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CONVENTION ON THE CONSERVATION OF EUROPEAN WILDLIFE
AND NATURAL HABITATS

Standing Committee

38th meeting
Strasbourg, 27-30 November 2018

**Financial mechanism of the Bern Convention,
challenges and opportunities for 2019
and onwards**

- CONCEPT PAPER -

*Secretariat Memorandum
prepared by
the Directorate of Democratic Participation*

CONCEPT PAPER:
**FINANCIAL MECHANISM OF THE BERN CONVENTION, CHALLENGES AND
OPPORTUNITIES FOR 2019 AND ONWARDS**

1. BACKGROUND

1.1 Financial mechanism of the Bern Convention¹

Unlike other similar multilateral agreements, the Bern Convention is not financed by a regular fixed contribution from Contracting Parties. Over the last 40 years, it has been financed by funds provided from three sources:

- Council of Europe's ordinary budget (OB);
- Voluntary contributions (VC) provided by Parties;
- A fixed contribution² of 19,000 € provided by the European Union.

In addition, since 2008, several joint projects co-financed by the European Union and the Council of Europe, but also financial support from the European Environment Agency, contributed to specific activities of the Convention, in particular the constitution of the Emerald Network.

The use of both the Council of Europe's OB contribution to the Bern Convention and the VCs, including the EU's fixed contribution, is strictly regulated by the Organisation's Financial Regulations and Rules. It responds to clearly identified needs, which are presented in the Convention's Programme of Work and Budget, a document adopted every two years by the Standing Committee to the Convention³.

1.2 Trends in the financing by the Council of Europe's ordinary budget

Since 2010, the Council of Europe underwent a number of reforms and performed a re-centring of its activities in Human Rights and Democracy issues. This resulted in several successive reductions in the budget dedicated to biodiversity activities of the organisation. Several major cuts are to be noted on biodiversity activities:

- in 2001 - 40 %, in particular on awareness activities (and the Naturopa Centre);
- in 2005 - 38 %, in particular on the support to the Pan-European Biological and Landscape Diversity Strategy;
- in 2011 - 27 %, which resulted in a reduction in the number of meetings for certain Groups of Experts, including one administrator post;
- in 2016 - end of the EU/CoE Joint Programme on the setting-up of the Emerald Network which was supporting the positions of 1 administrator and 0.5 administrative assistant positions, in addition to many activities on the Emerald network setting-up;
- in 2018 - 15 % in the "operative budget", which resulted in deferring of two Group of Experts' meetings.

In 2018, the OB's contribution to the Bern Convention budget represented a total of 345,600⁴ €, against 427,300 € in 2012 and 608,039 € in 2008.

¹ In 2012-2013, the financing of the Bern Convention was largely discussed by the Bureau and Standing Committee to the Convention, including through the organisation of an Ad-Hoc Group on budget. For reference, please consult documents T-PVS (2012) 5, T-PVS (2012) 8 and T-PVS (2013) 7, which comprises the Decision of the Standing Committee on the issue, adopted at its 33rd meeting in 2013.

² Amount paid on a voluntary basis, subject to possible reduction and/or discontinuation in the future.

³ Since 2014, the Bern Convention's Programme of Work follows the Council of Europe's biennial Programme and Budget.

⁴ The salaries of two staff members are included in this figure.

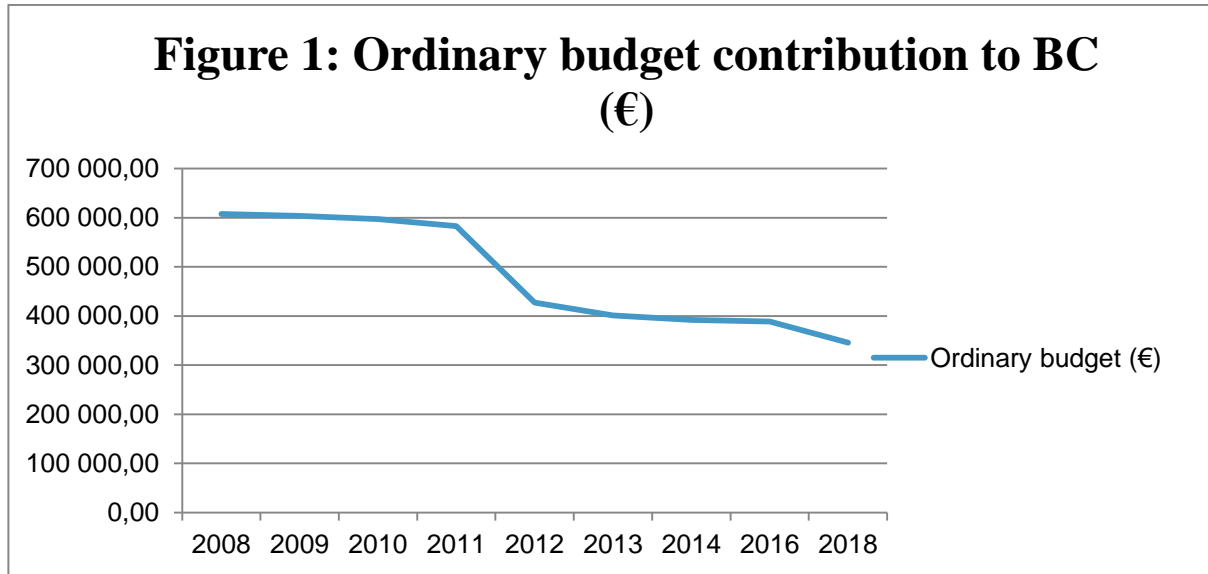


Figure 1 shows the trend in the decrease of the OB contribution over the last 10 years.

1.3 Trends in the financing by Voluntary Contributions

In the period 2008-2012, voluntary contributions provided by Parties have remained relatively stable and varied between 205,000 and 235,000 Euros per year. Since 2013, their amount decreased and varies between 140,000 and 170,000 Euros per year. It should be noted that voluntary contributions are provided by practically the same countries over the years, with a few variations and with a few big contributors which have stopped their payments since 2012.

Year	Requested VCs	Received VCs
2008	256,252 €	214,808 €
2009	217,900 €	159,008 €
2010	166,875 €	222,355 €
2011	263,900 €	221,683 €
2012	359,000 €	235,776 €
2013	313,100 €	201,053 €
2014	231,613 €	148,717 € *
2015	270,644 €	175,436 € *
2016	221,563 €	169,736 € *
2017	244,903 €	167,838 € *
2018	273,403 €	63,000 € * (end August 2018)

* Since 2014, a levy (logistical support) of 7% of the total amount is deducted from all VCs received at the Council of Europe

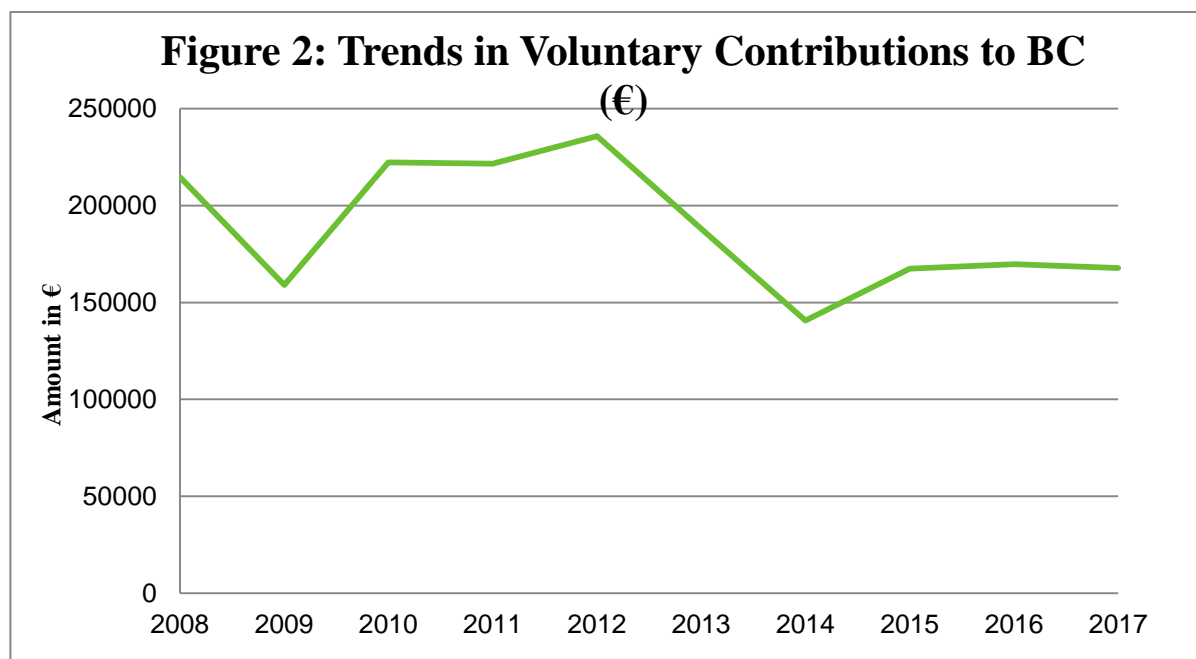


Figure 2 above shows the trend in voluntary contributions received annually from Contracting Parties.

Since the creation of the Voluntary Contributions system of the Convention, funds are used to finance both operational activities and staff, in line with the adopted annual Programme of Work of the Convention. Financial reports on the use of the funds were provided to all donors who request such reports and since 2016, both financial and narrative reports are provided to all donors. Since 2016, a general activity report of the Convention is also produced by the Secretariat.

Voluntary contributions received annually usually represent between 60-70% of the amount announced as necessary to be received through VCs from Parties. In practice, this means that the Programme of Work of the Convention is not fully implemented unless the necessary amount is not gathered through financial help of countries.

However, over the years, unspent funds from the annual VCs by Parties have been kept in a separate account, called the Bern Convention Special account. In August 2018, the Bern Convention account represents 320,579.79 Euros. These funds are used to compensate for the difference between the amount necessary for the full implementation of the Programme of Work of the Convention and the total funds received from Parties for the given year.

1.4 Staff of the Bern Convention

The Bern Convention staff has reached a critical minimum in 2018, counting on 4 staff members only. Two of these are covered by the OB (one administrator and one administrative assistant) and two by the VCs (one administrator and one administrative assistant). In comparison, 5 years ago the Convention had 6 staff members and 7.5 staff members were present 10 years ago.

At the end of 2017, the Bern Convention has launched a call for seconded staff from one of its Contracting Parties. The procedure has been aborted due to the impossibility of the selected candidate to join the Secretariat as planned in the summer 2018. A new call for seconded candidates was launched again in July and runs until 15 September 2018. It is hoped that this vacancy will be filled up this time and will allow for the reinforcement of the Convention Secretariat.

1.5 Budgetary issues facing the Council of Europe since end 2017

The Council of Europe is currently facing an unprecedented crisis since its establishment in 1949. End 2017, Turkey decided to discontinue its status of big contributor to the Council of Europe budget as of the beginning of 2018. This has resulted in a transversal cut of OB contributions to all sectors across the organisation for 2018. The transversal cut has however been more important for the

Department of Culture, Nature and Heritage where the Bern Convention is placed. Transversal cuts have also taken place at the beginning of 2018 to cope with the Council of Europe's Committee of Ministers decision on a zero nominal-growth of the organisation's budget for 2018-2019.

In addition to that, the Council of Europe is currently facing negative financial implications due to the decision by the Russian Federation to suspend the payment of the remaining part of its contribution to the ordinary budget for 2017. Furthermore, the Russian Federation hasn't yet paid its share of the organisation's ordinary budget for end 2017 and for 2018. This does not only create an issue for the overall organisational budget, but also in terms of cash-flow, necessary for the organisation's normal functioning on a daily basis.

Taking into account that the budget of the Convention for the biennium 2018-2019 depends on the contribution provided by the Council of Europe, both in terms of staff and operational budget, the Secretariat, with the agreement of the Bureau, decided to provisionally defer the organisation of two activities (Joint Bern Convention-CMS MIKT meeting on IKB and one Emerald Network biogeographical Seminar) initially planned for 2018 to 2019.

1.6 Impact of the current budgetary crisis on the Convention and role of the Bern Convention special account

The situation is closely monitored by the Secretariat in terms of the impact of the budget crisis on both operational budget and staff. The only available figure which can be provided is that since the beginning of 2018, the Convention suffered a 15% budget cut on operations. Two out of the four staff members of the Secretariat are paid by the Council of Europe OB and might potentially suffer from staff cuts operated as contingency plans. The organisation is providing 6 month renewable contracts to staff on definite term contracts (one of the Convention's staff members) in order to allow room for maneuvering in case of necessary contingency plans. The two other staff members are covered by the Bern Convention VC's account.

On 12 October 2018, the Secretary General of the Council of Europe informed the Member States' Ministers' Deputies that in order for the organisation to meet the loss of 33 million euros per year (annual contribution of the Russian Federation to the organisation), its budget will have to be cut over a three year period in order to absorb the scale of the decrease. The cuts will begin in January 2019 and a draft adjusted budget for the organisation will have to be adopted before the end of October 2018.

Although there is still a great amount of uncertainty regarding the impact of these cuts on the Bern Convention's operational and staff budget, it is foreseeable that entire sectors within the organisation are cut as more transversal cuts within the whole organisation might not be feasible any longer.

The role of the Bern Convention Special VCs account is therefore key in the current budgetary crisis. At first, it allows for keeping the number of staff working in the Secretariat to the strict vital minimum. It could also allow for some adjustment period in case some staff members see their contracts discontinued at the end of 2018 or mid-2019.

At the request of the Bureau, the Secretariat made calculations on the period under which the Bern Convention Special account will be drained if it were to be used to maintain all current staff of the Convention. With the assumption that the Council of Europe continues to fund the activities but not the staff and that the amount of voluntary contributions remains stable and/or decreases by 2% each year only, the savings in the Bern Convention Special Account will be drained by 2022.

2. FUTURE OF THE BERN CONVENTION

2.1 Present Bern Convention activities and main priorities of work

The Bern Convention's Programme of Work includes a wide range of activities linked to both the monitoring of Parties' obligations and the development of new voluntary standards and tools supporting the implementation of these same obligations. Over the years, the Convention has been active on various thematic fields and emerging issues.

The activities of the Bern Convention can be grouped under 4 clusters:

1. *Monitoring of obligations:*

- Biennial reports covering exceptions under Article 9 implemented by Parties;
- Case-files system based on complaints submitted by NGOs or individuals;
- Monitoring of sites and areas at risk (on-the-spot appraisals);
- Follow-up of previous thematic or country specific Recommendations, based on reporting requests sent to Parties;
- Reporting under Resolution No. 8 (2012) on the conservation status of species and habitats protected through the Convention and the Network;
- Illegal Killing of Birds (IKB) and the newly launched IKB Scoreboard reporting;
- Management of the European Diploma for Protected Areas and monitoring of European Diploma sites at risk.

2. *Standard setting and support to implementation of obligations at national level:*

- Thematic Groups of Experts developing new tools and Recommendations on various fields, including follow-up of the implementation of previous standards adopted by the SC. Currently, the most active Groups are on:
 - Conservation of birds
 - Illegal killing of birds
 - Invasive Alien Species
 - Conservation of amphibians and reptiles
 - Large carnivores
 - Protected Areas and Ecological Networks
- Addressing climate change adaptation and mitigation, link to protected areas management and in particular to Emerald Network sites' management.

3. *Constitution of the Emerald Network:*

- Constitution of the Emerald Network of Areas of Special Conservation Interest, including biogeographical Seminars and

4. *Cooperation with other international organisations, agencies, INGOs and NGOs:*

- Cooperation with other MEAs, in particular CBD, CMS;
- Cooperation with international non-governmental organisations such as WWF;
- Streamlining cooperation with EUR-OPA through the development of synergies and joint activities on nature-based solutions for Disaster Risk Reduction.

2.2 Challenges

The present system of “double funding” of the Convention has worked relatively well so far. However, (1) the recent decrease in the number of staff members at the level of the Secretariat, (2) the decrease in average of received VCs annually, (3) the trend in reducing the OB contribution to the Convention budget and (4) the major uncertainties that lie before the organisation due to its general budgetary crisis make it difficult to imagine a secure, efficient and satisfactory functioning of the Bern Convention and its Secretariat in the years to come.

2.3 Proposals for a reorganisation of the Convention's working methods and activities

To ensure the long-term sustainability of the Convention and assuming that the amounts of the Council of Europe's OB and VCs contribution to the Convention budget will remain stable, a certain reorganisation of the activities of the Convention is however necessary. This will allow adapting activities to resources available.

The following three scenarios are proposed below:

Scenario 1:

- **Continuation** of the monitoring (case files, OSAs and Biennial reporting on Article 9) activities of the Convention and the setting-up of the Emerald Network, including the reporting on the conservation status of species and habitats.
- The **complete discontinuation** of work by the Convention on thematic fields through the meetings of Groups of Experts and a reduction of the monitoring mechanism of the European Diploma for Protected Areas, limited to appraisals only in the case of a renewal of the Diploma and no regular follow-up of implementation of conditions of the award of the Diploma.
- **Comment of the Secretariat:** Although this scenario presents the advantage of allowing a smooth development of activities focusing mainly on the implementation by States of their obligations (and case files), it will present the disadvantage of making the Convention's work less attractive for governments (and for voluntary contributions attached to one or other technical activities) and losing the Convention's "innovative" edge and its policy guidance flank. The danger would be that eventually, the Convention enters into an "extinction course" as an international treaty, losing interest and relevance.

Scenario 2:

- **Continuation** of the monitoring (case files, OSAs and Biennial reporting on Article 9) activities and the setting-up of the Emerald Network, including the reporting on the conservation status of species and habitats and a reduced monitoring mechanism of the European Diploma for Protected Areas.
- This scenario will entail the **organisation of less regular meetings** of the Convention's thematic Groups of Experts, which could intervene every 4-5 years and only if the Convention's added value in the specific field is identified by the Standing Committee and if a certain need is expressed by Parties and agreed by the Standing Committee.
- **Comment of the Secretariat:** This scenario presents the advantage of allowing the continuation of monitoring activities of implementation by States of their obligations (and case files) and for the continuation of some, although very focused work on developing policy guidance and tools to support Parties' implementation efforts. It would allow keeping the relevance of the Convention as a regional implementation tool of the World biodiversity related targets, in support of the achievement of the SDGs.

Scenario 3:

- **Continuation** of the monitoring (case files, OSAs and Biennial reporting on Article 9) activities of the Convention, the setting-up of the Emerald Network, including the reporting on the conservation status of species and habitats and the monitoring mechanism of the European Diploma for Protected Areas.
- This scenario would also entail the **complete re-organisation of the thematic standard-setting work of the Convention**, through the abandoning of the Groups of Experts system in favour of the development of policy guidance through careful planning of work and strengthening the link between science and policy. The Convention will thus focus work on a limited number of areas (again identified by the Standing Committee) under a clear mid- (5 years) and/or long- (10 years) term Workplan with objectives and expected outcomes.

Partnerships and collaborations with other environmental Conventions and other organisations, INGOs and NGOs will be strengthened to ensure synergies and balanced use of limited financial and human resources.

- **Comment from the Secretariat:** While keeping the core business of the Convention, being the monitoring of obligations (case-files, Emerald Network, European Diploma for PAs), it could prove more beneficial to allocate the limited funds the Convention can count with in the

future to research on a restricted number of priority areas and topics and support, through the organisation of thematic events (maximum 1 per year), the translation of research results into new Bern policy. The work on each area can be led by one or more Contracting Parties, which have a specific interest in the field, in collaboration with the Secretariat.

3. DISCUSSION OF FINANCIAL ISSUES AT THE 38TH MEETING OF THE STANDING COMMITTEE TO THE CONVENTION

At its last meeting, 10-11 September 2018, the Bureau to the Standing Committee debated the financial issues facing the Convention, including the draft version of this Concept Note.

It agreed that a discussion on the issue should take place at the 38th meeting of the Standing Committee to the Convention.

The Bureau agreed that this discussion should take into account:

1. the current uncertainties regarding the future budget of the Council of Europe;
2. the amount of the future contribution by the Council of Europe to the Convention's budget, both operations and staff;
3. the eventual contingency plans of the organisation;
4. the difficulties already encountered in ensuring the full implementation of the Convention's Programme of Work; and
5. the proposals for a restructuring of the work of the Convention included in Section 2.3 of the present document.

In addition to the current concept note, the Bureau decided to include as a working documents, the following two papers:

1. The latest Decision of the Standing Committee on the issue of finances, adopted at its 23rd meeting in December 2013 (Annex 1);
2. Table with suggested amounts for voluntary contributions by Contracting Parties to the Bern Convention as from 2019 (Annex 2).

The Bureau invites the Standing Committee to discuss the present concept note and proposals for both the reorganisation of the Convention's activities and working methods and for suggested amounts of voluntary contributions.

Annex 1



Convention on the Conservation of European Wildlife and Natural Habitats

Standing Committee

Decision of the Standing Committee, adopted on 6 December 2013, on financing the Bern Convention

The Standing Committee to the Convention on the Conservation of European Wildlife and Natural Habitats,

Recognising the importance of the work carried out under the Convention for the conservation of European biodiversity, and taking into due account the importance of ecosystem services to the well-being of society;

Welcoming the work carried out by the Bureau and the Ad Hoc Advisory Group on Budgetary matters in order to identify a viable system for funding the Convention;

Recalling the Reply adopted by the Committee of Ministers on 7 December to Parliamentary Assembly Recommendation 1964 (2011) on “The need to assess progress in the implementation of the Bern Convention”, in which the Committee of Ministers recognised the importance of efficient enforcement of environmental legislation, including the implementation of the Standing Committee’s recommendations and also efforts aimed at communication, education and public awareness, and asked the Standing Committee to continue its reflection on ways and means to ensure appropriate funding to the Convention, taking into account current budgetary constraints;

Taking note of the finalisation of the reform process at the Council of Europe, and welcoming the reorganisation of the Directorate of Democracy, which has resulted in a prioritisation of activities for a more efficient implementation, as well as the establishment of the Directorate General of Programmes, with the mandate of ensuring strategic programming, donor relations and resource mobilisation for the Council of Europe;

Welcoming the continued support of the Committee of Ministers, and the regular allocation of a financial contribution from the Council of Europe’s Ordinary Budget to the implementation of the Bern Convention;

Noting the adoption, by the Committee of Ministers of Resolution CM/Res(2013)7, concerning financial arrangements for the participation of non-member States in Council of Europe conventions, which resolves that any Contracting Party to a Council of Europe convention which is not a member of the Council of Europe shall be invited to make a financial contribution to the said convention, in view of the costs that these accessions entail for the Organisation, when the conventions concerned provide follow-up mechanisms;

Having regard to document T-PVS (2012) 8, presenting possible options for identifying a viable system of funding for the Convention;

Taking into consideration the views expressed by the Parties regarding ways and means to ensure that the Convention continues receiving adequate and predictable funding for the implementation of its Programme of Activities and the fulfilment of its mandate and objectives;

Noting that the majority of Parties whom addressed an opinion to the Standing Committee prefers to maintain a double funding system consisting of a regular contribution from the Ordinary Budget and voluntary contributions, the latter being based – when expressly requested by the Party - on a suggested scale provided to the Party individually;

Equally noting the need to continue prioritising activities within the Programme of Activities, also according to their budgetary implications, by promoting a result oriented approach and a cost effective management of resources;

Confident that the financial climate will only improve and noting a slight improvement in the financial trends related to the Convention;

Decides:

1. To maintain the double funding system consisting in completing the provision regularly allocated by the Committee of Ministers of the Council of Europe (including those coming from the enforcement of CM/Res(2013)7, concerning financial arrangements for the participation of non-member States in Council of Europe conventions) to the Convention's Ordinary Budget with funds allocated to the Convention's Special Account by additional resources;
2. That these additional resources will come from contributions done by those Parties wishing to provide additional financial support to the implementation of the Programme of Activities or to sponsor one or more specific actions requiring extra-funds for their implementation;
3. That additional contributions will remain the will of Parties and will not follow a legal obligation;
4. That the Secretariat will advise – bilaterally and on an annual basis - those Parties who request a suggested scale of contribution, by providing them with an indicative amount;
5. That the provisions of the Ordinary Budget will be mainly devoted to Convention's core activities, in particularly its statutory meetings and its monitoring mechanisms, while additional activities will be (fully or partially) implemented as they receive additional contributions ;
6. That the expenses for the organisation of the meetings of the Convention's Group of Experts will be optimised by:
 - Asking some Parties (particularly the EU Member States, Iceland, Lichtenstein, Monaco, Norway and Switzerland) to check the possibility of regularly funding the participation of their own delegates;
 - Dispensing with simultaneous interpretation on an exceptional basis where circumstances permit;
 - Making excursions optional and thus excluded from the reimbursement of daily allowances;
 - Coordinating with other MEAs in order to organise, where appropriate, back-to-back meetings.

The Standing Committee further invites Parties to:

- a.* Consider the possibility of increasing the number and type of in-kind contributions, for instance by asking appointed delegates or experts from their States, to volunteer for the drafting and preparation of specific, technical background reports, moderate technical working groups – namely those organised under the Group of Experts, deliver keynote speeches;
- b.* Encourage delegates to maintain regular contacts with the representatives of their States in the Permanent Representations to the Council of Europe;
- c.* Encourage Ministries of Environment to uphold the Bern Convention at the national level, advocating before other Ministries for the added value of the Council of Europe work in the field of nature conservation;
- d.* Consider the possibility of temporarily seconding national, regional or local officials to the Bern Convention's Secretariat, according to the general rules laid down in Resolution CM/Res(2012)2 establishing Regulations for secondments to the Council of Europe.

Ukraine	5 000																	
United Kingdom	60 000						7,182		16,908	21,500			14,000	14,635				
Burkina Faso	1 200																	
Morocco	3 000																	
Senegal	1 200																	
Tunisia	3 000																	
European Union	60 000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	675 400	167,838	169,736	175,436	148,717	201,053	235,776	221,683	222,355	159,008	214,808	233,389	106,508	92,944	110,954	118,952	151,624	174,986