**40th SESSION**

Remote meeting

Report

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**Budget of the Congress for 2022-2023**

Bureau of the Congress

Co-rapporteurs: [[1]](#footnote-1) Anna MAGYAR, Hungary (R, EPP/CCE) and Barbara TOCE, Italy (L, SOC/G/PD)

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*Summary*

The Congress has repeatedly requested that its share of the Council of Europe Ordinary Budget be increased to 3% in order to ensure a budgetary envelope which would enable the Congress to fully deliver with regard to the Council of Europe’s priorities. However, its share of the Ordinary Budget has dropped over 13% since 2010 from 2.92% to 2.53% in 2020 and the number of posts from 47 to 38 of which 2 have been frozen – and therefore cannot be filled – for several years.

These reductions have had a negative impact on the activities of the Congress including a significant increase in the backlog of monitoring reports on the situation of local and regional authorities in member States and a reduction in thematic activities. Any additional reductions in the budget and resources of the Congress in the next biennium would result in significant reductions of its activities and create additional risks for its statutory activities and for its thematic and co-operation activities, which already had to be adapted to fewer resources in the past.

This recommendation draws attention to the continued need to include in the draft programme and budget for the next biennium a budgetary envelope for the Congress which will fully recognise its contribution to the Council of Europe work and priorities by gradually returning to a share of 3% of the Ordinary Budget which is essential to its operations and to fulfil its mandate and to provide the Congress with commensurate human resources. It also calls for resource mobilisation aiming at voluntary contributions and secondments, and the use of the exceptional measures foreseen for monitoring bodies during the next biennium.

RECOMMENDATION 454 (2021)**[[2]](#footnote-2)**

The Congress of Local and Regional Authorities of the Council of Europe,

1. reaffirming its institutional role as the voice of local and regional authorities of the member States of the Council of Europe and as the guardian of the European Charter of Local Self-Government (ECLSG) to which all 47 member States are Party, and its responsibility for promoting and fostering the implementation of Council of Europe common standards for local self-government and regional democracy in Europe;

2. recalling that the Congress Charter provides that compliance with the ECLSG by the Parties shall be monitored regularly and that since 2014 the monitoring work has increased steadily giving place to significant backlog further increased by the delays resulting from the current pandemic situation;

3. referring to the regular exchanges of views between the President and the Secretary General of the Congress with the Committee of Ministers, and welcoming the support and appreciation expressed by member States and the Committee of Ministers for the results achieved and reforms undertaken by the Congress;

4. recalling the successive budget cuts that the Congress has sustained over the years and the acknowledgement and understanding by member States of the risks that further budget cuts would entail for its statutory activities, post-monitoring, thematic and co-operation activities, which are tailored to member States’ demands and interests;

5. further recalling that the Congress has been obliged to cut activities including those allowing it to address the challenges identified in the Secretary General’s annual reports on the situation of democracy, human rights and the rule of law and the priorities of the respective chairmanships of the Committee of Ministers;

6*.* stressing that since 2010 the Congress has steadily contributed to the Organisation’s efficiency savings and sustained operational and staff budgetary reductions proportionately higher than its share of the Ordinary Budget of the Council of Europe;

7*.* recalling its reiterated requests for its share of the Council of Europe’s budget to be increased again towards 3% in order to ensure a budgetary envelope which would enable the Congress to fully deliver with regard to the Council of Europe’s priorities;

8. recalling that the Congress’ actual share of the Ordinary Budget has dropped over 13% since 2010 from 2.92% in 2010 to 2.53% in 2020 and its staff has been reduced by over 19% from 47 to 38 including two frozen posts;

9. recalling its successive reforms in 2010, 2015, 2018 and 2019 and its willingness to contribute to the overall efforts of the Organisation;

10. welcoming the decision of the Committee of Ministers to apply the adjustment for inflation in the current biennium and stressing the need to maintain it for the next one for the sake of maintaining the Organisation’s capacity to deliver and respond to the new challenges as well as to its statutory tasks;

11. acknowledging the solution found for financing interpretation and translation into the Congress working languages: German, Italian and Russian;

12. Calls on the Committee of Ministers to:

*a*. acknowledge the results achieved and the efforts made by the Congress in increasing its efficiency of the Congress despite a reduced budgetary allocation and significant restrictions in the human resources made available to it;

*b*. ensure, through its regular political dialogue with the Congress, consistency between the priorities identified by the Congress and its budgetary allocations in order to achieve critical mass and a real impact;

*c*. consider how best make use of the political and operational capacities of the Congress and its Secretariat to focus and concentrate all activities of the Council of Europe targeting local and regional authorities and their political representatives;

*d*. encourage member States to make voluntary contributions for concrete operational activities and second officials to the Congress Secretariat;

*e*. include the Congress monitoring of the ECLSG in the exceptional measures scheme to address the delays resulting from the Covid-19 health crisis;

*f*. allocate an operational budget and human resources to the Congress for the biennium 2022-2023 commensurate with the requirements of its institutional functioning as well as of its statutory, institutional, monitoring, thematic, consultative and advisory tasks to enable the Congress to implement the priorities identified for the current mandate;

*g*. agree to gradually return to a share of 3% of the Ordinary Budget without which the Congress can simply not fulfil its mandate or deliver what is entrusted with and expected to;

*h.* take into account the adjustment of inflation for the next biennium in order to maintain the Council of Europe a capable actor in the fields of democracy, human rights and the rule of law, and enable all its organs and structures to deliver in the interest of the citizens of the 47 member States; and

*i*. invite the Secretary General of the Council of Europe to include in the draft programme and budget for the biennium 2022-2023 a budgetary envelope for the Congress which will fully recognise its contribution to the Council of Europe priorities as a monitoring body and the pan-European promoter of territorial democracy, that encourages devolution and debates and exchanges of good practices among local and regional elected peers on our societies’ major topical issues.

EXPLANATORY MEMORANDUM

1. Since 2008 the Congress has held regular debates on its budgetary resources, its development prospects, the resources needed and the choices to be made to achieve the objectives identified by its priorities.

2. The Congress has repeatedly called for the principle of zero real growth (taking into account inflation) be applied and its share of the Council of Europe Ordinary Budget be increased to 3% in order to ensure a budgetary envelope which would enable the Congress to fully deliver with regard to the Council of Europe’s priorities.

3. The existing financial resources cover its basic activities and do not allow it to realise its full potential. For that reason, in 2013 the Bureau adopted a position paper and informed the Committee of Ministers that any additional cuts would endanger the Congress’ work and undermine its unique capacity to protect, ensure and develop local and regional democracy in Europe.

4. In the past ten years the Congress has borne its share of the savings requested to all entities of the Council of Europe in a way which is more than proportional to its share in the budget of the Organisation Thus, its share of the Ordinary Budget has been dropping steadily away from the target 3% share and the reduction has reached over 13% since 2010 from 2,92% to 2,53% in 2020 (see Table 1 in Appendix).

5. The same goes for staff resources, where the Congress has contributed more, in proportion to its share. Hence, the number of post has been reduced by nearly 20% over the last years from 47 in 2010 to 38 in 2020 of which 2 have been frozen -and therefore cannot be filled- for several year (see Table 2 in Appendix) bringing significant challenges for the implementation of activities.

6. The Congress has consistently supported the reform of the Council of Europe and has in a similar spirit carried out several reforms of structures and working methods in order to further improve its efficiency. They have resulted in changes to the Congress Statutory Resolution and Charter and Rules and Procedures to focus on its core statutory activities and contribute to the Organisation’s efficiency savings. In addition, the Congress has made considerable efforts over the last years to contribute to efficiency savings and has in particular made every effort to lower a number of operational costs such as reducing printing by making full use of its website for members to access documents and for online registration for meetings and sessions.

7. The Congress remains committed to pursuing its efforts for potential efficiency savings in its administration and its operation. It should, however, have sufficient resources to deliver a quality support to its members, the local and regional elected representatives from the 47 member states. This is particularly crucial at a time when local and regional authorities have been at the forefront of the response to the crisis created by the COVID-19 pandemic and are set to play an important role in the post-crisis recovery. Fewer resources for the Congress would mean less support to local and regional authorities in this challenging times.

8. Preparatory work on the next biennium is underway and the Congress needs to draw the attention of the Committee of Ministers to the negative evolution of its budget and risks of further reduction of its resources.9. The Congress’ priorities for the next years are fully in line with the Council of Europe’s priorities and the Secretary Generals quadrennial strategic framework for 2022-2025. It is therefore essential that it receives from the Committee of Ministers sufficient resources to allow it to implement these priorities and enable it to respond meaningfully to the priorities and work programmes set by the successive chairmanships of the Committee of Ministers.

10. In this respect it is concerning that over the last years, key statutory activities such as monitoring and observation of local and regional elections had to be reduced. This has resulted, in the case of monitoring, in significant backlogs further amplified by the travel restrictions resulting from the current health crisis (see table below). The exceptional measures proposed by the Secretary General for monitoring mechanism in respect of the delays resulting from the current health crisis and agreed by the Committee of Minister should be extended to the Congress monitoring to tackle such delays and prevent further increases in the backlog.



11. Other operational activities such as the ones on youth, on Roma inclusion, are under threat or can no longer be implemented due to the lack of sustainable resources.

12. In this difficult context, the Congress, over the last years has received an increasing number of requests for co-operation and assistance on reforms proposed in member States as regards the structure, finance and functioning of local and regional authorities and their national associations and is currently implementing projects for a total value of some 4.5 million euros (see table below). Consequently, the Congress is expected to monitor such developments as well as to step up its post-monitoring dialogue and co-operation activities with individual member States.

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| **Congress ongoing co-operation activities**  |
| **Country** | **Project** | **Funding**  | **Budget**  |
| Armenia  | Strengthening the Communities Association of Armenia and transparent, participatory local governance in Armenia | Switzerland | 900 000 |
| Moldova  | Reinforcing the culture of dialogue and consultation of local authorities in the Republic of Moldova – Phase I | Bulgaria, Liechtenstein, Lithuania, Norway, Romania, Sweden, Switzerland | 175 000 |
| Georgia | Strengthening participatory democracy and human rights at local level in Georgia  | Austria, Czech Republic, France, Germany, Latvia,Liechtenstein, Netherlands, Norway, Sweden | 900 000 |
| Ukraine | Strengthening democracy and building trust at local level in Ukraine | Canada, Czech Republic, Estonia, Finland, France, Germany, Hungary, Ireland, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Romania, Sweden, Switzerland, Turkey | 1 600 000 |
| Mostar  | Building Democratic Participation in the City of Mostar | Luxembourg, Norway | 500 000 |
| Kosovo\*  | Promoting local democracy in Kosovo\* | Ireland, Norway | 400 000 |
| Morocco  | Strengthening democratic governance at local and regional level in Morocco | Liechtenstein, Norway, Spain | 294 045 |
| Tunisia  | Promoting local governance in Tunisia | Liechtenstein, Norway, Spain | 346 096 |
|  |  |  | **4 475 000** |

(\*) All references to Kosovo, whether the territory, institutions or population, in this text shall be understood in full compliance with United Nations Security Council Resolution 1244 and without prejudice to the status of Kosovo.

13. Thus, despite the difficult budgetary context, the Congress has taken the responsibility of managing these additional financial resources in order to become an operational actor on the ground, in complementarity with its statutory work. Extra budgetary resources are instrumental to the implementation of co-operation activities, which further develop the work of the Congress in the fields of democracy, human rights and the rule of law and contribute to the operational programmes of the Council of Europe.

14. The Congress has successfully managed extra-budgetary resources provided by member States and the European Commission and closely cooperates and develops synergies with other Council of Europe services and field offices where Congress staff members have been recruited. This strategy needs to be continued and reinforced in the coming years.

15. The Congress remains committed to contributing in a meaningful way to the Council of Europe output and needs sufficient resources to achieve this objective from its specific situation and unique role within the Organisation. Further cuts in its operational budget and/or its human resources would seriously hamper its ability to carry out this role, its statutory activities and its capacity to respond to the increasing demand by member states for post-monitoring activities, as well as its growing potential as regards co-operation activities, which are closely linked to its statutory activities.

16. The Congress also remains committed to contributing to the identification and implementation of the priorities and the programme for the next biennium in the light of the Secretary General’s quadrennial strategic framework and the thematic priorities of the Committee of Ministers presidencies in synergy and complementarity with the intergovernmental sector and the Parliamentary Assembly.

17. It will pursue its reform and focus its activities around its core priorities for the next biennium and will continue implementing activities in order to contribute, at local and regional level, to Council of Europe on-going and new campaigns and specific programmes launched in order to address topical issues. However, in order to successfully carry out its statutory mission and implement its core priorities in respect of the promotion and development of local and regional democracy, the Congress needs to be able to count on a sustainable basis for action, which includes an appropriate level of resources.

18. Against this background, in its recommendation the Congress calls on the Committee of Ministers to acknowledge the results achieved and the efforts made by the Congress in increasing its efficiency of the Congress despite a reduced budgetary allocation and significant restrictions in the human resources made available to it.

19. It highlights the importance of ensuring consistency between the priorities identified by the Congress and its budgetary allocations in order to achieve critical mass and a real impact and making best use of the political and operational capacities of the Congress and its Secretariat to focus and concentrate all activities of the Council of Europe targeting local and regional authorities and their political representatives.

20. It further calls for an operational budget and human resources to the Congress for the biennium 2022-2023 commensurate with the requirements of its institutional functioning as well as of its statutory, institutional, monitoring, thematic and advisory tasks.

21. More specifically it calls on the Committee of Ministers to include the Congress monitoring of the ECLSG in the exceptional measures scheme to address the delays resulting from the Covid-19 health crisis so as to reduce delays and prevent further increases in the monitoring backlog.

22. In line with increasing importance of extra-budgetary resources and the budgetary challenges described above, it calls on member States to make voluntary contributions for concrete operational activities and second officials to the Congress Secretariat.

23. Finally, it calls on the Secretary General of the Council of Europe to include in the draft programme and budget for the biennium 2022-2023 a budgetary envelope for the Congress which will fully recognise its contribution to the Council of Europe priorities as a monitoring body and the pan-European promoter of territorial democracy, that encourages devolution and debates and exchanges of good practices among local and regional elected peers on our societies’ major topical issues. And calls on the Committee of Ministers to maintain the zero real growth principle and to bear in mind the risks and for the Council of Europe as a whole, and for the Congress in particular, of a budget for the next biennium and beyond based upon a zero nominal growth principle as compared to at least a zero real growth principle.

**APPENDIX**

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| **Table 1 - Evolution of human resources within the Congress Secretariat** |
|  | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| Posts | 42 | 41 | 39 | 37 | 37 | 37 | 37 | 37 | 37\* | 37\* | 37\* |
| Positions | 5 | 5 | 5 | 5 | 5 | 4 | 2 | 2 | 1 | 1 | 1 |
| Total | 47 | 46 | 44 | 42 | 42 | 41 | 39 | 39 | 38 | 38 | 38 |
| (\*) including 2 frozen posts. |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Table 2 - Evolution of the Congress operational budget°** |
|  | **2010** | **2011** | **2012\*** | **2013\*** | **2014\*** | **2015\*** | **2016\*** | **2017\*** | **2018\*\*** | **2019\*** | **2020\*** |
| CoE | 218 337 900 | 217 017 900 | 240 016 900 | 243 970 300 | 244 095 200 | 245 067 600 | 259 915 400 | 260 090 500 | 244 477 300 | 244 477 300 | 254 845 600 |
| Congress | 6 384 400 | 6 311 900 | 6 996 900 | 6 726 100 | 6 696 500 | 6 891 400 | 7 126 400 | 7 113 300 | 6 201 500 | 6 201 500 | 6 442 000 |
| % Share Cong | 2,92 | 2,91 | 2,92 | 2,76 | 2,74 | 2,81 | 2,74 | 2,73 | 2,54 | 2,54 | 2,53 |
| % unspend Cong | 2,88 | 1,98 | 0,74 | 2,31 | 3,23 | 1,13 | 2,81 | 1,74 | 2,67 | 0,53 | 7,73 |
| (°) Figures of Council of Europe and Congress budget, as approved. % underspent Congress as adjusted. |
| (\*) including allocations to the Pension Fund as from 2012. |
| (\*\*) adjusted following cessation of Turkey's major contributor status. |

1. L: Chamber of Local Authorities / R: Chamber of Regions

EPP/CCE: European People’s Party Group in the Congress

SOC/G/PD: Group of Socialists, Greens and Progressive Democrats

ILDG: Independent and Liberal Democrat Group

ECR: European Conservatives and Reformists Group

NR: Members not belonging to a political group of the Congress [↑](#footnote-ref-1)
2. Debated and adopted by the Congress on 24 March 2021, 1st sitting, co-rapporteurs: Anna MAGYAR, Hungary (R, EPP/CCE) and Barbara TOCE, Italy (L, SOC/G/PD). [↑](#footnote-ref-2)