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Opinion 297 (2019)[1]

Budget and priorities of the Council of Europe for the biennium 2020-2021

Parliamentary Assembly

1. At the time of its 70th anniversary, the Council of Europe – and its Parliamentary Assembly – has been taken hostage by a member State that has refused to pay its annual contribution since 1 July 2017. The preparation of the Assembly's opinion on the budget and priorities for the biennium 2020-2021 is therefore taking place in an extraordinary context. In view of the current financial crisis, it is regrettable that the Assembly has no budgetary powers. The Assembly therefore reiterates its request for a better institutional balance between the Council of Europe bodies in this field. The Assembly recalls that the Council of Europe is an international organisation of a political nature, without an economic or gainful aim, set up by sovereign States. The Council of Europe relies for its funding on contributions by its member States.

2. The Assembly believes that the budgetary pressure being exerted on the Council of Europe by a member State is posing a serious risk that could destabilise the Organisation and deprive it of the resources needed to provide all its member and partner States with the responses enabling them to take up the concrete challenges and combat the current negative trends.

3. The Assembly is aware that the internal political context is unfavourable, on account of the attitude of the Russian Federation, which, in using the budget as leverage to achieve its ends, is plunging the Council of Europe into the most serious budgetary crisis in its history and will thereby force the Organisation to take decisions that are potentially irreversible and could weaken it at the very time when it is celebrating its 70th anniversary.

4. The Assembly believes that the strategic choices of recent years, which have given precedence to assistance and co-operation programmes for certain countries and to certain thematic areas of action, funded almost solely by extra-budgetary resources, have in fact weakened the system of intergovernmental co-operation, which is financed mostly by the ordinary budget.

5. The Assembly nevertheless still believes that it is this unique system of co-operation between member States based on the development of common standards, with conventions as the main source of the Council of Europe *acquis*, which forms the Organisation's *raison d'être*, as pointed out in its Recommendation 2114 (2017) on defending the *acquis* of the Council of Europe: preserving 65 years of successful intergovernmental co-operation and Resolution 2277 (2019) "Role and mission of the Parliamentary Assembly: main challenges for the future".

6. For seventy years, the convention-based system of the Council of Europe has made a major contribution to improving the functioning of democratic institutions in Europe, developing the rule of law throughout Europe and protecting and promoting the rights of all European citizens. The Council of Europe remains one of the very few multilateral forums able to quickly draft international instruments on a broad range of issues, many of which are among the most innovative in the world, to meet challenges, respond to the concerns of European citizens and protect their fundamental rights.

1. *Assembly debate* on 25 June 2019 (21st Sitting) (see Doc. 14903, report of the Committee on Rules of Procedure, Immunities and Institutional Affairs, rapporteur: Mr Mart van de Ven). *Text adopted by the Assembly* on 25 June 2019 (21st Sitting).

7. The Assembly provides vital input right from the drafting process of these international instruments, as well as in ensuring their efficient implementation. In many cases, it has identified the areas where a need for new standards exists. It is therefore important for the Assembly to maintain this capacity to react rapidly and to support all stakeholders within the member States in implementing them in an efficient way.

8. In this respect, the Assembly fully supports the initiatives taken by the Council of Europe on issues related to artificial intelligence, which occupies an increasingly important place in the functioning of our societies. It calls on the Committee of Ministers to develop co-operation in this area by drawing up a new legal instrument establishing a framework for the design, development and application of artificial intelligence in accordance with the standards of the Council of Europe.

9. The Assembly welcomes the fact that gender equality remains one of the top priorities of the Organisation and that the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence (CETS No. 210) has become a global reference text. It also supports the Council of Europe Gender Equality Strategy 2018-2023, which sets out priorities for action for the years ahead, including achieving gender mainstreaming in all policies and activities of the Organisation.

10. The Assembly, referring to its Resolution 2271 (2019) and Recommendation 2150 (2019) on strengthening co-operation with the United Nations in implementing the 2030 Agenda for Sustainable Development, welcomes the decision of the Committee of Ministers to continue focusing attention during the next biennium on this agenda, and calls for the enhancement of the Council of Europe's contribution, including by providing support to its member States in achieving the Sustainable Development Goals.

11. Since July 2017, the Council of Europe has been confronted with an unprecedented budgetary and financial situation linked to the refusal of one of its member States to pay its contribution. In this context, the Assembly calls on the Secretary General and the Committee of Ministers to look for alternatives to the contingency plan of the Secretary General of the Council of Europe for a budget reduction of €32.4 million. In this regard, it recalls the idea put forward by its General Rapporteur on the Budget to study the feasibility of assigning the debt to a third party.

12. The Assembly notes that this possibility exists at international level and has been used by various countries in the past. The assignment of international receivables and the international assignment of receivables are an established practice in international trade, governed by the United Nations Convention on the Assignment of Receivables in International Trade of 12 December 2001.

13. The Assembly regrets that this alternative has not been studied and that a contingency plan has been drawn up to absorb the debt left voluntarily by a member State (nearly 90 million euros at the end of 2019). Implementation of the plan will mean that a significant number of activities and whole areas of the work of the Council of Europe could disappear, some of them irretrievably, for member States. The human cost will also be substantial, with a departure scheme for 250 people, or almost 10% of the Council of Europe's staff, which the member States will have to pay for.

14. The Assembly notes that the Programme and Budget 2020-2021, which is being considered against a backdrop of ongoing uncertainty around the payment of the Russian Federation's obligatory contributions, nonetheless shows a willingness to promote an Organisation that is increasingly agile and confident in its know-how and expertise through reforms aimed at improving its processes and working procedures.

15. In this context, the Assembly has taken note of the intention of the Secretary General of the Council of Europe to rationalise the programme of activities and to focus the activities on nine operational programmes with a coherent set of sub-programmes. This should lead to greater focus on the political priorities, improve synergies and diminish duplication and will allow greater managerial flexibility to implement the administrative reform measures.

16. The Assembly also notes that the Council of Europe may have to part with staff members who have extensive knowledge and experience of the Council of Europe's fields of action and who would be hard to replace. The human resources policy pursued in recent years (with large-scale use of fixed-term contracts) undermines the transmission of the know-how and *acquis* of the Council of Europe since it excludes the preparation of a fresh generation of staff members.

17. The Assembly therefore expects the Council of Europe to introduce a staff policy that is sufficiently attractive to retain good candidates and also offer them career development prospects, despite the current budgetary uncertainties. In this context, the new draft People Strategy 2019-2023, which has been the subject of a broad consultation process including staff at all levels, should make it possible to meet the needs of the Council of Europe while responding to the legitimate aspirations of its staff.

18. The Assembly will agree to contribute its fair share to the collective efforts called for, provided that several conditions are met:

18.1. all alternatives to cutting the Organisation's budget are studied seriously;

18.2. all entities and sectors of the Council of Europe contribute to the overall effort;

18.3. the efforts asked of the Assembly do not jeopardise its ability to operate.

19. The Assembly calls on member States to make a larger contribution to the funding of the Council of Europe. This echoes repeated calls made by the Assembly in several budgetary opinions and in Recommendation 1812 (2007) on the political dimension of the Council of Europe budget. In the latter, it called on the Committee of Ministers to review the method of calculating the scales of contributions to give greater weight to gross domestic product and to set minimum scales for member States' contributions to cover at least the administrative cost of a judge at the European Court of Human Rights.

20. The Assembly, referring to its Opinion 288 (2015) on the budget and priorities of the Council of Europe for the biennium 2016-2017, stresses not only the importance of voluntary contributions but also the danger they may create concerning the financial balance of the Council of Europe. That is why the Assembly looks favourably on the idea of creating a fund to receive voluntary contributions for the ordinary budget, which represents the lifeblood of the Organisation. It hopes that such a fund will be set up rapidly.

21. The Assembly believes that a minimum contribution to the ordinary budget must be paid by each member State to cover the annual budgetary cost of a judge at the European Court of Human Rights, an administrative officer and an assistant working full time, as well as the annual administrative expenses pertaining to their work and presence in Strasbourg.

22. In Recommendation 2124 (2018) "Modification of the Assembly's Rules of Procedure: the impact of the budgetary crisis on the list of working languages of the Assembly", the Assembly suggested that the Committee of Ministers take several decisions of a budgetary and financial nature, in particular regarding the opening of an obligatory reserve account funded by all or a substantial share of the unspent balance recorded at the close of each financial year or biennium. This is a call which the Assembly has made repeatedly in opinions on the Council of Europe Programme and Budget (Opinions 268 (2008), 279 (2010) and 281 (2011) in particular).

23. With reference to Opinion 294 (2017) on the budget and priorities of the Council of Europe for the biennium 2018-2019, the Assembly calls on the Committee of Ministers to return to real growth in the Council of Europe's budget in order to enhance the Organisation's operational capacity. In this connection, it greatly regrets that the request to return to zero real growth which the Secretary General made for the 2018-2019 biennium was turned down because of the refusal of two of the 47 States represented in the Committee of Ministers. As the Financial Regulations provide for the budget to be adopted by a two-thirds majority, the Assembly is surprised that the member States which support the return to zero real growth have not insisted further.

24. The Assembly will proceed during its June 2019 part-session to the election of a new Secretary General of the Council of Europe to take up office on 1 October 2019 for a five-year term. The Assembly therefore calls on the Committee of Ministers to make a firm commitment to ensure real budget growth for the Council of Europe for five years or at least zero real growth to take account of inflation. It considers that such a decision would be a clear sign of support from the member States to the future Secretary General, giving the Organisation a more stable budgetary framework for the five years of his or her mandate.

25. Finally, the Assembly welcomes the decisions adopted by the Committee of Ministers at its 129th Session (Helsinki, 17 May 2019) under the theme "A shared responsibility for democratic security in Europe – Ensuring respect for rights and obligations, principles, standards and values", in which it recalls that "one of the fundamental obligations of member States is to pay their obligatory contributions to the Ordinary Budget, as provided by Article 38 of the Statute". Referring to its Recommendation 2153 (2019) "Role and mission of the Parliamentary Assembly: main challenges for the future", the Assembly invites the Committee of Ministers to ensure that all member States comply with their statutory obligations and asks it to implement Articles 8 and 9 of the Statute of the Council of Europe (ETS No. 1) without further delay if the Russian Federation still refuses to pay any of its unpaid contributions.