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Related documents:
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DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Report by the Chairperson of the Budget Committee

The Energy Charter Conference at the Statutory Session of its 36th Meeting, held on 19 December 2025, took note of the attached Report by the Chairperson of the Budget Committee.

Keywords: Report, Chairperson, Budget Committee

REPORT BY THE CHAIRPERSON OF THE BUDGET COMMITTEE

This report provides an overview of the Budget Committee's activities in 2025. The Energy Charter Conference will be invited to take note of this report at its 36th Meeting on 19 December 2025.

On 5 March 2025, the Energy Charter Conference (Conference) approved the appointment of Mr. Matthias Haller (Switzerland) as Chair of the Budget Committee (CCDEC 2025 02 APP).

Meetings of the Budget Committee

1. In 2025, the Budget Committee held three regular meetings on 20 May, 1 July, and 16 October. In addition, it convened an extraordinary meeting on 15 April. All the meetings were conducted by videoconference and were open exclusively to Members of the Conference.

Introduction

2. The regular topics discussed during the meetings of the Budget Committee were:
   i. Final status of the implementation of the Programme of Work 2024
   ii. Final status of the implementation of the Budget 2024
   iii. Status of the inventory list of the Energy Charter Secretariat (Secretariat) as of 31 December 2024
   iv. Final status of the annual contributions due and received for 2024
   v. Financial Statements and the External Auditor's Report for 2024
   vi. Update on the annual contributions due and received for 2025
   vii. Update on the status of the implementation of the Budget 2025
   viii. Outstanding annual contributions of the Russian Federation for the years 2010 to 2014
   ix. Draft Programme of Work for the biennium 2026-2027
   x. Draft Budget for the biennium 2026-2027

Financial and Administrative Matters

Financial Statements and the External Auditor's Report

3. The Financial Statements for the year ending 31 December 2024, together with the External Auditor's report, were discussed by the Budget Committee at its meeting on 16 October 2025. The External Auditor issued an unqualified opinion on the Secretariat's 2024 annual accounts. The Budget Committee recommended that the Conference discharge the former Secretary-General and the Acting Secretary-General from their management and administrative responsibility in respect of the Budget for the financial

year 2024, based on the financial statements and the External Auditor's report. The Conference approved the discharge of the former Secretary-General and the Acting Secretary-General on 5 November 2025 (CCDEC 2025 12 BUD).

Programme of Work for the Biennium 2024-2025

4. The Budget Committee took note of the status of the implementation of the Programme of Work 2024 at its meeting on 20 May 2025.

5. At its meeting on 1 July 2025, the Budget Committee discussed and recommended to the Conference for approval revisions to the Programme of Work 2025. The Conference approved the Revised Programme of Work 2025 on 21 July 2025 (CCDEC 2025 10 WRP Corr).

Budget for the Biennium 2024-2025

6. At its meeting on 1 July 2025, the Budget Committee discussed and recommended to the Conference for approval revisions to the Budget 2024. The Conference approved the Revised Budget 2024 on 21 July 2025 (CCDEC 2025 08 BUD Corr). Thereafter, at its meeting on 16 October 2025, the Budget Committee was informed by the Secretariat on the final status of the implementation of the Budget 2024, which formed the basis for the financial statements for the year ending on 31 December 2024, as well as the implementation of both the established officials and temporary officials posts for the year 2024.

7. At its meeting on 1 July 2025, the Budget Committee discussed and recommended to the Conference for approval revisions to the Budget 2025. The Conference approved the Revised Budget 2025 on 21 July 2025 (CCDEC 2025 09 BUD Corr). Thereafter, during its meeting on 16 October 2025, the Budget Committee took note of the status of Budget 2025 implementation for the first seven months of the year (as of 31 July 2025).

Budget and Programme of Work for the Biennium 2026-2027

8. The Secretariat invited the Budget Committee to discuss the draft Budget and Programme of Work for the biennium 2026-2027 at its meetings on 1 July 2025 and 16 October 2025. Based on its discussion, on 16 October 2025, the Budget Committee recommended to the Conference for approval the Budget and the Programme of Work for 2026 and 2027, taking into account existing financial constraints and the need for operational continuity. On 5 November 2025, the Conference approved the Budget for the Biennium 2026-2027 (CCDEC 2025 14 BUD) and the Programme of Work for the Biennium 2026-2027 (CCDEC 2025 15 WPR).

Annual Contributions

9. The Secretariat regularly informed the Budget Committee on the collection of annual contributions for 2025 and the status of those for 2024. The Committee also discussed the outstanding contributions of the Russian Federation for the years 2010 to 2014, for which no decision was taken, and discussions will resume at a later stage.

10. The Budget Committee invited countries with outstanding contributions to take the necessary steps to settle their arrears.

Miscellaneous Matters

11. In 2025, in addition to discussions on regular financial and administrative matters, the Budget Committee, during meetings held on 20 May and 1 July, discussed the formula for calculating the annual contributions of withdrawing Contracting Parties and Signatories. On 21 July 2025, the Conference approved the formula, following the Committee's recommendation (CCDEC 2025 07 BUD Corr).

12. On 1 July, the Budget Committee also received an update from the Secretariat on the pending proceedings before the Administrative Tribunal of the International Labour Organization (ILOAT). During its meeting on 16 October 2025, the Budget Committee also received an extraordinary reporting on the Manual on Data Protection and Risk Management.

Financial Outlook and Cost-Saving Measures

13. The Secretariat's financial constraints remain significant. Following the withdrawal of several countries, the annual contributions have decreased from EUR 1,418,861 in 2025 to EUR 976,797 in 2026 and EUR 969,208 in 2027.

14. At the same time, the value of the General Reserve Fund (GRF) has increased from EUR 2,139,276 as of 31 December 2023 to EUR 2,517,462 as of 31 December 2024. However, while the GRF may provide a viable short-term solution, it is not sustainable over the medium to long term. Although the Secretariat achieved savings in 2024, allowing for a reversion of some funds to the GRF, such savings are expected to be minimal in 2026 and 2027 due to limited margins within the overall Budget and the absence of further cost-saving opportunities. As a result, the capacity to replenish the GRF in future years is expected to be limited.

15. To better align the Secretariat's minimal human resources with its operational needs, improve efficiency, implement core activities, and provide flexibility to respond to future developments, the Budget Committee recommended to the Conference for approval revisions to the Budget and Programme of Work for 2025 to give effect to an organisational restructuring. The Conference approved on 21 July 2025 the Revised Budget 2025 (CCDEC 2025 09 BUD Corr) and the Revised Programme of Work 2025 (CCDEC 2025 10 WRP Corr) with the proposed restructuring of the Secretariat.

16. As part of its ongoing cost-containment efforts, the Secretariat also moved its office to more economical premises in 2025, reflecting a clear institutional commitment to financial prudence, operational streamlining, and the strategic use of available resources. To support the Secretariat in its efforts, the Budget Committee, during its extraordinary meeting on 15 April 2025, discussed a multi-annual commitment authority in relation to a long-term lease agreement for the Secretariat's new office and recommended it for approval by the Conference, which was received on 6 May 2025 (CCDEC 2025 04 BUD).

Conclusions

17. In 2025, the Budget Committee fulfilled its mandate to support the Conference in relation to the Secretariat's financial planning and budgetary implementation and provided it guidance on related administrative and financial matters. The Committee's work contributed to ensuring sound financial oversight and an appropriate alignment between resources, priorities, and the Secretariat's mandated activities.

18. Close monitoring of budgetary implementation is still needed, and the Budget and Programme of Work for the biennium 2026–2027 will be subject to ongoing review and, where necessary, updating during the biennium to reflect financial developments, evolving operational needs, and other strategic and budgetary considerations. The Committee will continue to report to the Conference on any material adjustments requiring its consideration.