Opinion 63 (1973)[1]

Budget of the Council of Europe for 1974

Parliamentary Assembly

The Assembly,

1. Having regard to paragraph 1 of Resolution (53) 38 of the Committee of Ministers, which stipulates :

"When drawing up the draft Budget for the Council of Europe, the Secretary General shall consult the Assembly on that part of the draft Budget which comprises the relevant operational appropriations ; such consultation shall take place in accordance with a procedure to be laid down by agreement between the President of the Assembly and the Secretary General" ;

2. Having regard to the Secretary General's letter of 15 March 1962 defining the procedure for consultation both as regards the part of the Budget containing the estimate relating to the Assembly's operational expenditure and as regards the Budget as a whole ;

3. Having regard to the Budget of the Council of Europe for 1973 adopted by the Committee of Ministers and to the general accounts for the financial year 1971, the accounts being closed and a discharge given ;

4. Having regard to the new procedure concerning the budgetary powers of the Assembly, according to the agreement reached between the President of the Assembly and the Secretary General and approved by the Bureau of the Assembly on 25 January 1973 ;

5. Having regard to the new provisions concerning the Budget planning and programming as laid down in the Communication on the activities of the Committee of Ministers of 17 October 1972 - 19 January 1973 (Doc. 3239),

6. Adopts the following opinion :

Part I

Operational estimates of the Assembly for 1974[2]

I. Budgetary implications : the estimates for 1974 under Vote III, "Operational expenditure of the Consultative Assembly", should be on the following lines :

Staff - 6 576 600 F

Publishing - 420 000 F

Official journeys - 240 000F

President and members of the Assembly - 260 000 F[3]

1. See Doc. 3304, report of the Committee on the Budget. Text adopted by the Standing Committee, acting on behalf of the Assembly, on 4 July 1973.
2. The expenditure of the Consultative Assembly is set out in detail in Opinion No. 62 adopted by the Standing Committee on 23 March 1973 as part of the Budget programme. The aggregate figures in the present document will be repeated and broken down by sub-heads in the autumn when the General Budget is submitted to the Committee of Ministers. Moreover, as it is difficult at this time of year to assess the increases in the cost of living, this question will be studied by the appropriate departments and amendments introduced at a later stage.

Consultants - 395 000 F

Ad hoc conferences - 100 000 F

Other expenditure (including Europe Prize) - 66 000F[4]

8 057 600 F

It should be noted that the Assembly will also use the general services of the Council of Europe (translators interpreters workshops) the cost of which is centralised under Vote I for all activities of the Organisation.

II. Remarks : The total estimate for the section "Consultative Assembly" for 1974 amounts to 8 057 600 F as against the 1973 appropriation of 3 422 000 F implying a nominal increase of 4 635 600 F. However the bulk of this increase (3 839 500 F) relates to expenditure on the permanent staff in the Office of the Clerk of the Assembly. In previous years the corresponding appropriations were included in Vote I which covered the remuneration of all permanent staff of the Organisation.

Consequently the real increase is to be broken down as follows :

Temporary staff - 233 000 F

Official journeys - 15 000 F

President of the Assembly and his Private Office - 16 000 F

Consultants - 290 000 F

Other expenditure - 5 000 F

Total - 559 000 F

to which must be added the increase asked for permanent staff[5] - 237 100 F

Total - 796 100 F

In 1973 the total increase requested by the Assembly was 107 000 F. The appreciable difference between the 1974 increase and that of the previous year is the inevitable result of the administrative assistance to the various exercises of scientific cooperation initiated by the Committee on Science and Technology. The financial implications of these activities alone amount to 520 000 F (financial participation in an increasing number of meetings creation of posts, temporary staff and consultants). Generally speaking, the increase in Assembly activities implies an increase of approximately 1% of the Budget of the Council as a whole.

Part II

Proposals relating to votes other than Vote III, and general remarks

I. Proposals relating to votes other than Vote III

Vote I : Staff expenditure

The Assembly has noted with satisfaction that a cost-of-living allowance was granted to the staff of the coordinated organisations in 1972, and that provision is made in the 1973 Budget for a review of that allowance.

In this connection, the Assembly also expresses the wish that, during the next general review of salaries, the competent bodies will apply the principles of a modern salaries policy designed to reduce disparities in the range of salaries and thereby to move steadily towards social justice.

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3. At its meeting on 16 May 1973, the Committee on the Budget found it necessary to add 5 000 F to the initially projected allocation for "President of the Assembly" in Opinion No. 62. This increase has been made in connection with the recent decision of the Bureau concerning the three supplementary meetings it will hold yearly apart from sessions.
4. At its meeting on 23 March 1973, the Bureau has authorised the President of the Assembly to award medals to certain members of the Assembly according to fixed qualifications. The indicative amount of 61 000 F for "Other expenditure" in Opinion No. 62 has been consequently adjusted during the meeting of the Committee on the Budget on 16 May 1973. This latter has estimated the financial implication of the Bureau's decision to 5 000 F.
5. This is broken down as follows : - Scale increases 55 000 F - Changes in establishment 137 100 F - Other inevitable expenses 25 000 F - Sundry 20 000 F

Furthermore, the Assembly learns from data at its disposal that the sum of 50 000 F has been entered in the 1973 Budget for staff vocational and in-service training. This figure is equivalent to 0.06% of the Budget and is considerably lower than that ruling in certain other international organisations as well as in the government departments of some member States. The Assembly considers that this appropriation should be increased in 1974 and that, generally speaking, training must form part of an active and coherent staff policy. This would mean that the relationship between training on the one hand and the conditions affecting work, promotion and careers on the other, would have to be clearly defined.

Furthermore, the principle of the rational utilisation of resources would require that training programmes be largely geared to the future development of the Organisation's activities.

Information expenditure

Because of several increases which will inevitably occur in 1974 in other sections of the Budget, and in view of the heavy expenditure incurred as a result of the construction of the new buildings and of the temporary arrangements, the Assembly waives its request for additional appropriations for the reception of visitors to the Council of Europe for the time being.

On the other hand, the Assembly is particularly concerned over the long term about matters of information and requests the Committee of Ministers to examine the possibility of stating exactly what the broad lines of the Council of Europe's future information policy are to be. The Assembly considers that a study could be conducted at a preliminary stage for the purpose of developing the efficiency of the programmes without having recourse to increased appropriations and organisational charts.

Vote II : Intergovernmental Work Programme

The special Assembly committee set up in pursuance of Resolution 374 (1968) to examine the Work Programme for 1973 and 1974 reported to the Assembly at the October 1972 Session.

The Assembly welcomes the measures taken by the Committee of Ministers in the matter of budget planning and programming, which were largely based on the suggestions made in the Assembly's Opinions Nos. 60 and 61.

With regard to the relation between the Work Programme and the Budget, the Assembly can only reiterate its regret that as in previous years the financial implications of the activities have not been brought to its notice. The Assembly has taken note of the intention of the Committee of Ministers to examine this question and to send it a final reply in the autumn of 1973 ; it hopes that this reply will be such as to make for improved cooperation between the Assembly and the Committee of Ministers.

It is also highly probable that in the light of the report on the "mission of the Council of Europe" the Assembly will be able to cooperate closely in formulating the Organisation's medium-term targets and also on the preparation of the biennial working programmes ; this would make it still more important for the Assembly to scrutinise the costs of the principal activity sectors in due course so that the major political options can be defined more satisfactorily.

Votes IV to VIII : The Assembly has no special remarks to make.

II. General remarks

1. General accounts for 1971

In accordance with the Financial Regulations the general accounts for 1971 the last financial year for which the accounts have been closed and cleared were submitted to the Board of Auditors for examination and to the Committee of Ministers which discharged the Secretary General from his financial responsibilities.

The Budget of the Council of Europe for 1971 totalled 61 809 190 F ; apart from exceptional expenditure it showed an increase of 14.1% over the 1970 Budget.

Cancellations at the end of the financial year 1971 amounted to 1 686 718 F or 2.71% of the appropriations as against 2% in 1970 and 0.2% in 1969. This surplus was distributed among the various votes of the Budget as follows :

Vote I Common expenditure - 0,88%

Vote II Work Programme - 1.16%

Vote III Assembly - 0.35%

Vote IV Human rights - 0.12%

Vote V Local authorities - 0.09%

Vote VI Exceptional expenditure - 0.11%

It is interesting to note that many of the cancellations (Vote II) were due to the fact that the Work Programme had not been carried through completely. This shows how necessary it is for programming to take more account of facts than of intentions. True this state of affairs can be remedied to some extent by the application of the new budgetary planning programming system. But the Assembly considers that except in the case of major projects it would be more rational to estimate the cost of the activities of the Work Programme by activity sector rather than for each project separately. Too fine a breakdown of minor activities in a sector tends to lead to overestimates.

Furthermore the Assembly notes with satisfaction that no transfer from one vote to another was necessary in 1971.

2. The 1973 Budget

The initial Budget approved for 1973 is presented as follows (round figures) :

General Budget - 78 702 000 F

Partial Agreement on the Resettlement Fund - 387 000 F

Partial Agreement in the social field - 1 206 000 F

European Pharmacopoeia - 2 196 000 F

The General Budget is broken down as follows :

Ordinary Budget - 75 861 000 F

Exceptional expenditure (new buildings etc.) - 2 398 000 F

Administrative expenditure of the European Youth Foundation - 443 000 F

The ordinary Budget shows an increase of approximately 8.57% over the adjusted ordinary Budget for 1972. This increase is due mainly to the following factors :

a. the rise in prices with its repercussions on salary scales, consultants' daily allowances and expenditure on equipment : 4% ;

b. the increases resulting from the grant to the Cultural Fund and to the programme of the European Youth Centre : 3.3% ;

c. new items arriving from the implementation of the latest conventions, the proceedings of the Commission of Human Rights, the Work Programme etc : 1.27%.

It should be borne in mind that the extension of the Work Programme does not account for more than 1% of the total increase of 8.57%. Last year, the Assembly stated emphatically that the rate of growth of the Council Budget must not be limited in a dogmatic and arbitrary manner. Its Committee on the Budget has always maintained that expenditure must be limited as far as practicable, but that the activities necessary for a functional extension of the Council of Europe must be safeguarded. In the light of recent studies on the new objectives of the Council of Europe, some activities in the intergovernmental field could well be abandoned, reduced or replaced by others. That will perhaps be the time to work out a new, more rational and more dynamic policy for the expansion of the Organisation's activities, involving more thorough coverage of specific fields. It is true that there has been a steady and useful expansion in recent years in such specialised fields as human rights, regional planning and the European Youth Centre. But the rate of expansion of the Work Programme proper (Vote II) has been virtually stagnant up to now : price rises and the creation of new posts are the only factors that have influenced it. However, the Assembly feels that the Committee of Ministers should consider the possibility of establishing new scientific criteria for the annual determination of the rate of expansion of the Budget and ; more especially, of the Work Programme.

Not only should these criteria be fixed in accordance with price rises ; they should also take account of other factors such as the variations in the national budgets and annual per capita income fluctuations in member States. It would also be helpful if a system could be set up whereby the cost effectiveness of the main activity sectors of the Council could be calculated. The Assembly, while fully aware of the difficulty that such a study of the activities of an international organisation would involve, considers that this complex procedure might be implemented to some extent by means of indicators that would be sent periodically to the member States.

Initially, the same objective could be partly achieved by a careful analysis of statistics on the action taken by the various member States on the recommendations of the Council of Europe.

The Committee on the Budget and the Special Committee on the Intergovernmental Work Programme will continue to cooperate closely in future to define the major options of the Council. In this connection, the Assembly reserves the right to recommend the deletion of certain activities, not simply to show that it does not confine itself to asking for money, but also for reasons of financial precision, and in order to satisfy itself that the content of the Work Programme fully reflects the aims of the Council of Europe.