



Opinion 68 (1974)¹

Budget of the Council of Europe for 1975

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 1974 adopted by the Committee of Ministers, and to the general accounts for the financial year 1972, the accounts being closed and a discharge given ;
4. Having regard to the 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 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 :

1. General accounts for 1972

In accordance with the Financial Regulations, the general accounts for 1972 were submitted to the Board of Auditors for examination and to the Committee of Ministers, which discharged the Secretary General from his financial responsibilities.

Budgetary expenditure for the financial year 1972 totalled 70 522 806 F. The balance for cancellation amounted to 1 134 812 F, or 1.58 %, as against 2.71 % in 1971 and 2 % in 1970. These percentages remain reasonable and demonstrate the concern for sound management. Their degressive tendency shows that estimates are realistic and that appropriations are used economically.

The Assembly cannot but endorse the views of the Board of Auditors regarding the organisation's Working Capital Fund. The original purpose of this Fund was to guarantee the cash resources necessary for the functioning of the organisation ; initially it represented 25% of the budget. In 1974 it represented only 2% and had thus become quite inadequate to cover payments at the beginning of the year. The Assembly has been

1. See [Doc. 3446](#), report of the Committee on the Budget. Text adopted by the Standing Committee, acting on behalf of the Assembly, on 3 July 1974.



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informed that the Ministers' Deputies have taken measures to remedy this situation. It hopes that these measures, designed to increase the Fund to a certain extent, will prove adequate. If not, a further increase will be necessary.

II. The 1974 budget

The initial budget approved for 1974 amounts to 91 694 400 F, that figure including exceptional expenditure totalling 4 716 000 F for the construction of the new buildings.

It is apparent from the 1974 budget that the scale of contributions to the general budget has been revised. The following table permits a comparison of the previous and the new apportionment systems :

Appendix

Member states Pays membres	Contributions ² in 1973 - en 1973		Contributions ³ 1974	
	%	Amount	%	Amount
Iceland	0,16	F 117 111,20	0,12	F 102 72,88
Luxembourg	0,16	117 111,20	0,17	145 311,58
Malta	0,16	117 111,20	0,12	102 572,88
Cyprus	0,31	226 902,95	0,17	145 311,58
Ireland	0,94	688 028,30	0,71	606 889,55
Norway	1,25	914 931,25	1,80	1 538 593,20
Denmark	1,80	1 317 501,00	2,45	2 094 196,30
Switzerland	1,80	1 317 501,00	3,02	2 581 417,48
Austria	2,51	1 837 181,95	2,41	2 060 005,34
Sweden	2,51	1 837 181,95	4,62	3 949 055,87
Belgium	3,14	2 298 307,30	3,97	3 393 452,78
Netherlands	4,24	3 103 446,80	4,52	3 863 578,48
Turkey	11,46	8 388 089,70	3,92	3 350 714,08
France	17,39	12 728 523,55	18,00	15 385 932,00
Italy	17,39	12 728 523,55	18,00	15 385 932,00
United Kingdom	17,39	12 728 523,55	18,00	15 385 932,00
Fed. Rep. of Germany	17,39	12 728 523,55	18,00	15 385 932,00
	100,00	73 194 500,00	100,00	85 477 400,00

In its statutory report of December 1973 the Committee of Ministers informed the Assembly that it had adopted a new scale for contributions to the budget with effect from 1 January 1974. However, the Assembly will note that it has received no official notification of the new principles and criteria adopted by the Committee of Ministers and is surprised at this omission. If the Committee of Ministers did not see fit to consult it on a matter of such importance, it might at least have been informed.

Though the Assembly cannot express an opinion on the merits of the question, not being in possession of the facts, the new apportionment scale appears to it to make fuller allowance for several factors such as the capacity of states to pay and the size of their population, on the one hand, and the political exigencies, on the other.

The breakdown of the general budgets of the past two years is as follows :

Heads	1973 appropriations		1974 appropriations	
		F		F
Common expenditure (staff, publications etc.)	62 129 500		63 405 200	
Intergovernmental cooperation (Work Programme)	11 121 000		11 826 600	
Consultative Assembly	3 422 000		8 674 000 ⁴	
Court and Commission of Human Rights	1 098 000		1 113 600	
Local authorities	443 000		875 800	
Institutional expenditure (Social Charter, Code of Social Security etc.)	247 000		238 800	

2. Excluding repayment of the loan for the construction of the Council of Europe buildings, for which expenditure there is a special apportionment scale.

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4. Expenditure in respect of the permanent staff of the Office of the Clerk of the Assembly accounts for the bulk of this sum, i.e. 3 839 500 F. In previous years these appropriations were included in Vote I, "Common expenditure".

Heads	1973 appropriations	1974 appropriations
	F	F
Exceptional expenditure (new buildings)	2 398 000	4 916 000
European Youth Foundation	443 000	644 400
TOTAL	81 302 000	91 694 400

The 1974 ordinary budget shows an increase of 9.78% over the adjusted budget for 1973. If allowance is made for the effects of inflation, this increase represents an actual expansion rate of 2.54%.

While fully realising the particularly difficult financial situation which most member states are experiencing, the Assembly considers this rate of expansion as an irreducible minimum, since it will finance only a proportion of the new activities regarded as justified and even as meriting priority.

With regard to the expansion of the Council of Europe ordinary budget from year to year, it would be interesting to consider the following table :

Year	Amounts (millions of F) of the ordinary adjusted budgets	Percentage increase from year to year	Fraction of percentage increase representing actual growth rate
1969	44 935	13,76	<ATTacolade> ⁵
1970	51697	15,05	<ATTacolade> ⁶
1971	59 627	15,34	<ATTacolade> ⁷
1972	70176	17,69	<ATTacolade> ⁸
1973	78 461	11,81	1,50
1974	86 134 ⁹	9,78	2,54

It will be noted that the increase over six years has been approximately 83%. However, as the Assembly has stated several times in its previous opinions, the increase in the organisation's budget is accounted for largely by rising prices and their effect on general costs. As the Council of Europe budget is a relatively modest one, even a small growth rate is reflected as a high percentage increase.

Of course, the increase is due also to the extension of the organisation's activities, especially in the intergovernmental sector. It is not the Assembly's purpose, in the present document, to study the apportionment of appropriations among the main heads (legal, social, cultural etc.), since it does this every two years in a detailed report on the Intergovernmental Work Programme. It would, however, stress the importance of a minimum expansion rate, as in the case of the 1974 budget, over and above the mere offsetting of increased costs. As one of the organisation's chief means of achieving its objectives, the budget must be determined according to the tasks to be accomplished and not the tasks according to the budget.

The Assembly is aware that strengthening the organisation's resources implies making certain choices. As Mr Reverdin said when presenting his report on the mission of the Council of Europe (Doc. 3281), the latter ". . . has rather a tendency to blossom forth, to expand, to disperse its forces . . .". The Assembly considers that the Council of Europe's activities must be concentrated on a number of lines of force. A policy based on these criteria would, of course, entail a redistribution of budgetary appropriations among the main sectors.

A redistribution of resources would also be in line with Committee of Ministers' Resolution (74) 4 on the future role of the Council of Europe, which identifies a number of priority objectives. It would also enable compensatory savings to be made, in accordance with the general principles of sound budgetary management.

5. Data not available for the years 1969 to 1972.

6. Data not available for the years 1969 to 1972.

7. Data not available for the years 1969 to 1972.

8. Data not available for the years 1969 to 1972.

9. Original budget.

Interdependence between the Work Programme, the budget and the Secretariat structures and machinery has undeniably increased over the years. It is precisely for that reason that the Assembly has, for example, envisaged the abolition of its Special Committee on the Intergovernmental Work Programme and the transfer of its functions to the Committee on the Budget, whose membership would be enlarged.

It is highly desirable that the Assembly should have an active part in determining the Council of Europe's major objectives and should be associated with efforts to achieve them.

Besides, if, as many Ministers have often stated, the member governments are convinced of the role which the Council of Europe can and must play in intergovernmental cooperation, then it is normal that the economic expansion in Western Europe and the annual fluctuations in per capita income in member states should be reflected to some extent in the Council of Europe budget.

In its [Opinion No. 63](#) on the 1974 budget, the Assembly had expressed the wish that, in future general reviews of salaries, the competent bodies should apply the principles of a salaries policy designed to reduce disparities and discrimination. When examining the 1974 budget and the Committee of Ministers' reply, the Assembly noted with satisfaction that "the Committee of Ministers has much sympathy with the idea that the salaries policy applied to Council of Europe staff should be based on principles of social justice designed to reduce disparities in the range of salaries. In this connection, it draws attention to the fact that it has already approved the 93rd report of the Coordinating Committee of Government Budget Experts, which concerns equal treatment of male and female staff for remuneration purposes. The proposals made by the Coordinating Committee in their 93rd report resulted largely from initiatives taken within the Council of Europe."

The Assembly further notes that the Committee of Ministers has acceded to its request for an increase in appropriations for staff training, an allocation of 120 000 F having been authorised for 1974 as against 50 000 F in 1973.

In the same context, the Assembly recalls its [Recommendation 725](#), adopted in January 1974, concerning the various aspects of a European civil service and an improvement in the situation of Council of Europe staff in particular. The Assembly has noted the interim reply formulated by the Committee of Ministers in its statutory report of 22 April 1974, but hopes to have fuller documentation shortly in order to be able to follow developments in the matter closely.

III. Reflections on the 1975 budget

The consequences of inflation inevitably weigh heavily on the Council of Europe budget, and there is an understandable tendency on the part of governments to make comparisons between the Council of Europe budget and national budgets and to seek to limit growth rates in real terms.

However, the budget of an international organisation like the Council of Europe is influenced by world and European policy factors which transcend purely technical considerations. Is there not, in this present time of profound crisis, a case for strengthening the Council of Europe, which continues to be a driving force capable of furthering European unification ? One way of strengthening it and enhancing its credibility is to increase the means placed at its disposal.