

**458th Plenary Meeting**

PC Journal No. 458, Agenda item 3(e)

**DECISION No. 553  
OSCE'S UNIFIED BUDGET PROCESS**

The Permanent Council,

Recalling Decisions Nos. 486 of 28 June 2002, 527 of 30 December 2002 and 532 of 30 January 2003,

Noting in particular that,

1. The Unified Budget is a core management tool for programming, budgeting, approving, implementing, reporting and evaluating the operational activities of the Organization,
2. The Unified Budget comprises a set of separate Funds, as established by the Permanent Council, which are based on specific mandates, and designates the Secretary General, heads of institution, heads of mission and, as appropriate, other senior OSCE officials as Fund Managers,
3. The OSCE adheres to the principle of programme budgeting; the core element of the Unified Budget is the individual Programme. Each Fund shall therefore consist of a number of individual Programmes, which may be grouped into a Main Programme if appropriate,

Decides that:

- I. Programmes of the OSCE are subject to a continuous programme budgeting cycle that comprises five major steps:

**Step 1: Establishing Programme Priorities**

Programme outlines shall be prepared by Fund Managers, when appropriate in consultation with the countries of implementation, for Programmes planned for the following year and shall be submitted to the Preparatory Committee by the Secretary General for policy guidance no later than 1 June in accordance, *inter alia*, with Decision No. 486, paragraph 3. The Chairmanship shall be responsible for drafting a comprehensive synopsis of the discussions on the Programme Outline in the Preparatory Committee;

## **Step 2: Unified Budget Preparation, Submission and Approval**

- (a) Taking into account the discussions of the Programme Outline and the comprehensive synopsis drafted under the responsibility of the Chairmanship, Fund Managers shall submit to the Secretary General budget proposals for their respective Funds in accordance, *inter alia*, with Decision No. 486, paragraph 3, with the aim of operationalizing their assigned mandates into clearly defined annual objectives, of elaborating programmes in support of achieving these objectives and of presenting the full resource costs required. In this respect, the Secretary General shall exercise the proper quality control over all submissions by Fund Managers;
- (b) The Secretary General shall submit a Unified Budget proposal to the Permanent Council no later than 1 October for consideration by the Advisory Committee on Management and Finance;
- (c) The Advisory Committee on Management and Finance shall conclude its review of the Unified Budget proposal by 15 December and shall report its conclusions and recommendations to the Preparatory Committee;
- (d) The Permanent Council shall approve the Unified Budget no later than 20 December of each calendar year;

## **Step 3: Programme Implementation**

The Secretary General shall, upon approval of the Unified Budget, issue budget allotments to the Fund Managers who are thereby authorized to engage resources allocated under their responsibility;

## **Step 4: Programme Reviews, Evaluations and Performance Reports**

- (a) The Chairmanship and/or the Secretary General may initiate reviews and in-depth evaluations of Programmes and/or specific operational and functional aspects of the work of the Organization or may be requested to do so on the recommendation of the Advisory Committee on Management and Finance;
- (b) The Secretary General shall provide the Permanent Council with a detailed annual report on Programme and Unified Budget performance in the course of the first quarter of the year following implementation. This report shall contain a detailed assessment of the extent to which the resources provided in the Unified Budget have been used to achieve the planned objectives and outputs by Fund, Main Programme and Programme;

### **Step 5: Budget Revisions and Financial Closure**

- (a) In order to align the Unified Budget with actual and estimated annual expenditure, the Secretary General shall submit to the Permanent Council proposals for the final revisions of the Unified Budget at the end of each financial year, and, if appropriate, proposals for review and revision at mid-year;
  - (b) All Fund Managers are required to close the accounts of the annual budget of their respective Funds by 31 December of each year, following which the Secretary General shall prepare the annual Financial Statements for the OSCE and submit them to the External Auditors no later than 31 March. The Secretary General shall submit the audited Financial Statements for the OSCE and the report of the External Auditors thereon to the Permanent Council for consideration and approval;
- II. Requests the Secretary General to elaborate and issue the appropriate Financial Instructions ensuing from this Decision;
- III. Decides to amend the relevant provisions of the Financial Regulations accordingly.