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Mr. Roberto Battelli

Treasurer of the OSCE Parliamentary Assembly

14 June 2010

Dear Roberto,

Thank you for sending the proposed budget of the OSCE PA in 2010-11 to Standing Committee members recently. I appreciate the opportunity to appraise the budget well in advance of the Annual Session.

With this in mind, I would be grateful if you would supply me with further details on certain points listed below. As you will appreciate in the current economic climate the UK Government, in common with other governments, is taking a rigorous approach to public spending across all areas. I note that the proposed budget envisages an increase of 4.6% on 2009-10, despite the significant under-spend against the 2008-09 budget, the most recent year for which actual expenditure figures are available. This under-spend brings the actual projected increase between 2008-09 and 2010-11 to 19%. In this context, I would welcome further detail.

In particular:

Reserves

There was an under-spend of the Assembly's budget in each of the years 2006-07, 2007-08 and 2008-09 amounting in total to €774,000. An additional €345,000 was generated in income during this period. Most of the resultant surplus, €873,000, was allocated to the Assembly's reserves.

1. How much is currently in the Assembly's reserves?
2. What is the target amount for the Assembly to hold in its reserves; and how is this calculated?
3. How has the remainder of the surplus generated over the last three years, (around €216,000, which was not allocated to reserves) been used?
4. Was there an under-spend in 2009-2010?

Salary costs

I note that salary costs have increased in the Copenhagen office by 11% from €939,000 to €1,045,000, partly due to the recruitment of an assistant archivist, on a provisional basis, to update the Assembly's filing system.

5. For how long will this post be filled?

The proposed budget for the Vienna Office is a 47.4% increase on 2009-2010 and 64% of this increase comes from salary costs.

6. How much of the increase in salary costs of the Vienna Office is attributable to the addition of a member of staff; and how much is accounted for by salary increases?
7. What additional functions will the Vienna Office be carrying out now that an additional member of staff has been recruited?

Your note states that the increase in the budget for the Vienna Office reflects the assignment of all direct and staff costs in Vienna to this category.

8. Where were these costs previously included in the budget?

I note that the cost of the severance benefit fund has risen.

9. What is the purpose of the severance benefit fund; how is the desired value of the fund set; and what is the current value of that fund?

Annual Sessions and other meetings

10. Why have interpretation costs for annual session decreased by €10,000 while interpretation costs for other Assembly meetings remain unchanged at €70,000?

Contingency

11. Why is there a budget line of €25,000 for contingency and how is the contingency amount calculated?
12. What has the contingency budget been used for in previous years?

I look forward to hearing from you in due course. I would be grateful for a reply by 22 June in order to allow me to consult colleagues on this important matter.

Yours sincerely,



Tony Lloyd MP
Leader of the UK Delegation to the OSCE Parliamentary Assembly