379	81	38	97	107	579	607
Due From Other Funds		191	35	91	22	670	128	242	173	1,081	635	2,274	994
Other Current Assets		0	0	0	0	0	0	0	0	0	0	0	0
		347	273	192	175	1,291	1,065	444	420	1,474	1,311	3,747	3,244
Non-Current Assets													
Property, Plant and Equipment	8	34	50	96	15	558	862	152	152	299	376	1,140	1,455
Intangible Assets	9	0	0	8	0	5	0	0	0	0	0	13	0
Other Non-Current Assets	10	9	9	0	0	0	0	0	0	0	0	9	9
		44	59	104	15	563	862	152	152	299	376	1,162	1,464
Total Assets		391	332	296	190	1,854	1,927	597	572	1,773	1,687	4,910	4,709
LIABILITIES													
Current Liabilities													
Accounts Payable	11	63	71	7	10	115	187	44	55	824	966	1,053	1,290
Accruals	12	125	59	25	62	288	396	172	106	96	103	706	727
Deferred Revenue	13	0	0	0	0	0	0	0	0	0	0	0	0
Funds Held for Third Parties	14	0	0	0	0	0	0	0	0	0	0	0	0
Employee Benefits Current	15	76	31	63	20	72	63	20	14	132	110	363	238
Cash Surplus Current	17.1	(12)	57	(22)	8	(100)	50	(29)	17	(134)	20	(297)	151
Due To Other Funds		0	3	0	1	0	51	0	150	0	39	0	244
Provisions	18	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities		0	0	0	0	7	(1)	0	0	7	1	15	0
		252	221	74	100	382	745	206	343	925	1,239	1,840	2,649
Non-Current Liabilities													
Employee Benefits Non-Current	15	4	3	4	3	7	9	2	2	14	17	30	34
Cash Surplus Non-Current	17.2	117	(12)	87	(22)	337	(100)	90	(29)	266	(134)	898	(297)
Other Non-Current Liabilities		0	0	0	0	0	0	0	0	0	0	0	0
		120	(9)	91	(18)	344	(91)	92	(27)	280	(118)	928	(264)
Total Liabilities		373	212	165	82	726	654	299	316	1,206	1,122	2,768	2,386
NET ASSETS													
Cash Surplus Withheld	17.3	1	1	1	1	0	0	1	1	2	2	5	5
Revolving Fund	1.3	0	0	0	0	0	0	0	0	0	0	0	0
Contingency Fund	1.3	0	0	0	0	0	0	0	0	0	0	0	0
IPSAS Reserves	19	(53)	(33)	15	18	151	489	45	76	(17)	88	140	639
Accumulated Surplus/(Deficit)	20	71	151	115	89	977	784	252	179	582	476	1,996	1,679
Total Net Assets		18	120	131	108	1,128	1,273	298	256	567	566	2,141	2,323

VI.2.F Segment Reporting
Statement of Financial Performance
Central Asia

For the Year Ended 31 December 2013

EUR '000		Centre in Astana		Centre in Ashgabat		Centre in Bishkek		Project Co-ordinator in Uzbekistan		Office in Tajikistan		Total Central Asia	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
REVENUE													
Assessed Contributions	21	2,132	2,121	1,488	1,442	6,761	6,686	1,966	1,933	6,576	6,147	18,924	18,329
Extra-Budgetary Contributions	22	0	0	0	0	0	0	0	0	0	0	0	0
Finance Revenue	23	0	0	0	0	0	0	0	0	0	0	0	0
Revenue from Exchange Transactions	24	0	0	17	5	(50)	(15)	0	0	1	7	(32)	(3)
Foreign Exchange Gains/(Losses)	25	(6)	(3)	(2)	(0)	(1)	(1)	(1)	1	(24)	(20)	(33)	(23)
Savings on Prior Year Accruals	26	0	23	0	(14)	0	32	0	9	0	5	0	55
Other Revenue	27	16	6	1	(0)	2	0	0	0	8	0	26	7
Total Revenue		2,142	2,148	1,504	1,432	6,712	6,702	1,966	1,944	6,561	6,139	18,885	18,365
EXPENSES													
Staff Costs	28.1	825	796	621	569	2,095	2,016	395	379	2,752	2,381	6,688	6,141
Consultancy and Subcontracting	28.2	356	394	228	206	1,658	1,768	271	231	948	1,061	3,462	3,660
Travel Expenses	28.3	447	474	261	289	691	815	530	657	911	908	2,841	3,143
Services and Office Costs	28.4	365	332	236	259	1,170	1,091	398	395	984	1,108	3,153	3,184
Consumables and Supplies	28.5	50	61	16	31	248	240	83	65	423	425	820	822
Depreciation and Amortisation	28.6	22	35	25	15	351	366	55	51	163	186	615	653
Equipment Purchases	28.7	14	2	(10)	43	257	235	43	92	58	66	363	436
Other Operating Expenses	28.8	46	38	21	22	45	78	60	53	62	75	233	264
Total Expenses		2,125	2,132	1,398	1,433	6,515	6,608	1,835	1,923	6,301	6,208	18,174	18,303
Surplus/(Deficit) for the Period	20.1	17	16	106	(1)	197	94	131	21	259	(68)	710	62

VI.1.X.1 Segment Reporting
Statement of Financial Position
Extra-Budgetary Part 1

As at 31 December 2013

EUR '000		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 Aspect of Security		Fund for activities related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova		Fund relating to the Stability Pact for South Eastern Europe	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
ASSETS											
Current Assets											
Cash and Cash Equivalents	3	0	0	0	0	0	0	0	6,391	0	0
Investments	4	0	0	0	0	0	0	6,344	0	0	0
Assessed Contributions Receivable	5.1	0	0	0	0	0	0	0	0	0	0
Allowance for Assessed Contributions Receivable	5.2	0	0	0	0	0	0	0	0	0	0
Accounts Receivable	6	0	0	0	0	0	0	0	0	0	0
Prepayments	7	0	0	0	0	0	0	0	0	0	0
Due From Other Funds		2,074	1,460	3	31	1,463	976	117	666	6	7
Other Current Assets		0	0	0	0	0	0	0	0	0	0
		2,074	1,460	3	31	1,463	976	6,462	7,057	6	7
Non-Current Assets											
Property, Plant and Equipment	8	0	0	0	0	1	2	0	0	0	0
Intangible Assets	9	0	0	0	0	0	0	0	0	0	0
Other Non-Current Assets	10	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	1	2	0	0	0	0
Total Assets		2,074	1,460	3	31	1,465	978	6,462	7,057	6	7
LIABILITIES											
Current Liabilities											
Accounts Payable	11	(100)	0	0	0	(7)	0	0	0	0	0
Accruals	12	2	0	0	0	20	116	0	0	0	0
Deferred Revenue	13	594	370	(54)	0	1,129	805	5,472	6,035	(9)	0
Funds Held for Third Parties	14	0	0	0	0	0	0	0	0	0	0
Employee Benefits Current	15	6	2	0	0	7	4	1	0	0	0
Cash Surplus Current	17.1	0	0	0	0	0	0	0	0	0	0
Due To Other Funds		0	0	0	0	0	0	0	0	0	0
Provisions	18	161	50	53	27	84	26	519	260	13	4
Other Current Liabilities		0	0	0	0	0	0	0	0	0	0
		662	422	(1)	27	1,234	950	5,992	6,295	4	4
Non-Current Liabilities											
Employee Benefits Non-Current	15	1	0	0	0	1	0	0	0	0	0
Cash Surplus Non-Current	17.2	0	0	0	0	0	0	0	0	0	0
Other Non-Current Liabilities		0	0	0	0	0	0	0	0	0	0
		1	0	0	0	1	0	0	0	0	0
Total Liabilities		664	422	(1)	27	1,234	950	5,992	6,295	4	4
NET ASSETS											
Cash Surplus Withheld	17.3	0	0	0	0	0	0	0	0	0	0
Revolving Fund	1.3	0	0	0	0	0	0	0	0	0	0
Contingency Fund	1.3	0	0	0	0	0	0	0	0	0	0
IPSAS Reserves	19	(420)	(419)	(27)	(27)	(831)	(829)	(6,295)	(6,295)	(4)	(4)
Accumulated Surplus/(Deficit)	20	1,830	1,458	31	31	1,061	856	6,764	7,057	6	7
Total Net Assets		1,410	1,038	4	5	230	27	470	763	2	2

VI.2.X.1 Segment Reporting
Statement of Financial Performance
Extra-Budgetary Part 1

For the Year Ended 31 December 2013

EUR '000		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 Aspect of Security		Fund for activities related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova		Fund relating to the Stability Pact for South Eastern Europe	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
REVENUE											
Assessed Contributions	21	0	0	0	0	0	0	0	0	0	0
Extra-Budgetary Contributions	22	1,017	665	1	(0)	678	484	44	0	(1)	0
Finance Revenue	23	0	0	0	0	0	0	0	0	0	0
Revenue from Exchange Transactions	24	0	0	0	0	(1)	0	0	0	0	0
Foreign Exchange Gains/(Losses)	25	0	0	0	0	0	0	(292)	166	0	0
Savings on Prior Year Accruals	26	0	0	0	0	0	0	0	0	0	0
Other Revenue	27	0	0	0	0	0	0	0	0	0	0
Total Revenue		1,017	665	1	(0)	677	484	(248)	166	(1)	0
EXPENSES											
Staff Costs	28.1	162	46	0	0	119	71	13	8	0	0
Consultancy and Subcontracting	28.2	301	29	0	0	129	251	0	0	0	0
Travel Expenses	28.3	144	59	0	0	105	108	24	25	0	0
Services and Office Costs	28.4	31	5	0	0	90	78	8	9	0	0
Consumables and Supplies	28.5	4	2	0	0	16	7	0	0	0	0
Depreciation and Amortisation	28.6	0	0	0	0	1	1	0	0	0	0
Equipment Purchases	28.7	0	0	0	0	7	7	0	0	0	0
Other Operating Expenses	28.8	1	2	0	0	6	1	0	0	0	0
Total Expenses		644	143	0	0	473	525	45	42	0	0
Surplus/(Deficit) for the Period	20.1	373	522	1	(0)	205	(41)	(293)	124	(1)	0

VI.1.X.2 Segment Reporting
Statement of Financial Position
Extra-Budgetary Part 2

As at 31 December 2013

EUR '000		Fund for Activities Related to the Reduction of Military Forces and Equipment from Georgia				Bishkek Conference		The Partnership Fund		Other Activities and Special Projects		Total Extra-Budgetary Funds	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
ASSETS													
Current Assets													
Cash and Cash Equivalents	3	0	0	0	0	0	0	5,005	8,529	5,005	14,920		
Investments	4	0	0	0	0	0	0	27,500	24,500	33,844	24,500		
Assessed Contributions Receivable	5.1	0	0	0	0	0	0	0	0	0	0		
Allowance for Assessed Contributions Receivable	5.2	0	0	0	0	0	0	0	0	0	0		
Accounts Receivable	6	0	0	0	0	0	0	0	0	0	0		
Prepayments	7	0	0	0	0	0	0	0	0	0	0		
Due From Other Funds		634	639	0	0	281	347	381	520	4,960	4,645		
Other Current Assets		0	0	0	0	0	0	0	0	0	0		
		634	639	0	0	281	347	32,886	33,548	43,809	44,065		
Non-Current Assets													
Property, Plant and Equipment	8	0	0	0	0	0	0	447	921	448	923		
Intangible Assets	9	0	0	0	0	0	0	15	0	15	0		
Other Non-Current Assets	10	0	0	0	0	0	0	0	0	0	0		
		0	0	0	0	0	0	462	921	463	923		
Total Assets		634	639	0	0	281	347	33,349	34,470	44,273	44,988		
LIABILITIES													
Current Liabilities													
Accounts Payable	11	0	0	0	0	0	0	(382)	0	(489)	0		
Accruals	12	0	0	0	0	1	0	1,199	4,554	1,222	4,669		
Deferred Revenue	13	(10)	0	(1)	0	(61)	281	14,749	16,482	21,810	23,973		
Funds Held for Third Parties	14	0	0	0	0	0	0	0	0	0	0		
Employee Benefits Current	15	0	0	0	0	0	0	171	117	185	123		
Cash Surplus Current	17.1	0	0	0	0	0	0	0	0	0	0		
Due To Other Funds		0	0	0	0	0	0	3,941	4,094	3,941	4,094		
Provisions	18	10	5	0	0	138	38	4,847	1,677	5,824	2,085		
Other Current Liabilities		0	0	0	0	0	0	108	21	108	21		
		0	5	(1)	0	78	319	24,631	26,944	32,600	34,965		
Non-Current Liabilities													
Employee Benefits Non-Current	15	0	0	0	0	0	0	45	49	47	49		
Cash Surplus Non-Current	17.2	0	0	0	0	0	0	0	0	0	0		
Other Non-Current Liabilities		0	0	0	0	0	0	0	0	0	0		
		0	0	0	0	0	0	45	49	47	49		
Total Liabilities		0	5	(1)	0	78	319	24,676	26,993	32,647	35,015		
NET ASSETS													
Cash Surplus Withheld	17.3	0	0	0	0	0	0	0	0	0	0		
Revolving Fund	1.3	0	0	0	0	0	0	0	0	0	0		
Contingency Fund	1.3	0	0	0	0	0	0	0	0	0	0		
IPSAS Reserves	19	(5)	(5)	0	0	(319)	(319)	(17,965)	(17,408)	(25,866)	(25,305)		
Accumulated Surplus/(Deficit)	20	639	639	1	0	521	347	26,638	24,884	37,491	35,279		
Total Net Assets		634	634	1	0	202	28	8,672	7,476	11,626	9,973		

VI.2.X.2 Segment Reporting
Statement of Financial Performance
Extra-Budgetary Part 2

For the Year Ended 31 December 2013

EUR '000		Fund for Activities Related to the Reduction of Military Forces and Equipment from Georgia				Bishkek Conference		The Partnership Fund		Other Activities and Special Projects		Total Extra-Budgetary Funds	
	Note	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
REVENUE													
Assessed Contributions	21	0	0	0	0	0	0	0	0	0	0	0	0
Extra-Budgetary Contributions	22	(0)	(5)	1	0	353	147	25,262	23,853	27,356	25,144	27,356	25,144
Finance Revenue	23	0	0	0	0	0	0	0	0	0	0	0	0
Revenue from Exchange Transactions	24	0	0	0	0	0	0	(350)	(94)	(351)	(94)	(351)	(94)
Foreign Exchange Gains/(Losses)	25	0	0	0	0	0	0	0	0	(292)	166	(292)	166
Savings on Prior Year Accruals	26	0	0	0	0	0	0	0	0	0	0	0	0
Other Revenue	27	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue		(0)	(5)	1	0	353	147	24,912	23,759	26,713	25,216	26,713	25,216
EXPENSES													
Staff Costs	28.1	0	0	0	0	10	15	4,823	4,088	5,128	4,230	5,128	4,230
Consultancy and Subcontracting	28.2	0	0	0	0	20	3	11,182	10,343	11,632	10,627	11,632	10,627
Travel Expenses	28.3	0	0	0	0	94	68	4,091	3,348	4,458	3,608	4,458	3,608
Services and Office Costs	28.4	0	0	0	0	30	31	2,028	2,092	2,186	2,214	2,186	2,214
Consumables and Supplies	28.5	0	0	0	0	8	0	268	697	297	706	297	706
Depreciation and Amortisation	28.6	0	0	0	0	0	0	281	282	282	282	282	282
Equipment Purchases	28.7	0	0	0	0	0	0	130	886	137	893	137	893
Other Operating Expenses	28.8	0	0	0	0	15	1	781	362	804	365	804	365
Total Expenses		0	0	0	0	178	118	23,585	22,098	24,924	22,926	24,924	22,926
Surplus/(Deficit) for the Period	20.1	(0)	(5)	1	0	176	29	1,327	1,661	1,789	2,290	1,789	2,290

Chapter IV – Notes to the Financial Statements

Notes to the Financial Statements

Note 1 - Significant Accounting Policies

1.1 Reporting Entity and Basis of Presentation

- The OSCE traces its origins to the early 1970s, to the Helsinki Final Act (1975) and the creation of the Conference on Security and Co-operation in Europe (CSCE). In 1994, the CSCE, having evolved well beyond its initial role, was renamed the Organization for Security and Co-operation in Europe. Now with 57 participating States in North America, Europe and Asia, the OSCE is the world's largest regional security organization, working to ensure peace and stability for more than a billion people. The OSCE is a regional organization in the sense of Chapter VIII of the United Nations Charter and is an observer in the United Nations General Assembly.

The OSCE operates in three dimensions:

- Politico-military dimension – includes mechanisms for conflict prevention and resolution, and military confidence-building measures.
- Economic and environmental dimension – activities aimed at counteracting threats and challenges to security and stability caused by economic and environmental factors.
- Human dimension – set of norms and activities related to human rights and the rule of law.

With its Secretariat, specialized Institutions, expert units and network of Field Operations, the OSCE addresses a range of issues that have an impact on common security, including arms control, terrorism, good governance, energy security, human trafficking, democratization, media freedom and minority rights.

OSCE's Secretariat is based in Vienna. Although the role of OSCE Secretariat, Institutions and the Parliamentary Assembly is hard to overestimate, the most of the OSCE's activities are implemented in the OSCE's field operations in South-Eastern Europe, Eastern Europe, the South Caucasus and Central Asia. These operations are established at the invitation of the respective host countries, and their mandates are agreed by consensus by the participating States.

- The Financial Statements of the Organization are prepared on the accrual basis of accounting in accordance with the requirements of the International Public Sector Accounting Standards (IPSAS) and the Financial Regulations. The Financial Statements are presented in euro which is also the functional currency of the Organization. The figures are presented rounded to the nearest euro thousand and to the nearest one-tenth percent. This may result in totals that differ by EUR 1 thousand or by 0.1%. These financial statements cover the calendar year ended 31 December 2013. The financial period coincides with the calendar year.

1.2 IPSAS Progressive Adoption

The progressive adoption of IPSAS was formally approved by participating States with a target deadline of 2014 (PC.DEC/1040 dated 10 May 2012). IPSAS adoption aligns OSCE's accounting with internationally recognized standards and best practices, improves controls and transparency of assets and liabilities, provides more comprehensive information, and improves consistency and comparability of the Financial Statements.

In order to progress with IPSAS adoption, the OSCE began in 2011 to implement certain changes in accounting policies, which are allowed under the United Nations System Accounting Standards (UNSAS). This strategy of progressive adoption of the Standards continued in 2012. In 2013 OSCE adopted the remaining applicable IPSAS standards. This is the first set of financial statements prepared fully in compliance with IPSAS, therefore finalizing the progressive adoption of IPSAS one year before the target deadline established by PC.DEC/1040.

The impact of the IPSAS standards adopted by the OSCE in 2013 is as follows:

- **IPSAS 17 – Property, Plant and Equipment:** Requires that tangible fixed assets (referred to as property, plant and equipment or PP&E) are initially reported at cost and depreciated over the duration of their useful life. Previously PP&E was immediately recorded as expenditure on acquisition.
- **IPSAS 21 – Impairment of Non-Cash-Generating Assets:** IPSAS makes a distinction between cash-generating assets and non-cash-generating assets. Cash-generating assets are those held with the primary objective of generating a commercial return and non-cash-generating assets are assets other than cash-generating assets. Since OSCE’s assets fall under the category of non-cash-generating assets, the requirements of IPSAS 21 apply. This standard requires that both tangible and intangible fixed assets are tested for impairment at least once a year.
- **IPSAS 23 – Revenue from Non-Exchange Transactions:** In the context of OSCE, most of the revenue is derived from ‘non-exchange transactions’ including revenue from assessed contributions, revenue from extra-budgetary contributions as well as contributions in-kind. The main impact related to the adoption of this standard relates to the recognition of revenue from extra-budgetary contributions, as revenue from assessed contributions was already accounted for on an accrual basis under UNSAS. Donor Agreements for extra-budgetary contributions are analysed to see if there are any performance conditions, in which case revenue is only recognized as those conditions are fulfilled. The fair value of contributions in-kind in the form of the salaries for seconded staff and rental of premises continues to be disclosed in these Notes (see Note 1.13).
- **IPSAS 31 – Intangible Assets:** Intangible assets consist mainly of software licenses. Where material, development costs and professional fees are capitalized as part of the cost of the assets. Similar to fixed assets, intangible assets are initially recognized at cost and amortized over their useful lives. Prior to the adoption of IPSAS 31, intangible assets were expensed when purchased.

1.3 Fund Accounting and Segment Reporting

The OSCE operates a system of fund accounting and the resulting financial statements present the financial results of Budgetary Funds approved under PC.DEC/1073 dated 7 February 2013 and subsequent budget revisions, Extra-Budgetary Funds, the Network Operating System Fund and the ERP Upgrade Fund. The financial statements are prepared on a fund accounting basis, showing at the end of the period the consolidated position of all Funds.

For purposes of the presentation and approval of the 2013 Unified Budget, Funds were grouped under (i) Funds related to the Secretariat and Institutions and (ii) Funds related to Field Operations, with the latter, in turn, being grouped into regions. This presentation is also followed in the 2013 Financial Report and in the Financial Statements. The segment information is presented geographically and based on the principal sources of financing of the Organization (Unified Budget, Extra-Budgetary and Special Funds).

The following Funds were operational in 2013:

a) Standard Scale of Contributions for 2013

(PC.DEC/1072 dated 7 February 2013)

(i) FUNDS RELATED TO THE SECRETARIAT AND INSTITUTIONS

- The Secretariat
- Office for Democratic Institutions and Human Rights (ODIHR)
- High Commissioner on National Minorities (HCNM)
- Representative on Freedom of the Media (RFoM)

b) Field Operations Scale of Contributions for 2013

(PC.DEC/1072 dated 7 February 2013)

(ii) FUNDS RELATED TO OSCE FIELD OPERATIONS

- Augmentations Fund (see point c below)

- South-Eastern Europe
 - Mission in Kosovo
 - Tasks in Bosnia and Herzegovina
 - Mission to Serbia
 - Presence in Albania
 - Mission to Skopje
 - Mission to Montenegro
- Eastern Europe
 - Mission to Moldova
 - Project Co-ordinator in Ukraine
 - Representative to the Latvian-Russian JC on Military Pensioners
- Caucasus
 - Office in Yerevan
 - Office in Baku
 - High Level Planning Group
 - The Minsk Process
 - Personal Representative of the CIO
- Central Asia
 - Centre in Astana
 - Centre in Ashgabat
 - Centre in Bishkek
 - Project Co-ordinator in Uzbekistan
 - Office in Tajikistan
- 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 Skrunda Radar Station
 - Sanctions Assistance Missions
 - Action Against Terrorism
 - Assistance Group to Chechnya
 - Representative to the Estonian Commission on Military Pensioners
 - Mission to Croatia
 - Mission to Georgia
 - End of Mandate Procedure Mission to Georgia
 - Office in Minsk
 - Office in Zagreb

c) The Augmentations Fund

The Augmentations Fund was established on a provisional basis under PC.DEC/827 dated 21 December 2007 and is financed on the basis of the Field Operations Scale.

d) Revolving and Contingency Funds

- The Revolving Fund, in the amount of EUR 2,710 thousand was established by the Permanent Council (PC.DEC/133 dated 27 June 1996) to meet the short-term cash requirements of duly authorized OSCE activities that could result from the period between the billing and payment of assessed contributions.
- The Contingency Fund, in the amount of EUR 2,180 thousand was established by the Permanent Council (PC.DEC/182 dated 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.

e) Network Operating System Fund

The Network Operating System Fund was established in 2010 (PC.DEC/926) to finance the replacement of the OSCE's network and desktop systems. The funding of the Network Operating System was financed from the 2008 cash surplus in the amount of EUR 1,890 thousand. The Fund was closed in 2013. The remaining unspent funds amounting to EUR 22 thousand will be credited to the participating States in 2014.

f) ERP Upgrade Fund

The Enterprise Resource Planning (ERP) System Fund was established in 2012 (PC.DEC/1033) to finance the upgrade of the OSCE's ERP system. The funding of the ERP Upgrade Fund was financed in three instalments of EUR 1,310 thousand from the 2009, 2010 and 2011 cash surplus, for a total funding of EUR 3,930 thousand.

g) Extra-Budgetary Funds (see Note 22)*1.4 Uncollected Assessed Contributions*

If a participating State has not paid all its assessed contributions 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 Chairperson-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 Chairperson-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).

1.5 Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any recognized impairment losses. The threshold for capitalization of PP&E assets is established at EUR 1 thousand. Subsequent costs that are included in asset's carrying amount include freight. Repairs and maintenance costs are charged to the Statement of Financial Performance during the period in which they are incurred. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset, and are included in the Statement of Financial Performance. Depreciation is charged using the straight-line method and the residual values are estimated at zero.

The estimated useful lives for the different PP&E classes are as follows:

Asset Class	Useful Life (Years)
ICT Equipment	3 to 10
Vehicles	5 to 10
Household and Office Equipment	3 to 10
Security and Safety Equipment	3 to 25
Other Equipment	3 to 10

1.6 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and any recognized impairment losses. Intangible assets which are under development are recorded at cost and will only begin to be amortized once they are placed in service. All purchases of software licenses are capitalized.

The costs that are incurred to bring software into use are added to the cost of the underlying asset. These include salaries and employee benefits and external consultancy costs. Maintenance costs are charged to the Statement of Financial Performance during the financial period in which they are incurred.

Intangible assets are amortized using the straight line method over the estimated period of their useful lives; residual values are estimated at zero. The useful lives for the different classes of intangible assets are as follows:

Asset Class	Useful Life (Years)
Externally Purchased Software	5
ERP Software	7

1.7 Impairment of Assets

The OSCE performed a review of its assets in conjunction to revenue earned to identify whether it owned any cash-generating assets. Cash-generating assets are assets held with the primary objective of generating a commercial return. In 2013 there were no intangible assets or items of property, plant and equipment which met this definition, therefore all assets were classified as non-cash-generating and IPSAS 21 was applied to the reporting of impairments.

Intangible assets and items of PP&E are reviewed annually for impairment to determine if the carrying amount is still considered to be recoverable. Situations that could lead to impairment include major damage or obsolescence. Impairment losses are recognized in the Statement of Financial Performance for the amount by which the asset's carrying amount exceeds its recoverable service amount, and are reported under Other Operating Expenses.

1.8 Operating Leases

Leases where the OSCE does not retain a significant portion of the risks and rewards inherent in ownership are classified as operating leases. Rent under operating leases is charged to the Statement of Financial Performance as incurred.

1.9 Employee Benefits

1.9.1 Employee Benefits Current

Current employee benefits are expected to be settled within 12 months of the reporting date, and include payroll and allowances, assignment grants, education grants, annual leave, home leave and rest and recuperation for employees in Field Missions. The amounts related to these liabilities were determined by an independent actuary based on the methodology and assumptions as described in Note 13 or calculated by the OSCE based on personnel data and past experience, and are as follows:

- Annual leave - in accordance with OSCE's Staff Regulations, upon separation, contracted OSCE officials shall receive payment for unused leave days up to a maximum of thirty days. Annual leave is considered as a current benefit and hence, is not subject to actuarial valuation. The liability for annual leave was calculated by multiplying the number of unused leave days as of 31 December 2013, up to a maximum of thirty days on the basis of the monthly net salary, including post adjustment, if applicable.
- Home leave and rest and recuperation leave - Heads of Mission and other fixed-term international Mission members, both contracted and seconded staff, are entitled to home leave once every twelve months. In addition, for those staff serving in duty stations designated as hazardous or hardship, there is an additional entitlement to rest and recuperation leave once every twelve months. For international fixed-term contracted staff members, including the Secretary General and Heads of Institutions the entitlement for home leave is once every two years. OSCE also pays the costs of travel expenses of the spouse and dependent children who reside at the duty station with the staff member. The liabilities for home leave were calculated by using estimates of travel expenses based on historical average costs. The effect of discounting was deemed to be immaterial and these liabilities were reclassified from non-current in 2012 to current in 2013.

Currently the duty stations that qualify for rest and recuperation are as follows:

- Mission in Kosovo
- Centre in Astana
- Centre in Ashgabat
- Centre in Bishkek
- Project Co-ordinator in Uzbekistan
- Mission in Moldova
- Office in Tajikistan
- Office in Yerevan

The liabilities for both home leave and rest and recuperation leave were calculated by using estimates of travel costs based on historical average costs.

1.9.2 Employee Benefits Non-Current

Non-current employee benefits relate to post-employment benefits, including repatriation benefits such as:

- Repatriation Grant - OSCE pays repatriation grants to international fixed term contracted staff members, including the Secretary General and the Heads of Institution, and their eligible dependents upon separation from service. The amount of the grant is calculated on the basis of the staff member's last salary, excluding post adjustment, and the staff member's completed years and months of qualifying service.
- Repatriation Travel - upon separation, the OSCE pays the travel expenses for fixed-term contracted OSCE officials, seconded officials and international short-term contracted staff. The spouse and dependent children of international fixed-term contracted staff members are also entitled to repatriation travel.
- Removal of Household Effects - upon separation, the Secretary General, Heads of Institution and international contracted staff members appointed for a period of not less than one year are entitled to the payment of the removal of household effects. The costs to be reimbursement shall be the actual expenses incurred.

The present value of non-current employee benefits liabilities is determined by discounting the estimated cash outflows using interest rates of high quality corporate bonds with a duration that approximates the maturity terms of the related liabilities.

1.10 Deferred Revenue

Assessed contributions received in advance (such as overpayments of Unified Budget contributions by participating States as well as credits referring to cash surplus originated two years before and Unified Budget Revisions of the current year) are classified as Deferred Revenue.

Extra-budgetary contributions which are subject to conditions are classified as Deferred Revenue until such conditions are satisfied.

1.11 Provisions

Provisions are recognized in such circumstances when the OSCE has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

1.12 Contingent Liabilities and Contingent Assets

Contingent liabilities are disclosed when there are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the OSCE. Contingent assets are disclosed when there are

probable assets that arise from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the OSCE.

1.13 Revenue from Non-Exchange Transactions

- Revenue from assessed contributions from participating States is recorded on an accrual basis, independent from when the cash is received. It reflects the approved unified budget for the year, including the year-end revision and any revisions if applicable.
- Revenue from extra-budgetary contributions is measured based on the increase in net assets recognized. Where the criteria for recognition of an asset under a non-exchange agreement are not fulfilled, a contingent asset may be disclosed. For voluntary contributions that have conditions on their use, such as the funds must be returned to the donor if these conditions are not met, these are initially recognized as deferred revenue in the Statement of Financial Position and subsequently recognized as revenue in the Statement of Financial Performance when the conditions are satisfied.
- Contributions in-kind in the form of salaries for seconded staff and rental of premises are not recorded in the Financial Statements of the Organization. For 2013 the estimated value of in-kind contributions is approximately EUR 42,223 thousand (EUR 43,588 thousand in 2012).

1.14 Revenue from Exchange Transactions

Revenue from exchange transactions refers mainly to occasional sales of assets. Revenue is measured at the fair value of the consideration received or receivable and is recognized as goods and services are delivered.

1.15 Expenses

Expenses are accounted for on an accrual basis and represent decreases in the economic benefit or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets/equity. Expenses arising from the purchase of goods and services are recognized at the point that the supplier has performed its contractual obligations, which is when the goods or services are delivered to the OSCE.

For budgetary purposes expenditure is recorded under the “modified accrual basis”. See Note 20 for reconciliation between budgetary expenditure and expenditure as reported in the Statement of Financial Performance.

1.16 Cash Surplus or Deficit

At the end of each financial year, the cash surplus or deficit for the Funds financed by assessed contributions is determined by calculating the excess of Unified Budget revenue actually received over budgetary expenditure or the excess of budgetary expenditure over Unified Budget revenue received. The cash surplus of all Funds financed by assessed contributions is credited against contributions of the participating States in accordance with the scale of distribution for the year to which the surplus relates, in 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).

1.17 Financial Risk Management

Financial risk management is carried out by the Treasury Unit in the Secretariat under policies approved by the Investment Committee and by applying the guidelines included in OSCE's Provisional Financial/Administrative Instruction Five - *Income and Cash Management* and the Investment Policy. IPSAS 30 *Financial Instruments: Disclosures* states the types of risks that the Organization should disclose:

(a) *Liquidity risk* - is the risk that an entity will encounter difficulty in receiving funds to meet its financial commitments. The OSCE invests funds not required for immediate operational purposes in short-term

deposits up to a maximum of six months. Maturities are scheduled on the basis of operational requirements as identified by the Treasury Unit and OSCE Executive Structures' cash flow forecasts.

The timing of payment of assessed contributions by participating States has an impact on the liquidity of the Organization. Delays in payment by large contributors can affect normal operations, although the Revolving Fund in the amount of EUR 2,710 thousand is available to meet short-term cash requirements as stated in PC.DEC/133 of 27 June 1996.

Liquidity is monitored through cash flow forecast reports for a period of 12 month into the future. Unpaid bills from participating States are dealt with in accordance to Financial Regulation 4.09 (see Note 1.5).

(b) *Currency risk* - is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The OSCE has a policy of not using derivative financial instruments to hedge against currency risk. Risk is mitigated by limiting the amount of cash held in currencies other than euro; by concluding most of the OSCE contracts in euro; and by not converting one currency to another to avoid realization of gains and losses. In 2013, 86.1% of net expenditures were transacted in euro or currencies pegged to the euro.

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 reporting period assets and liabilities are valued at the rates applicable as at 31 December 2013. Gains and losses arising from transactions and translation are recorded as currency exchange adjustments. In 2013 there was a net foreign exchange loss of EUR 388 thousand. In compliance with Provisional Financial/Administrative Instruction Five on Income and Cash Management, large exchange rate gains or losses incurred under extra-budgetary programmes/projects have been credited or charged to the respective extra-budgetary programmes/projects.

(c) *Interest rate risk* - is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The OSCE did not enter into any transactions involving variable interest rates in 2013 and only made short-term deposits for fixed durations and fixed interest rates. Fluctuations in interest rates only affect the interest revenue from short-term deposits to be concluded in the future; however, the OSCE is not dependent on interest revenue for the continuation of its activities. In 2013, interest revenue represented only 0.1% of total revenue.

(d) *Market risk* - is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. None of the OSCE's financial instruments in 2013 was affected by changes in market prices.

(e) *Credit risk* - is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The largest exposures to such risk for the OSCE are Assessed Contributions Receivable and bank risk. The Treasury Unit monitors the creditworthiness of its banks on a regular basis and has strict guidelines to limit the amount deposited with each approved bank. The table below shows the amounts deposited with banks according to their credit rating. At the end of the reporting period, 98.1% of the total was held in bank accounts carrying an investment grade (BBB- and above). The table reflects the fact that due to the financial crisis most bank ratings have been revised downwards in recent years. The remaining balances are held in non-investment grade or unrated banks to support OSCE local operational needs.

At the end of the reporting period, 96.9% of the total cash was held in bank accounts administered by the Treasury Unit. The remaining 3.1% was held in bank accounts throughout OSCE locations for daily operational purposes.

EUR '000	Rating	Total as of 31 December 2013	Total as of 31 December 2012
High Grade	AA- to AA+	27	13
Upper Medium Grade	A- to A+	51,280	59,167
Lower Medium Grade	BBB- to BBB+	14,452	58
Non-Investment Grade	BB- to BB+	0	290

Highly Speculative	B- to B+	100	307
Unrated	N/A	1,204	1,157
Total Bank Balances		67,062	60,992

(f) *Cash flow risk* - is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. For the OSCE such fluctuations relate to future money-market deposits in the event of changes in interest rates. As mentioned in (b) above, the OSCE is not dependent on the cash flows resulting from money-market deposits for the continuation of its activities.

g) There were no significant changes in the OSCE's exposure to risk or to its risk management policies during the reporting period.

1.18 Critical Accounting Estimates and Judgments

The preparation of the Financial Statements involves the use of accounting estimates and professional judgment; therefore there is a risk that actual amounts could differ from the related estimates. The areas where those are more significant in the preparation of OSCE's Financial Statements include inter alia: useful lives of tangible and intangible assets, provisions, accruals, contingent assets and liabilities and employee benefits.

Note 2 - Financial Instruments

Financial instruments in use during the reporting period consisted of cash, bank accounts, short-term deposits, accounts receivable and accounts payable. No transactions involving derivative financial instruments were made during the reporting period.

Upon initial recognition, all financial instruments are measured at fair value and classified as Loans and Receivables. When subsequently measured, these are measured at amortized cost less impairment losses, if any.

The fair value of all financial instruments approximates their carrying amount. Given the short-term nature of these financial instruments, the effect of discounting is immaterial. A review of amounts outstanding for Assessed Contributions Receivable resulted in the recognition of an allowance to reflect the impact of doubtful debts (see Note 5.2).

Note 3 – Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, and short-term deposits with initial maturity of 3 months or less. Cash and cash equivalents as at 31 December 2013 amounted to EUR 26,861 thousand. EUR 21,855 thousand of this amount is in respect of Unified Budget Funds (including Revolving and Contingency Funds) and EUR 5,005 thousand is in respect of Extra-Budgetary Funds. In accordance with Financial Regulation 5.02, funds not needed for immediate requirements were invested in the form of money-market deposits. Those deposits with an initial maturity of 3 months or less were classified as cash equivalents.

EUR '000	Unified Budget	Extra-Budgetary	Total
Cash	351	0	351
Bank	5,504	5	5,509
Short-term Deposits	16,000	5,000	21,000
Total Cash and Cash Equivalents	21,855	5,005	26,861

Note 4 – Investments

Investments consist of money-market deposits with initial maturity over 3 months. At the end of the reporting period, investments amounted to EUR 40,553 thousand, of which EUR 6,708 thousand was in respect of Unified Budget activities and EUR 33,844 thousand for Extra-Budgetary Funds.

Note 5 - Assessed Contributions Receivable

5.1 Assessed Contributions Receivable

Assessed Contributions Receivable as at 31 December 2013 amounted to a total of EUR 5,784 thousand (EUR 11,857 thousand in 2012). A schedule of outstanding Assessed Contributions Receivable by participating State is shown below:

Participating State	Outstanding for 2011 and Prior Years	2012	2013	Total Outstanding Balance as at 31 December 2013
Kyrgyzstan	976	45	45	1,066
Portugal	0	0	407	407
Tajikistan	171	45	45	261
The former Yugoslav Republic of Macedonia	0	85	86	171
United States of America	0	0	33	33
Uzbekistan	3378	232	236	3,846
Total	4,525	407	852	5,784

Payments of assessed contributions by participating States are credited to that State's assessments in the order in which those assessments are made (Financial Regulation 4.06).

5.2 Allowance for Assessed Contributions Receivable

Based on each participating State's historical pattern of payment, an allowance for doubtful debts has been established in accordance with IPSAS 29, to bring the balance of Assessed Contributions Receivable in line with its fair value. The allowance is calculated as 100% of the outstanding receivable from participating States whose arrears equalled or exceeded the amount of contributions due for the preceding two full years.

The allowance for 2013 and the change compared to 2012 are as follows:

Participating State	Outstanding Balance as at 1 January 2013	Payments of Arrears Received in 2013	Assessments / Credits for 2013	Outstanding Balance as at 31 December 2013	2012 Allowance	Change in Allowance from 2012
Kyrgyzstan	1,043	(21)	45	1,067	1,043	24
Tajikistan	292	(76)	45	261	292	(30)
The former Yugoslav Republic of Macedonia	235	(150)	86	171	235	(64)
Uzbekistan	3,609	0	236	3,845	3,609	236
Total	5,178	(247)	413	5,344	5,178	166

Note 6 - Accounts Receivable

Accounts Receivable are carried at the original invoice amount, less estimated doubtful debts based on a review of all outstanding amounts at the year-end. As at 31 December 2013 no changes in the carrying amount of Accounts Receivable were identified. Accounts Receivable amounted to EUR 2,421 thousand as at 31 December 2013 (EUR 2,641 thousand in 2012). This amount is comprised primarily of VAT reimbursements receivable from governments.

Note 7 – Prepayments

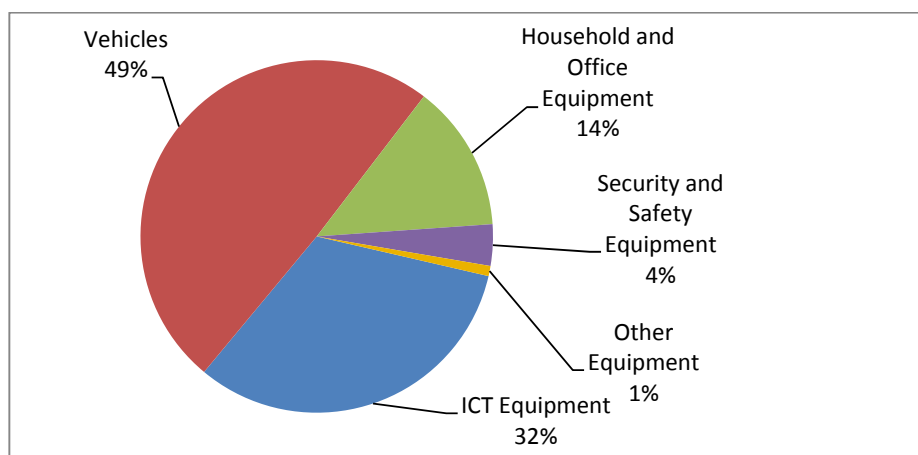
Prepayments amounted to EUR 2,428 thousand as at 31 December 2013 (EUR 2,720 thousand in 2012). This amount is comprised primarily of advances to suppliers and implementing partners. As prepayments are intended to be settled through delivery of goods or services, they do not meet the definition of financial instruments as defined by IPSAS 28. Furthermore prepayments are considered as non-monetary items as defined by IPSAS 4, and therefore translated at the transaction exchange rate.

Note 8 – Property, Plant and Equipment

In accordance with the requirements of IPSAS 17, in adopting accrual accounting for the first time the opening balances of property, plant and equipment are initially recognized at cost. The OSCE has availed itself of transitional provisions under IPSAS 17 and accordingly has not recognized leased buildings and leasehold improvements as assets in the Statement of Financial Position.

EUR '000	ICT Equipment	Vehicles	Household and Office Equipment	Security and Safety Equipment	Other Equipment	Total Property, Plant and Equipment
<i>Cost at 1 January 2013</i>	8,354	13,192	5,940	1,193	711	29,390
Additions	425	781	200	9	31	1,446
Disposals	(1,170)	(1,561)	(600)	(73)	(52)	(3,456)
Reclassifications	(2)	0	168	156	(323)	0
<i>Cost at 31 December 2013</i>	<i>7,608</i>	<i>12,412</i>	<i>5,707</i>	<i>1,285</i>	<i>368</i>	<i>27,380</i>
<i>Accumulated depreciation and impairment losses at 1 January 2013</i>	<i>6,308</i>	<i>10,547</i>	<i>5,260</i>	<i>967</i>	<i>628</i>	<i>23,710</i>
Depreciation	756	1,214	295	64	25	2,354
Disposals	(875)	(1,506)	(583)	(50)	(43)	(3,056)
Reclassifications	(0)	0	145	137	(282)	0
Impairments	1	0	0	0	0	1
<i>Accumulated depreciation at 31 December 2013</i>	<i>6,191</i>	<i>10,255</i>	<i>5,118</i>	<i>1,119</i>	<i>327</i>	<i>23,010</i>
Net carrying amount 31 December 2013	1,417	2,157	589	166	40	4,370

Distribution of the Net Book Value of PP&E per Class as of 31 December 2013



The total gross value of fully depreciated PP&E which was still in use as of 31 December 2013 amounted to EUR 17,906 thousand (EUR 16,670 thousand as of 31 December 2012).

8.1 Impairment of Property, Plant and Equipment

An impairment loss of EUR 1 thousand was recorded in 2013 and pertains to ICT equipment. In particular, the impaired assets were two damaged firewalls in the Mission to Skopje, and one router running at reduced performance in the Mission in Kosovo. No reversals of impairment took place in 2013.

Note 9 – Intangible Assets

The OSCE currently only recognizes software as intangible assets, as it is not considered probable that significant future economic benefits from copyrights and intellectual property will flow to OSCE. All acquired software licenses are recognized as intangible assets irrespective of their value.

According to IPSAS 31, an entity that has not previously recognized intangible assets and uses the accrual basis of accounting, shall apply this Standard prospectively. The OSCE has applied this Standard from 1 January 2013 and, accordingly, has recognized intangible assets acquired on or after that date. As a result, there is no opening balance for intangible assets.

EUR'000	Software Licenses	ERP Upgrade Project (under development)	Total Intangible Assets
<i>Cost at 1 January 2013</i>	0	0	0
Additions	289	1,345	1,635
Disposals	0	0	0
Assets under construction capitalized	0	0	0
Cost at 31 December 2013	289	1,345	1,635
<i>Accumulated amortization and impairment losses at 1 January 2013</i>			
Amortization	24	0	24
Disposals	0	0	0
Impairment losses	0	0	0
Accumulated amortization and impairment losses at 31 December 2013	24	0	24
Net carrying amount 31 December 2013	265	1,345	1,611

The OSCE has identified two main reporting classes of intangible assets: Software Licenses externally acquired and the ERP Upgrade Project which is software under development. IPSAS 31 requires that any directly attributable costs of preparing an asset for its intended use need to be included as part of the cost of the asset. Thus all costs incurred in this project after 1 January 2013 that meet the asset recognition criteria are being capitalized. These include:

EUR'000	ERP Upgrade Project Capitalized Costs
Salaries and Employee Benefits	789
Software Licenses	372
Professional Fees	185
Total	1,345

Until the project is completed and the new software is ready for use, these costs are not subject to amortization.

Note 10 – Other Non-Current Assets

Other non-current assets include advances to implementing partners which are expected to be recovered more than 12 months after the reporting date.

Note 11 - Accounts Payable

Accounts Payable amounted to EUR 2,897 thousand as at 31 December 2013 (EUR 4,206 thousand in 2012). This includes dues for delivered goods and services, as well as amounts owed to staff.

Note 12 - Accruals

For budgetary purposes, OSCE records unliquidated obligations (ULOs). These refer to budget commitments for purchase orders for delivery of goods (assets, consumables and supplies) and services (including travel, utilities, and payroll related expenses, among others).

For budgetary purposes the criteria for recognition of ULOs related expense for both goods and services has not been impacted by IPSAS adoption. The detail of 2013 Unified Budget (UB) ULOs charged to expense and respective savings or over-expenditure is as below:

EUR '000	2012 Reserve for ULOs	Expenditure in 2013 against 2012 Reserve	(Savings) /Over Expenditure on 2012 ULOs
I. Funds Related to the Secretariat and Institutions			
The Secretariat	1,022	803	219
Office for Democratic Institutions and Human Rights (ODIHR)	429	360	69
High Commissioner on National Minorities	22	12	10
Representative on Freedom of Media	33	29	4
Subtotal Secretariat and Institutions	1,506	1,204	302
II. Funds Related to the OSCE Field Operations			
Augmentations	40	30	10

South-Eastern Europe			
Mission in Kosovo	883	827	56
Tasks in Bosnia and Herzegovina	179	170	9
Mission to Serbia	167	156	11
Presence in Albania	259	239	20
Mission to Skopje	148	139	9
Mission to Montenegro	25	21	4
Eastern Europe			
Mission to Moldova	51	49	2
Project Co-ordinator in Ukraine	46	44	2
Representative to the Latvian-Russian Joint Commission on Military Pensioners	0	0	0
Caucasus			
Office in Yerevan	32	31	1
Office in Baku	339	303	36
High Level Planning Group	1	1	0
The Minsk Process	11	10	1
Personal representative of the CiO	18	16	2
Central Asia			
Centre in Astana	66	52	14
Centre in Ashgabat	111	102	9
Centre in Bishkek	543	498	45
Project Co-ordinator in Uzbekistan	137	130	7
Office in Tajikistan	135	114	21
Subtotal Field Operations	3,191	2,932	259
Total UB Funds	4,697	4,136	561

In line with IPSAS requirements, ULOs related to purchases of goods (assets, consumables and supplies) not yet delivered have been derecognized because liabilities should be accrued based on the delivery principle.

The following table provides a reconciliation between the ULO amount as of 31 December 2013 on a budgetary (commitment) basis and the accrual portion thereof.

EUR '000	ULO amount (budgetary commitments)
Non Payroll-Related	5,959
IPSAS Adjustments	(3,926)
Accrual Portion of ULOs	2,033

ULOs related to payroll amounting to EUR 683 thousand (EUR 717 thousand in 2012) represent valid accruals and were reported within Current Employee Benefits.

Note 13 – Deferred Revenue

EUR '000	2013	2012
Overpayments by pS	288	15
Cash Surplus	1,812	190
Cash Surplus Withheld Released	8	5
UB Revision for 2013 (2012)	3,057	3,237
Total Unified Budget Deferred Revenue	5,166	3,442

Extra-Budgetary Contributions Subject to Conditions	21,810	23,973
Total Extra-Budgetary Deferred Revenue	21,810	23,973
Total Deferred Revenue	26,976	27,415

The Unified Budget deferred revenue is applied against the next available bill to decrease participating States' Assessed Contributions for the following year.

In line with the requirements of IPSAS 23 - Revenue from Non-Exchange Transactions, voluntary contributions which are subject to conditions are classified as deferred revenue. As the conditions are satisfied, the carrying amount of the liability is reduced and an amount of revenue equal to that reduction is recognized.

Note 14 - Funds Held for Third Parties

Funds held for Third Party Funds amounted to EUR 3,209 thousand as at 31 December 2013 (EUR 5,174 thousand in 2012). This amount consists primarily of funds received from participating States for payment of salaries to seconded staff on their behalf.

Note 15 - Employee Benefits

Actuarial assumptions are required to be disclosed in the Financial Statements in accordance with IPSAS 25. The following key assumptions and methods have been used by the actuary to determine the value of non-current employee benefits to estimate the liability.

- Discount rate of 1.05% (0.85% in 2012) derived in reference to market yields of high quality corporate bonds - iBoxx Euro Corporates AA, with a duration of 1,27 years, which approximates the maturity terms of the related liabilities;
- Present value of future benefits based on salary projections;
- Increase in salary of 2.5% per year;
- No increase in shipment costs;
- Decrease in travel costs of -1.0% per year;
- Estimated years of service based on OSCE's historical averages.

The actuarial valuation of the defined benefits obligation is determined by discounting the probable future payment required to settle the obligation resulting from employee service rendered in the current and prior periods.

Actuarial gains or losses arise when the actuarial assessment differs from the long term expectation on the obligations: they result from experience adjustments (differences between the previous actuarial assumptions and what has actually occurred) and the effects of change in actuarial assumptions. Actuarial gains or losses for non-current benefit obligation are recognized directly in Equity/Net Assets. Current service cost is the increase in the present value of the defined obligation resulting from employee service in the current period.

Interest cost is the increase during the period in the present value of the defined benefit obligation which arises because the benefits are one period closer to settlement.

Both interest cost and service cost are recognized in the Statement of Financial Performance.

The following table provides more details regarding how the different types of benefits have changed in 2013:

EUR'000	Defined Benefit Obligation as at 31/12/2012	Current Service Cost 2013	Interest Cost 2013	Actual payments 2013	Actuarial (Gains)/Losses 2013	Defined Benefit Obligation as at 31/12/2013
Home leave and rest and recuperation	73	697	0	(499)	0	270
Annual leave	4,159	454	0	(482)	0	4,131
Termination benefits	0	0	0	0	0	0
<i>Total Annual leave, home leave and rest and recuperation</i>	<i>4,232</i>	<i>1,151</i>	<i>0</i>	<i>(981)</i>	<i>0</i>	<i>4,401</i>
Repatriation grant	1,849	395	8	(644)	239	1,848
Repatriation shipment	733	167	3	(248)	(2)	655
Repatriation travel	159	39	1	(120)	(159)	237
<i>Total repatriation benefits</i>	<i>2,742</i>	<i>601</i>	<i>12</i>	<i>(1,012)</i>	<i>396</i>	<i>2,740</i>
Total	6,973	1,752	12	(1,993)	396	7,141

Liabilities for current employee benefits include payroll-related ULOs.

15.1 Provident Fund

The Provident Fund is a defined contribution plan. The employer contributions of 15% of staff salaries are fixed and are recognized as payroll expense. Employees contribute 7.5% of their salary and may make additional voluntary contributions of up to 15%. The assets are held by Generali Guernsey in the beneficial ownership of the employee. The Secretary General's responsibility is to establish arrangements to provide a Provident Fund facility to employees and to monitor these arrangements. The balance of funds held for the benefit of OSCE Staff by the Provident Fund as at 31 December 2013 was EUR 87,266 thousand.

The Provident Fund is administered by Generali Guernsey in accordance with the contract. The OSCE obtains the Financial Statements of Generali Guernsey on an annual basis. The latest available Financial Statements were in respect of the year ended 31 December 2012 and were audited by Ernst & Young LLP, Chartered Accountants, who gave an unqualified opinion on the Financial Statements.

The Provident Fund summary statement for the year ending 31 December 2013 is shown in the Appendix.

Note 16 – Related Party Disclosures

16.1 Governing Bodies

Based in Vienna, the Permanent Council is the body for regular political consultation and decision-making on all issues pertinent to the OSCE and is responsible for the day-to-day business of the Organization.

The OSCE Permanent Council is formed by the delegates of the 57 participating States. The OSCE's 12 Partners for Co-operation may attend as observers. A delegation to the Permanent Council consists of a team of diplomats of the participating State headed by an ambassador.

OSCE decisions have to be taken by consensus and the Chairman seeks approval from all delegations. In the case of one or more delegations opposing a decision, the issue is renegotiated. If all delegates agree, the decision becomes politically binding for all participating States.

The Ministerial Council meets once a year towards the end of every term of chairmanship to consider issues relevant to the OSCE and make appropriate decisions. During periods between summits, decision-making and governing power lies with the Ministerial Council, whose members are the Foreign Ministers of the OSCE participating States.

Members of the delegations are appointed separately by the Governments of each participating State and are not considered key management personnel as defined by IPSAS. They do not receive remuneration from the Organization.

16.2 Key Management Personnel

The Secretary General, Heads of Institutions and Heads of Mission, including Personal Representatives who are Fund Managers, as well as Secretariat's main programme managers at the Director level represent the key management personnel (KMP) as they have authority for planning, directing and controlling the activities of OSCE.

The aggregate remuneration paid to key management personnel includes: net salaries, post adjustment, entitlements such as allowances, grants and subsidies, and employer provident pension fund and health insurance contributions. As defined in the Staff Regulations and Rules, Heads of Mission and Personal Representatives who are Fund Managers are seconded by or through a participating State and therefore do not receive a salary remuneration from OSCE, but are entitled to a Boarding and Lodging Allowance (BLA).

No close family members of KMP were employed by OSCE during the year.

Advances are those made against entitlements in accordance with Staff Regulations and Rules and are available to all OSCE staff. The table below details the number of key management personnel positions and the number of key management staff who held these positions over the course of the year.

EUR'000	Number of Individuals	Number of Posts	Remuneration and Post Adjustment	Entitlements	Provident Fund and Health Plan	Total Remuneration 2013	Outstanding Advances against Entitlements
SG and Heads of Institutions	5	4	678	103	112	893	4
Secretariat's Directors	11	8	1,065	167	179	1,411	2
Heads of Mission and Personal Representative	19	17	0	769	2	771	0
Key Management Personnel	35	29	1,743	1,039	293	3,075	6

Note 17 - Cash Surplus

The cash surplus for the year 2011 was credited to deferred revenue in 2013. The total amount was EUR 1,812 thousand, after deduction of cash surplus withheld (EUR 7 thousand) and EUR 1,310 thousand for the upgrade of the Enterprise Resource Planning (ERP) system, pursuant to PC.DEC/1033 dated 22 March

2012. This Decision required that the newly established ERP Upgrade Fund be financed with EUR 3,930 thousand in three equal instalments of EUR 1,310 thousand from each of the 2009, 2010 and 2011 cash surplus.

EUR '000	Institutions	Field Operations	Total
Cash Surplus 2011	1,730	1,398	3,128
Less: Transfer to ERP Upgrade Fund	(724)	(586)	(1,310)
Less: Cash Surplus Withheld	(6)	(1)	(7)
Adjusted Cash Surplus 2011	1,000	812	1,812

17.1 Cash Surplus (Deficit) Current

In 2012 a large increase in outstanding assessed contributions (EUR 11,857 thousand compared to EUR 8,929 thousand in 2011) resulted in a cash deficit for the year. The total amount to be recovered from participating States is EUR 1,904 thousand. The cash deficit for 2012 is classified as a current liability, to be settled in 2014.

EUR '000	Institutions	Field Operations	Total
Cash Deficit 2012	(539)	(1,365)	(1,904)

17.2 Cash Surplus Non-Current

The cash surplus for the current year is normally due to be settled two years in arrears, therefore it is classified as a non-current liability. The total cash surplus for 2013 is EUR 6,976 thousand, and is calculated as shown in the table below.

EUR '000	Institutions	Field Operations	Total
Budgetary Surplus/(Deficit)	613	290	903
Add: Assessed Contributions Receivable at Beginning of Period	5,464	6,393	11,857
Less: Assessed Contributions Receivable at End of Period	(3,379)	(2,405)	(5,784)
Cash Surplus for 2013	2,697	4,279	6,976

The Budgetary Surplus/(Deficit) for the Period does not include IPSAS adjustments (see Note 18.1 for a reconciliation of the Budgetary Surplus/(Deficit) to the Surplus/(Deficit) for the Period as shown in the Statement of Financial Performance).

The breakdown of the cash surplus for the year 2013 by Fund is shown in the following table.

EUR '000	Cash Surplus/ (Deficit) 2013	Cash Surplus/ (Deficit) 2012
The Secretariat	1,778	(130)
Office for Democratic Institutions and Human Rights	723	(318)
High Commissioner on National Minorities	138	(67)
Representative on Freedom of the Media	58	(23)
Total Institutions	2,697	(539)
Total Augmentations	237	(93)
Mission in Kosovo	1,022	(305)
Tasks in Bosnia and Herzegovina	651	(239)
Mission to Serbia	327	(117)
Presence in Albania	156	(45)
Mission to Skopje	309	(105)
Mission to Montenegro	104	(29)

Total South-Eastern Europe	2,568	(841)
Mission to Moldova	101	(25)
Project Co-ordinator in Ukraine	108	(48)
Representative to the Latvian-Russian JC on Military Pensioners	0	(0)
Total Eastern Europe	210	(73)
Office in Yerevan	106	(54)
Office in Baku	138	(34)
High-Level Planning Group	7	(4)
The Minsk Process	16	12
Personal Representative of the CiO on the Conflict Dealt with by the Minsk Conference	62	(8)
Total for Caucasus	330	(88)
Centre in Astana	117	(12)
Centre in Ashgabat	87	(22)
Centre in Bishkek	337	(100)
Project Co-ordinator in Uzbekistan	90	(29)
Office in Tajikistan	266	(134)
Total Central Asia	898	(297)
SAMs Common Costs	(1)	1
Missions of Long Durations to Kosovo, Sandjak and Vojvodina	0	0
Representative to the Joint Commission on the Skrunda Radar Station	0	0
Mission to Estonia	0	0
Mission in Latvia	0	0
Administrative Closure of the Assistance Group to Chechnya	1	1
Representative to the Estonian Commission on Military Pensioners	0	0
Mission to Croatia	3	5
Mission to Georgia	4	6
End of Mandate Procedure Mission to Georgia	0	0
Office in Minsk	1	2
Office in Zagreb	28	13
Total Closed Funds	37	28
Total Field Operations	4,279	(1,365)
Grand Total	6,976	(1,904)

17.3 Cash Surplus Withheld

The cash surplus for those participating States that have not settled their assessed contributions in full is withheld by the OSCE until the outstanding payments are received. During 2013 EUR 9 thousands were released and credited to deferred revenue.

Cash surplus withheld does not meet the definition of liability and is therefore included in reserves. The table below is a summary of the cash surplus withheld by participating State and by year. The longest outstanding cash surplus withheld is from 1998.

EUR '000	2009 and Prior Years	2010	2011	Total
Kyrgyzstan	55	0.1	0.7	56
Tajikistan	4	0.1	0.7	5
Uzbekistan	203	0.2	4	207
The former Yugoslav Republic of Macedonia	0	0.1	1.4	2
Total Cash Surplus Withheld	262	0.4	7	269

Note 18 – Provisions

EUR'000	2013	2012
Legal Claims	275	600
Refunds to Donors	5,824	2,085
Total	6,099	2,685

In line with the requirements of IPSAS 19, a provision for EUR 600 thousand for a potential private claim related to the use of premises in Kosovo had been recorded as of 31 December 2012. During 2014 before the issuance of these financial statements an agreement was reached to settle the claim for an amount of EUR 275 thousand. This event qualifies as an 'adjusting subsequent event' (see Note 33.1).

In addition to the above, the balance as of 31 December 2012 was adjusted to record a provision for pending refunds to Extra-Budgetary donors for closed projects amounting to EUR 2,114 thousand. An amount of EUR 1,239 thousand thereof was refunded during 2013.

Note 19 - IPSAS Reserves

The composition of IPSAS reserves is as follows:

EUR '000	Restatements /Adjustments
Balance as of 31/12/2012	(10,740)
Deferral of revenue from conditional agreements	(26,058)
Initial recognition of PP&E	3,822
Restated balance as of 31/12/2012	(32,976)
Reduction in provision for pending claims	325
Changes in PP&E initially recognized in reserves	(2,130)
Actuarial gains/(losses)	(396)
Balance as of 31/12/2013	(35,177)

The recognition of the deferral of revenue from conditional funding agreements in line with IPSAS 23 and the recognition of the net book value of Property, Plant and Equipment in line with IPSAS 17 represent a restatement of the opening balance for the year 2013.

The table below summarizes the adjustments which were made in the audited Statement of Financial Position as of 31 December 2012 in order to provide comparatives in line with the adoption of IPSAS 17 and IPSAS 23:

EUR '000	31/12/2012 Audited	IPSAS Adjustments	1/1/2013 Restated
ASSETS			
Current Assets			
Cash And Cash Equivalents	30,161	0	30,161
Investments	31,208	0	31,208
Assessed Contributions Receivable	11,857	0	11,857
Allowance For Assessed Contrib. Receivable	(5,178)	0	(5,178)
Accounts Receivable	2,641	0	2,641
Prepaid Expenses and Advances	2,720	0	2,720
Other Current Assets	23	0	23
	73,433	0	73,433

Non-Current Assets			
Plant, Property & Equipment	0	5,680	5,608
Intangible Assets	0	0	0
Other Non-Current Assets	35	0	35
	35	5,680	5,715
Total Assets	73,468	5,680	79,148
LIABILITIES			
Current Liabilities			
Accounts Payable	4,206	0	4,206
Other Accruals	8,002	0	8,002
Contributions Received In Advance	3,442	23,973	27,415
Funds Held For Third Parties	5,174	0	5,174
Employee Benefits Current	4,922	26	4,948
Cash Surplus Current	1,812	0	1,812
Provisions	600	2,085	2,685
Other Current Liabilities	266	0	266
	28,423	26,084	54,508
Non-Current Liabilities			
Non-Current Employee Benefits	2,769	(26)	2,743
Cash Surplus Non-Current Portion	(1,904)	0	(1,904)
Other Non-Current Liabilities	37	0	37
	903	(26)	876
Total Liabilities	29,326	26,058	55,384
NET ASSETS			
Cash Surplus Withheld	278	0	278
Revolving Fund	2,710	0	2,710
Contingency Fund	2,180	0	2,180
IPSAS Reserves	(10,740)	(22,236)	(32,976)
Accumulated Surplus/(Deficit)	49,714	1,857	51,571
Total Net Assets	44,142	(20,379)	23,763

The Statement of Financial Performance was also restated to include comparatives for depreciation and impairment of assets and a reduction in expense due to the capitalization of property, plant and equipment.

EUR '000	2012 Audited	IPSAS Adjustments	2012 Restated
REVENUE			
Assessed Contributions	144,823	0	144,823
Extra-Budgetary Contributions	25,732	(589)	25,144
Finance Revenue	448	0	448
Revenue from Exchange Transactions	0	150	150
Miscellaneous Income	167	(167)	0
Currency Exchange Adjustments	47	0	47
Savings on Prior Year Accruals	337	0	337
Other Revenue	0	61	61
Other Adjustments	(589)	589	0
TOTAL INCOME	170,965	44	171,010

EXPENDITURE

Salaries and Employee Benefits	93,700	0	93,700
Consultancy and Subcontracting	24,694	0	24,694
Travel Expenses	16,028	0	16,028
Services and Office Costs	23,731	(23)	23,708
Consumables and Supplies	4,642	(20)	4,622
Depreciation and Amortisation	0	2,978	2,978
Equipment Purchases	4,270	(1,851)	2,419
Other Operating Expenses	1,846	37	1,883
TOTAL EXPENDITURE	168,912	1,120	170,033

SURPLUS/(DEFICIT) FOR THE PERIOD	2,053	(1,076)	977
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Note 20 - Accumulated Surpluses/ (Deficits)

Details of the adjustments can be seen in Statement IV – *Statement of Changes in Net Assets*. Further changes that affected Accumulated Surplus/Deficit during 2013 are the allocation of the Cash Deficit for 2012 (see note 17.1), and the Refund of Unspent Extra-Budgetary Contributions to donors, as shown in the following table on a cash basis:

EUR' 000	2013	2012
Funds to Support OSCE Action for Peace, Democracy and Stability in BiH	0	10
Fund to Foster the Integration of Recently Admitted Participating States	28	0
Fund for Activities Relating to Economic and Environmental Aspects of Security	10	67
Fund for Activities Related to the Reduction of Military Forces and Equipment from Georgia	5	13
Partnership Fund	9	11
Fund for Economic Rehabilitation in the Zone of Georgian - Ossetian Conflict	185	0
Fund for Activities Related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova	260	0
Other Activities and Special Projects	873	1,276
Total	1,370	1,377

20.1 Reconciliation of Surplus/ (Deficit) for the period

The IPSAS adjustments affect the surplus/ (deficit) for the year as described in the following table. The calculation of cash surplus or deficit derives from the excess/shortfall of income over expenditure on a budgetary basis and is not affected by the IPSAS adjustments.

EUR '000	UB Funds	Network Operating Fund	ERP Upgrade Fund	Extra-Budgetary Funds	Total OSCE
Excess of Income over Expenditure (budgetary basis)	903	0	(817)	5,744	5,830
IPSAS related adjustments:					
Revenue					
- Accrued interest	(3)	0	0		(3)
- Revenue from conditional funding agreements	0	0	0	(2,814)	(2,814)
- Other revenue	212	(14)	0	(351)	(153)
- Adjustments of savings on ULOs	(562)	0	0	0	(561)
Subtotal Revenue	(353)	(14)	0	(3,165)	(3,531)

Expenses					
- Changes in allowance for doubtful debts	(166)	0	0	0	(166)
- ULOs and accrual adjustments	2,345	0	2	(684)	1,658
- Employee benefits	281	0	0	(52)	229
- Adjustments to expenses related to PP&E	364	(4)	20	(53)	328
- Adjustments to expenses related to Intangibles	1038	0	557	(2)	1,593
Subtotal Expenses	3,862	(4)	575	(791)	3,642
Total IPSAS Adjustments	3,509	(4)	575	(3,956)	111
Surplus/(Deficit) for the period	4,412	(18)	(243)	1,789	5,940

Note 21 – Assessed Contributions

Accrued revenue from assessed contributions amounted to EUR 141,767 thousand (EUR 144,823 thousand in 2012). This amount includes the original 2013 Unified Budget (PC.DEC/1073 dated 7 February 2013), as modified by the 2013 Year-End Unified Budget Revision (PC.DEC/1113 dated 27 February 2014), see Note 33.1.

Note 22 - Extra-Budgetary Contributions

Revenue from extra-budgetary contributions is recorded according to the requirements of IPSAS 23 - Revenue from Non-Exchange Transactions.

For voluntary contributions that have conditions on their use, such as the funds must be returned to the donor if these conditions are not met, these are initially recognized as deferred revenue in the Statement of Financial Position and subsequently recognized as revenue in the Statement of Financial Performance when the conditions are satisfied

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 dated 2 March 1995);
- The Fund to support OSCE Action for Peace, Democracy and Stability in Bosnia and Herzegovina (PC.DEC/101 dated 11 January 1996);
- The Fund for Activities Related to Economic Aspects of Security (PC.DEC/150 dated 19 December 1996);
- The Fund relating to the Stability Pact for South Eastern Europe (PC.DEC/306 dated 1 July 1999);
- The Fund for Activities Related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova (PC.DEC/329 dated 9 December 1999);
- The Fund for Activities related to the reduction of Military Forces and equipment from Georgia (293rd Reinforced Meeting of the Permanent Council on Georgia dated 17 July 2000);
- The Bishkek International Conference on Enhancing Security and Stability in Central Asia: Strengthening Comprehensive Efforts to Counter Terrorism (PC.DEC/440 dated 11 October 2001).
- The Partnership Fund (PC.DEC/812 dated 30 November 2007).

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

In 2013, reclassification of project funds resulted in net inflow of EUR 100 thousand from Third Party Funds to Extra-Budgetary Funds (EUR -589 thousand in 2012).

Note 23 – Finance Revenue

Finance revenue includes interest from bank balances and short-term cash deposits.

EUR '000	2013	2012
Interest received from banks	209	464
Accrual adjustments	(3)	(15)
Total	206	448

Note 24 – Revenue from Exchange Transactions

Revenue from Exchange Transactions refers to gains and losses related to the sale of assets and minor equipment.

Note 25 – Foreign Exchange Gains/(Losses)

The revenue pertains to both realized and unrealized gains and losses on foreign exchange balances and transactions.

Note 26 – Savings on Prior Year Accruals

The savings on prior year accruals for 2012 referred to liabilities for services and goods received that were liquidated at a lower value than initially accrued or were cancelled (see Note 12 for the composition of savings on unliquidated obligations recorded on a budget basis). For 2013 these amounts have been credited directly to the respective expense accounts.

Note 27 – Other Revenue

Other revenue includes inter alia revenue from insurance claims and discounts taken.

Note 28 – Expenses*28.1 Staff Costs*

Salaries comprise amounts paid to international and local contracted staff, local professional staff, and temporary assistance.

Other staff costs include hazard pay, personal income tax, interview and appointment travel and overtime costs, training as well as other employee benefits, such as education grant, child and spouse allowance, assignment grant and rental subsidy as well as service costs for employee benefits (see Note 13). Insurance costs refer to health, life and accident insurance.

Board and Lodging Allowance (BLA) consists of a daily allowance payable by the OSCE which is intended to cover at least partially the living expenses incurred by international mission members assigned or appointed to a Mission. BLA is paid to internationally contracted and seconded staff. The BLA rates are established for each Mission by the Secretary General in December each year and remain valid for the following year.

EUR '000	2013	2012
Salaries	57,500	58,240
BLA for seconded staff	16,105	17,465
Provident fund	8,263	8,288
Other staff costs	1,266	1,190
BLA for international Staff	2,048	1,935
Insurance	1,966	1,917
Other employee benefits	4,464	4,666
Total	91,612	93,700

28.2 Consultancy and Subcontracting

Other contractual services includes inter alia, subcontracting services related to the implementation of extra-budgetary projects, costs related to services to support Election Observation Missions as well as special service agreements (SSAs), including related travel. Implementing partner costs include both capacity building and non-capacity building.

EUR '000	2013	2012
Other contractual services	13,283	14,787
Implementing Partner costs	11,545	9,907
Total	24,828	24,694

28.3 Travel

Other duty travel represents regular duty travel of staff on various missions including travel ticket costs, daily subsistence allowance (DSA), local transportation and terminal allowances. Travel of non OSCE officials is related to conferences and seminars and recruitment travel.

EUR '000	2013	2012
Travel of non-OSCE officials	8,315	7,628
Other duty travel	7,403	7,671
Travel for training	773	730
Total	16,491	16,028

28.4 Services and Office Costs

Communication services include, among others, internet access fees, rental of communication equipment and leased lines. IT services refer to maintenance and support fees, as well as rental and installation of IT equipment

EUR '000	2013	2012 Restated
Rental and maintenance of buildings	7,803	8,458
Conferences, seminars, workshops	4,503	4,345
Communication services	1,966	2,406
Interpreters, translators and typing services	1,905	2,185
IT services	1,579	2,670
Printing and copying services	977	1,471
Other office costs	851	767
Freight and transportation	565	627

Insurance other than staff	576	499
Bank charges	303	282
Total	21,028	23,708

28.5 Consumables and Supplies

Consumables and supplies include items that are either used or consumed in the rendering of services (such as office and communication and IT supplies, fuel for generators and vehicles and spare parts) or are held prior to distribution, such as publications and other printed materials.

EUR '000	2013	2012 Restated
Fuel and lubricants	1,045	1,280
Other supplies	1,463	1,707
Communication and IT supplies	385	952
Publications, newspapers and printed materials	488	483
Spare parts	173	200
Total	3,554	4,622

28.6 Depreciation and Amortization

EUR '000	2013	2012 Restated
Amortization	24	0
Depreciation	2,354	2,978
Total	2,378	2,978

28.7 Equipment purchases

Equipment purchases include costs related to the acquisition of equipment which would otherwise meet the definition of PP&E, but is below the capitalization threshold of EUR 1 thousand.

28.8 Other Operating Expenses

Other expenses comprise mainly costs related to common project costs.

EUR '000	2013	2012 Restated
Other Expenses	1,474	989
Representation	570	565
Change in Allowance for Assessed Contributions	166	280
Write-Offs for Uncollectable Receivables	9	6
Cash and Other Losses	1	6
Impairment Losses	1	36
Total	2,221	1,883

A detail of write-offs for uncollectable receivables for 2013 is presented below:

EUR '000	Description	2013	
	Centre in Bishkek	Uncollectable Receivables	4
	Office in Tajikistan	Uncollectable Receivables	5
Total			9

Note 29 – Reconciliation of Actual Amounts on a Comparable Basis and Cash Flows Statement

The Financial Statements and the Budget are not prepared on a comparable basis, therefore, as required under IPSAS 24 - Presentation of Budget Information in Financial Statements, the actual amounts presented on a comparable basis to the Budget need to be reconciled to the net cash from operating investing and financing activities.

EUR'000	Operating activities	Investing activities	Financing activities	Total
Actual Surplus as per the Statement of Comparison of Budget and Actual Amounts	21	0	0	21
Basis Differences:				
Unliquidated Obligations	6,682	0	0	6,682
Unreceived Contributions	(4,237)	0	0	(4,237)
Net Surplus/(Deficit) on Cash Basis	2,466	0	0	2,466
Timing Differences	0	0	0	0
Presentation Differences	533	(1,530)	(8)	(1,005)
Entity Differences	6,027	(10,495)	(131)	(4,599)
Amount in the Cash Flow Statement	9,026	(12,025)	(139)	(3,138)

The reconciliation also requires that any timing, basis and entity differences be separately identified:

- Entity differences: the Statement of Comparison of Budget and Actual Amounts refer solely to the Unified Budget, whereas the Cash Flow Statement includes also Extra-Budgetary Funds, the ERP Upgrade Fund and the Network Operating Fund.
- Basis differences: in order to reconcile the Budget results to the Cash Flow Statement, the non-cash elements such as unliquidated obligations and outstanding assessed contributions need to be considered as basis differences;
- Timing differences: occur in such cases when the budget cycle differs from the financial reporting cycle. For the OSCE there are no timing differences, since both cycles coincide;
- Presentation differences refer to differences in the content and classification schemes in the Statement of Cash Flow and the Statement of Comparison of Budget and Actual Amounts; for example, revenue that is not included in the Statement of Comparison of Budget and Actual Amounts is shown as a presentation difference;

For further details on budget and expenditure figures, see Chapter I - Financial Report.

Note 30 - Contingent Assets and Contingent Liabilities

Contingent assets consist of Extra-Budgetary pledges received in 2013, which have not yet been paid as at 31 December 2013, and amount to EUR 7,466 thousand.

Contingent liabilities consist of multiple claims received from different entities requesting payment of back rent for five premises previously occupied by the Mission in Kosovo. As of 31 December 2013, no claim has been settled as no claimant has submitted convincing proof of legal ownership of any of the premises during the period the Mission occupied the properties. Consequently, there remain numerous uncertainties that prevent the OSCE to estimate the amount of any contingent liability.

Note 31 - Ex-Gratia Payments

During 2013 ex-gratia payments totalling EUR 2 thousand (referring to the Personal Representative of the CiO) were approved by the Secretary General.

Note 32 – Leases and Contractual Obligations

Lease agreements in the Secretariat, Institutions and Field Offices refer to lease of premises and office equipment. These agreements are classified as operating leases and the related payments are charged as expense over the period of the lease. The total lease expense for the year 2013 amounted to EUR 5,792 thousand (EUR 5,769 thousand in 2012).

Future minimum lease payments include payments for such rented premises (EUR 1,050 thousand) and equipment (EUR 6 thousand) that would be required until the earliest possible termination date under the respective agreements. There are no agreements that contain purchase options.

The total amount of future minimum lease payments under non-cancellable operating leases is as follows:

EUR '000	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Minimum Lease Payments	1,056	0	0	1,056

In the majority of cases operating lease arrangements for field office premises can be generally cancelled by providing notice up to 90 days. Also the majority of the operating lease agreements contain renewal clauses which enable the Organization to extend the terms of the leases at the end of the original lease terms.

Note 33 – Events after the Reporting Date

OSCE's reporting date is 31 December 2013. The financial statements were authorized for issuance by the Secretary General on 31 March 2014, the date at which they were submitted to the External Auditors.

According to the requirements set forth by IPSAS 14 - Events After the Reporting Date, below are the significant events which occurred between the reporting date and the issuance date:

33.1 Adjusting events

A settlement for a pending claim in Kosovo was agreed on January 2014 for EUR 275 thousand and the respective provision was adjusted accordingly (see Note 18).

The 2013 Unified Budget was decreased by EUR 3,056 thousand as a result of the OSCE 2013 Year-End Unified Budget Revision (PC.DEC/1113, 27 February 2014) (see Note 21).

33.2 Non-adjusting events

According to PC.DEC/1117 dated 21 March 2013, a Special Monitoring Mission was deployed to Ukraine which is to be funded using the 2011 and 2013 cash surpluses and the Contingency Fund, with the remaining balance being financed through voluntary contributions.

Chapter V – Statement on Internal Control



Organization for Security and Co-operation in Europe

Statement on Internal Control for 2013

23 May 2014

Scope of responsibility

As Secretary General of the OSCE, I am responsible to the Permanent Council for the efficient use of the Organization's resources, in accordance with the responsibility assigned to me, including under Ministerial Council Decision No. 15/04. To this end, I have established mechanisms of internal oversight and financial control in accordance with Financial Regulation 6.01: Principles.

Purpose of the system of internal control

Internal control is designed to reduce and manage the risk of failure to achieve an organization's aims, objectives and related policies. Therefore, it can only provide a reasonable assurance of effectiveness. It is based on an ongoing process designed to identify the principal risks, evaluate the nature and extent of those risks and manage them efficiently, effectively and economically.

Internal control is a process of systematic measures effected by the Permanent Council, the Secretary-General, the Fund Managers, senior management and other OSCE officials, and designed to provide reasonable assurance on the achievement of the following internal control objectives:

- Effectiveness and efficiency of operations,
- Safeguarding of assets,
- Reliability, accurateness and completeness of the recording of transactions and the related financial reporting process, and
- Compliance with the OSCE's Common Regulatory Management System.

My current statement on OSCE's internal control process, as described above, applies for the year ended 31 December 2013, and up to the date of approval of the OSCE's financial statements.

Risk management and control framework

The OSCE has established a risk management framework, which includes the:

- Identification of risks classified according to relevance, impact and probability of occurrence,
- Publication of policy guidance on risk management for administrative, security and project related risks, setting out the scope, basic concepts and mechanisms underlying risk management and enabling OSCE staff to identify, evaluate and manage risk as applicable to their executive structures,
- Continued training and awareness-raising in risk management,
- Periodic and ad hoc reviews of risk management and the operation of the risk management framework.

Risk management shall be further strengthened by expanding the scope to other risk categories and strengthening the oversight and accountability framework.

In addition, a comprehensive 'Integrated Internal Control Framework' that includes, along with the Risk Management process, the support of executive management, the OSCE ethical framework, the Common Regulatory Management System, and established automated and manual control and monitoring activities has been designed to ensure that the OSCE's objectives are achieved efficiently, underpinned by appropriate ethical values. The Framework comprises, but is not limited to, the OSCE Code of Conduct, Financial and Staff Regulations, other Ministerial/Permanent Council decisions related to management of the OSCE's activities, current Staff Rules and financial, staff, administrative and security instructions, which provide the mechanisms for managing the financial, human and material resources of the OSCE's activities. The Framework also includes the coordinated review in the Secretariat of all Extra-Budgetary Projects planned to ensure compliance with the Common Regulatory Management System and with respective mandates; and the review of all executive structures' Unified Budget programmes and application of Performance Based Programme Budgeting. Furthermore, an escalation procedure is in place in the form of Exception Requests, bringing deviations from the Common Regulatory Management System to my attention for approval.

Furthermore, my senior management team and I are committed to a continuous improvement programme to strengthen the system of internal control across the OSCE.

Review of effectiveness

My review of the effectiveness of the system of internal controls is mainly informed by:

- Fund Managers of the executive structures, as well as senior managers who play important roles and are accountable for expected results, performance, controlling their executive structure's activities and the resources entrusted to them.
- For the year ended 31 December 2013, Letters of Representation received from the Fund Managers of the executive structures in connection with the issuance and audit of the Annual Financial Statements.
- The Department of Management and Finance, which coordinates and monitors control activities and the Risk Management process.
- The Office of Internal Oversight, on whose reports of internal audits, evaluations and advisory services I rely. These include independent and objective information on the adequacy and effectiveness of the OSCE's system of internal controls and on programme effectiveness, together with recommendations for improvement.
- The Audit Committee.
- The External Auditors.
- The participating States' observations.

Significant matter(s) to report during 2013

- Volatile payment patterns of assessed contributions by participating States were causing more unpredictability of the OSCE's cash inflows. These factors in conjunction with the continued maintenance of the zero nominal growth budget regime contributed to the weakening of the OSCE's financial situation. The situation is under observation and I closely monitor the OSCE's financial situation, sending reminders to those participating States whose assessed contributions are in arrears.

- In relation to the budget, the participating States are requesting to be provided with longer term strategies, while at the same time the budget discussions are getting longer and more detail oriented with late budget approvals. I am thus actively engaged in a budget cycle reform process in order to increase the overall transparency, accountability and control over OSCE activities.
- Shortcomings in the organizational structure at the secretariat-level will be addressed through a restructuring exercise to be reflected in the 2015 proposed unified budget. The proposal will streamline and consolidate current arrangements and strengthen, in particular, the strategic planning capacity of the Secretariat.
- Staffing levels and structure, including the conditions and periods of service of OSCE staff, and availability of secondees continues to remain a challenge to the OSCE's efficiency and ability to deliver on its commitments. I undertook a review of the secondment system and submitted a set of proposals for participating States consideration in 2013 with a subsequent presentation to the ACMF. A proposal to extend the limitations to the periods of service of seconded mission members was included in the Staff Regulations and Staff Rules amendment package, however, no consensus could be reached by the participating States.
- Changes in legislation in some host countries with regards to local staff income tax payments and social security contributions led to financial pressure on some executive structures increasing legal and compliance risks for the OSCE. I provided specific recommendations on the way forward with regards to local staff income taxation and social security contributions, as tasked by Permanent Council Decision 1073 on the Approval of the 2013 OSCE Unified Budget.
- The enduring failure of the participating States to approve a revision to the Financial Regulations resulted in undermining the robustness of the OSCE's internal control framework. A proposal to consolidate the existing regulatory framework, including the Financial Regulations and all relevant PC decisions was submitted to the ACMF for approval in 2012, however, without any result.
- The governance structure of the OSCE, relying on a decentralized fund management structure and the dual reporting lines by the executive structures, with reporting on policy aspects to the Chairperson-in-Office and on administrative matters to myself, continues to create difficulties when exercising my role as Chief Administrative Officer. Re-invigorating the discussions on strengthening the administrative reporting lines of the Chiefs of Fund Administration will have a positive effect on internal controls and translate into a reinforcement of the Common Regulatory Management System.


I am committed to taking all necessary measures to safeguard the OSCE's capacity to deliver on its mandate, which will necessitate medium and longer-term measures aimed at increasing effectiveness and efficiency further while maintaining an effective internal control system.

Conclusion

Effective internal control, no matter how well designed, has inherent limitations – including the possibility of circumvention – and, therefore, can provide only reasonable assurance. Furthermore, because of changes in conditions, the effectiveness of internal control may vary over time.

I am committed to addressing any weaknesses in internal controls noted during the year and brought to my attention and to taking necessary measures remedying the situation.

Based on the above, I conclude that, to the best of my knowledge and information, there are no material weaknesses which would prevent the External Auditor from providing an unqualified opinion on the OSCE's financial statements, nor are there other significant matters arising which would need to be raised in the present document for the year ended 31 December 2013.



Lamberto Zannier
OSCE Secretary General

Appendix

Provident Fund Summary Statement

for the year ending 31 December 2013
unaudited – for information purposes only

	Deposit Administration Funds				International Equity Funds				European Equity Fund		TOTAL EUR '000
	Units '000	EUR '000	Units '000	USD '000	Units '000	EUR '000	Units '000	USD '000	Units '000	EUR '000	
Opening Balance 1 Jan 2013	61,607	77,317	5,432	6,799	23	694	26	1,030	88	912	
Contributions/Premium Allocation	10,724	13,513	887	1,114	2	56	5	204	22	251	
Unit Adjustments	0	0	0	0	0	0	0	0	0	0	
Surrenders	(8,959)	(11,264)	(998)	(1,253)	(5)	(171)	(6)	(278)	(17)	(184)	
Withdrawals	(1,229)	(1,549)	(52)	(66)	(1)	(32)	(1)	(35)	(1)	(15)	
Switch Out	(05.37)	(06.78)	(09)	(11)	0.00	0	0	(11)	(2.01)	(23.50)	
Switch In	18	23	09	11	0	0	0	11	1	07	
Transfer Out	(225)	(284)	(168)	(211)	0	(13)	(1)	(44)	(1)	(13)	
Transfer In											
Fees (Administration Fee and Establishment Charge)											
Total movements during year	324	434	(332)	(415)	(5)	(160)	(3)	(153)	1	23	
Guaranteed Interest on Opening Balance		579		51							
Guaranteed Interest on units accumulated during year		(24)		(3)							
Deposit Administration Bonus Units (additional interest)	1,177	1,488	97	122							
Closing Balance 31 December 2013	63,108		5,197		18		23		89		
Market Value as at 31 December 2013		79,794		6,555		665		1,143		1,141	
Exchange Rate				1.3587				1.3587			
Closing Balance 31 December 2013 in EUR '000		79,794		4,824		665		842		1,141	87,266

