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For information

Proposal for the Establishment of a Council of Europe Environment Trust Fund (CETF)

## Introduction

1. The Council of Europe is actively exploring sustainable financing options for its environmental activities and conventions, particularly the Bern Convention. As part of this exploration, the establishment of a dedicated **Council of Europe Environment Trust Fund (CETF)** is being considered. This financial vehicle would go beyond the scope of individual conventions to support a broader range of Council of Europe environmental activities.

2. The creation of the CETF is underpinned by the favourable political climate following key milestones: the **Reykjavík Summit of Heads of State and Government of the Council of Europe (2023)**, the **May 2024 Committee of Ministers ministerial session**, which launched the elaboration of a **Council of Europe Strategy on the Environment**, and the upcoming **May 2025 Committee of Ministers ministerial session**, which is expected to include a comprehensive environmental package including the adoption of the Council of Europe Strategy on Environment, the adoption of the Convention on the protection of the environment through criminal law, a decision on the preparation of one or more instruments on human rights and the environment, and the holding of a ministerial meeting on the Landscape Convention in October 2025.

3. This political momentum creates an opportunity to establish the CETF, a new financial instrument designed to support the Council of Europe's strategy and long-term environmental goals.

## Key Parameters of the CETF

4. The CETF would be defined by a series of parameters which reflect the specific features of the Council of Europe work in this area.

a. **Legal Basis** - The CETF would be established within the framework of the **Council of Europe's regulatory structure**, using existing legal precedents, including the Human Rights Trust Fund, to ensure consistency, compliance and effectiveness.

b. **Membership** - Membership would be open to a wide range of stakeholders, including:

- a. **Member States**
- b. **Non-member States**
- c. **The European Union**
- d. Other relevant actors

Conditions for accession by non-member States and other contributors would be determined, offering flexibility for expanded participation over time.

c. **Establishment** - The CETF would be formally launched as a deliverable at the **Committee of Ministers ministerial session in May 2025**. Joining the fund would involve a formal act, such as a signature, with additional members able to join at any point thereafter.

d. **Scope** - The CETF would primarily focus on supporting the implementation of the **Council of Europe Strategy on the Environment**. It would also serve as a collection point for contributions to convention systems such as the Bern Convention and the Florence Convention. The CETF would act as a financing tool for various environmental activities and projects across the Council of Europe's remit.

e. **Earmarking** - Contributors would have the option to **earmark** their contributions toward specific initiatives or projects within the broader framework of the CETF, ensuring flexibility in how resources are allocated.

- f. **Threshold** - To ensure meaningful engagement, a minimum contribution threshold of **€30,000** would be established. This would provide clarity and structure for contributors while ensuring the Fund's viability.
- g. **Stability** - The CETF would be designed to promote **financial stability** by formalizing membership and establishing a **binding obligation** for participants to contribute a defined amount. While joining the Fund will be voluntary, and the contributions as such will be treated as voluntary contributions, as a result of membership members will commit to a financial contribution within given parameters. This approach would ensure reliable and predictable funding over time.
- h. **Governance** - The CETF governance structure and management fees would be embedded within the **Council of Europe's institutional and regulatory framework**, aligning with the prerogatives of contributing parties while ensuring robust oversight and accountability. The Secretariat would be provided by the Council of Europe and covered within the CETF.

### Timeline for Establishment

5. The CETF could be established in time for the **May 2025 Ministerial Session**, during which the **Council of Europe Strategy on the Environment** is expected to be adopted. In the lead-up to this session, efforts will focus on securing participation and building support among potential contributors. The Committee of Minister's Deputies and rapporteur groups would be involved as required as it was done in the case of the Human Right Trust Fund which serves as a precedent.

### Function and Impact of the CETF

6. The CETF would capitalize on current political momentum and existing patterns of extrabudgetary resource mobilization, particularly in the area of human rights and biodiversity. It would be a **distinct financial vehicle** with its own legal agreement, strategic and financial framework, and governance mechanisms. Drawing on the Council of Europe's experience with similar funds, the CETF would be tailored to meet the specific needs of the environment-related activities and conventions.

Key features of the CETF include:

- a. **Supplementing core budgetary resources** allocated for environmental conventions and activities, ensuring additional, flexible funding streams.
- b. **Earmarking flexibility**, allowing contributors to direct their funding toward specific projects or conventions.
- c. **Synergy creation**, by coordinating extrabudgetary resources intended for convention systems and related activities and cooperation projects, the CETF would improve the management and efficiency of voluntary contributions.

### Conclusion

7. The CETF would contribute significantly to the long-term financial sustainability of the Council of Europe's environmental activities. By enhancing visibility, creating greater interest, and attracting political backing, the CETF offers a powerful tool for aligning financial resources with the Council of Europe's growing environmental ambitions.

8. Through its innovative structure and strategic approach, the CETF would not only address current funding challenges but also pave the way for expanded environmental efforts across Europe.