Opinion 256 (2005)[1]

Budgets of the Council of Europe for the financial year 2006

Parliamentary Assembly

1. The Parliamentary Assembly welcomes the holding in Warsaw of the 3rd Summit of Heads of State and Government of the Council of Europe which has reaffirmed the Council of Europe's central mission and role in Europe's political and institutional architecture. The ambitious action plan which has just been adopted undeniably gives the Council a central position in a Europe which is to be free of dividing lines and founded on common values, built around human rights, democracy and the rule of law, while also finding expression in the areas of social cohesion and cultural co-operation.

2. Obviously, this mission cannot be properly discharged unless the Organisation is given adequate human and financial resources.

3. In this connection, the Assembly is concerned at the present situation of the European Court of Human Rights, whose funding remains glaringly inadequate in spite of the efforts made in the last few years to keep pace with its increasing workload. Failing adequate provisions, the Assembly fears that the Court's funding requirements may prejudice the needs of other Council of Europe activities and wreck the ambitious action plan from the outset. It welcomes the decision to establish a group of wise persons to consider the issue of the long-term effectiveness of the Court's control mechanism and looks forward to receiving the group's proposals.

4. The Assembly therefore reiterates its request to the Committee of Ministers to discard the principle of zero growth in real terms, which has been adopted in recent years for the Council of Europe budget, in favour of positive growth in real terms. It urges the governments of the member states to continue honouring their financial obligations by giving the Council of Europe sufficient budgetary resources to respond to the growing challenges which it faces and achieve the objectives set at the summit.

5. Bearing in mind that it is politically crucial to ensure that the gap between European Union and non-European Union states in the Council of Europe does not widen, the Assembly asks the governments of member states to give the Organisation the human and financial resources which are essential for it to continue and further develop the quality and range of its assistance and co-operation programmes.

6. The Assembly reminds the Committee of Ministers of its statutory obligation (Article 38.e) to provide adequate financial resources whenever it takes political decisions which create more work for the Organisation.

7. To make management of the Organisation's expenditure and needs more flexible, the Assembly asks the Committee of Ministers to consider measures, which it proposed in its Opinions Nos. 236 (2002), 243 (2003) and 248 (2004), and in particular to:

> *explore the possibility of replacing the present annual budget with a two-year or even multi-annual budget, following the example of countries like the United Kingdom and other international organisations like the United Nations or the Organisation for Economic Co-operation and Development (OECD) which have two-year budgets, or the European Union which, if the European Constitution is adopted, envisages having multi-annual budgets. This would enable the Organisation to plan and implement multi-annual projects with the certainty of adequate funding ;*

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1. Text adopted by the Standing Committee acting on behalf of the Assembly on 6 June 2005 (see Doc. 10558, report of the Committee on Economic Affairs and Development, rapporteur: Mr Rigoni).

review the criteria set out in Resolution (94) 31 whereby the contributions of the five major contributors were reduced to only 12.32% of the ordinary budget and to revise the method for calculating contributions through the inclusion of a clause setting a minimum contribution to be paid by each member state which would cover the actual cost of its membership. Countries unable to meet this outlay would be granted a rebate. In this context, the Assembly wishes to underline that any possible changes in the criteria set out in Resolution (94) 31 should not be used to reduce the Organisation's overall budget.

8. The Assembly welcomes the signature by a significant number of member states, at the Warsaw Summit, of three major conventions concerning the fight against terrorism and the fight against trafficking in human beings (CETS Nos. 196, 197 and 198). Furthermore, with regard to the increased ratification of treaty monitoring arrangements by member states, the Assembly recommends that the Committee of Ministers pay closer attention to the growing needs associated with these arrangements, resulting in an additional strain on human and financial resources.

9. Believing that full compliance with the statutory rules on decision making would facilitate the taking of budgetary decisions by the Committee of Ministers and prevent blockages, the Assembly encourages all member states to play a bigger part in discussion of the budget and considers that the Committee of Ministers should take decisions on adoption of the Council of Europe's budget by a majority, in accordance with Article 20.d of the Statute.

10. The Assembly regrets that current arrangements for consultation are not entirely satisfactory since they do not allow it to influence either the overall amount or the implementation of the budget. It accordingly considers that the time has come to make proposals on giving it budgetary powers of the kind normally exercised by parliamentary assemblies. In particular, it asks the Committee of Ministers to ensure that there is genuine consultation when the budget is being prepared. Specifically, this means that it should be consulted on the ceiling for the next financial year.

11. The Assembly asks the Committee of Ministers and the Secretary General to send it all the documents it needs to assess the programmes conducted by the Council of Europe and the implementation of the budget. In this context, it refers to the communication from the Committee of Ministers on examination of the budget of the Council of Europe by the Consultative Assembly (Document 342 of 9 May 1955) in which the Committee of Ministers "instructed the Secretary General to transmit to the Assembly documentation comprising the final audited accounts for the previous financial year and the budget for the current financial year".

12. The Assembly considers that the time has also come to give it budgetary powers corresponding to its status as the Council of Europe's parliamentary and political body. It considers its present subordinate position incompatible with the principles of a genuine parliamentary democracy. It requests that it be given at least co-decision-making power to determine its operating budget, in accordance with its Recommendations 1155 (1991) and 1344 (1997). In particular, the Assembly, basing itself on Article 41.d of the Council of Europe's Statute concerning amendments, which states that "amendments to Articles 23 to 35 [on the Assembly], 38 and 39 [on finance] which have been approved by the Committee [of Ministers] and by the Assembly shall come into force on the date of the certificate of the Secretary General, transmitted to the governments of members, certifying that they have been so approved", suggests that the Committee of Ministers add to Article 38 of the Statute, after paragraph c, a new paragraph, worded as follows :

"The Assembly shall determine the amount of its expenditure, the growth rate being agreed between the Committee of Ministers and the Assembly."

In this connection, the Assembly points out that the simplified procedure provided for in Article 41.d was already used to supplement this article in 1951 and that the full procedure for amendment of the Statute is not required.

13. As regards the 2005 ordinary budget, the Assembly welcomes the decision of the Government of the Russian Federation to maintain its financial contribution at the same level as those of France, Germany, Italy and the United Kingdom, but regrets its use of blocking tactics, which resulted in the late adoption of the budget. Having regard to the interests at stake and to its chairmanship of the Organisation in 2006, it trusts that the Russian Federation will not forfeit its status as a major contributor.

14. The Assembly notes with interest the efforts made to achieve administrative modernisation within the Secretariat, and particularly the new presentation of the 2005 budget which highlights objectives and results. In this connection, it would like to be kept regularly informed of progress made and difficulties encountered in implementing projects in the programme of activities (evaluation of results). It also stresses that modernisation

entails expenditure and requires appropriate financial resources. 15. By focusing on expected results, the new budget method gives the Assembly the information it needs to assess the soundness of the Council of Europe's programme of activities. This is why it would also like to receive the Secretary General's evaluation report for the Committee of Ministers which would allow it to assess the validity and outcome of the Council's various activities and make any necessary recommendations on improving, rectifying, redirecting or even dropping some of them, for the purpose of ensuring that the programme fully meets the needs and expectations of member states, in keeping with the aims of the Organisation.

16. The Assembly unreservedly supports the action priorities aimed at maintaining assistance to South-East Europe and the Caucasus, as well as Moldova and Ukraine, in their democratic and peaceful development, and contributing to the democratic rehabilitation of the Chechen Republic of the Russian Federation. Other priority areas include promoting social cohesion, cultural diversity and intercultural dialogue and continuing the Organisation's fight against terrorism, including its financing.

17. The Assembly welcomes the furthering and deepening of co-operation with the Organization for Security and Co-operation in Europe (OSCE) and the European Union, which has led to the completion of a number of joint programmes, particularly those conducted in Albania, Bosnia and Herzegovina and Serbia and Montenegro (including Kosovo). It is also convinced that the Council of Europe's field policy, which has resulted in the establishment of Council of Europe offices and the appointment of the Secretary General's special representatives, has significantly enhanced the implementation and pursuit of the Organisation's assistance programmes and made for better on-the-spot co-ordination between international organisations, thereby strengthening the Council of Europe's co-operation with the countries concerned.

18. The Assembly considers the signature of a joint declaration between the Council of Europe and the OSCE on co-operation and complementarity between the two organisations as a step in the right direction. In this context, it strongly encourages the Committee of Ministers to continue intensifying and rationalising co-operation between the Council of Europe and the OSCE, with a view to generating new synergies and co-ordinating their respective activities more effectively and to draw up an outline agreement for this purpose.

19. While welcoming the European Commission's decision to appoint a Strasbourg-based representative to the Council of Europe, the Assembly further recommends that the Committee of Ministers develop the closest possible links with the European Union, as well as more diversified forms of co-operation, especially as regards intergovernmental and assistance programmes. In particular, it thinks it vital that the Council of Europe's Secretary General and the Committee of Ministers open negotiations with the European Commission on an institutional partnership, giving the Council of Europe a unique and special link with the European Union and allowing it to work with the latter as a full partner. Such a link is fully justified not only by the Council of Europe's pan-European dimension but also by the wealth of experience and expertise it has built up over a long period in dealing with the democratic, human rights and rule of law issues which underpin the types of programme on which it co-operates with the European Union.

20. In this context, the Assembly welcomes the guidelines on the relations between the Council of Europe and the European Union as defined in the action plan adopted at the Warsaw Summit and the decision taken by heads of states and governments of member states to instruct Mr Jean-Claude Juncker, Prime Minister and Minister of Finance of Luxembourg, to draw up, in a personal capacity, a report on relations between the Council of Europe and the European Union on the basis of the decisions taken at the summit.

21. Finally, the Assembly encourages the Committee of Ministers to continue to make provision for the field mission reserve which enables the Council of Europe to react swiftly to unforeseen political developments.

22. The Assembly notes with satisfaction the progress made in the reform of human resources policy and particularly the emphasis on skills management, career development and mobility, not forgetting the integration of people with disabilities. It recommends that the Council of Europe pay special attention in its future recruitment policy to the principles of equal opportunity and fair geographical distribution which is based on member states' mandatory contributions.

23. The Assembly also notes with satisfaction the decisions taken to assist the early departure of permanent staff members. It accordingly proposes that the Committee of Ministers adopt a standing arrangement available to all staff for early termination of service and suggests that the existing appropriation in the ordinary budget be made an item of recurrent expenditure in order to speed up the turnover of the Organisation's human resources and promote systematic and efficient redeployment of staff.

24. The Assembly also asks the Committee of Ministers to increase the aggregate financial resources allocated to staff members' training which amount to only 0.5% of the Organisation's payroll. Here it should be pointed out that in many member states the financial resources allocated to this head of expenditure represent 1% to 2.5% of the total wage bill.

25. In view of the ongoing negotiations on future salary adjustments for all six co-ordinated organisations – the Council of Europe, the European Centre for Medium-Range Weather Forecasts, the European Space Agency, NATO, the OECD and the Western European Union – the Assembly urges the governments of Council of Europe member states to participate fully in the work of the Co-ordinating Committee on Remuneration as the appropriate forum for discussion of all questions relating to the remuneration of staff of the co-ordinated organisations. In this connection, the Assembly restates its view, already set out in Recommendation 1488 (2000), that an objective and mathematical method for salary adjustments must be established in order to enable the secretaries general of these six international institutions to recruit, retain and motivate highly trained, competent and independent staff. It is therefore crucial that staff remuneration remain competitive with regard to three recruitment markets, namely the private sector, national civil services and international civil servants, also taking the European Union into consideration.