

28th SESSION
Strasbourg, 24-26 March 2015

CG/2015(28)13FINAL
24 March 2015

The budget and resources of the Congress for the next biennium (2016-2017)

Rapporteurs:¹ Clemens LAMMERSKITTEN, Germany (R, EPP/CCE)
Barbara TOCE, Italy (L, SOC)

Recommendation 368 (2015)	3
Explanatory memorandum.....	5

Summary

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 the priorities. At its 24th session, the Congress adopted Recommendation 335(2013) on “the Budget and resources of the Congress in 2014-2015”. On 18 June 2013, the Bureau of the Congress approved a position paper (CG/BUR(24)16) on the 2014-2015 budget which was addressed to the Committee of Ministers and presented to that body by President van Staa on 18 September 2013.

This new recommendation aims at taking stock of the evolution of the budgetary needs of the Congress and identifying in this respect risks for the years ahead and draws the attention of the Committee of Ministers to a number of issues in this respect.

The report highlights the fact that the Congress has consistently supported the reform of the Council of Europe and has in a similar spirit carried out its own reform of structures and working methods in order to further improve its efficiency and is continuing its efforts in this respect (cf. Rec 367(2014)).

As regards the operational budget, from 2011 onwards the Congress has borne the burden of savings in a way comparable to other Council of Europe entities. As far as the staff budget is concerned, however, the Congress has contributed more, in proportion to its size, to the cuts. As a consequence the Congress staff / operational ratio has decreased significantly over the last years (from 60/40 in 2012 to 56/44 in 2014).

The prospects for the budgetary situation of the Congress are to be considered in the context of the zero nominal growth policy being applied for at least a further biennium for the whole Organisation with the consequence of further requests for cuts both in the operational budget and in the human resources budget.

¹ L: Chamber of Local Authorities / R: Chamber of Regions
EPP/CCE: European People's Party Group in the Congress
SOC: Socialist Group
ILDG: Independent Liberal and Democratic Group
ECR: European Conservatives and Reformists Group
NR: Members not belonging to a political group of the Congress

On the positive side, in 2013 and 2014 the Congress successfully raised extra budgetary resources and closely co-operated with other Council of Europe entities. It became a valued operational actor on the ground, in complementarity with its consultative and statutory work. This strategy will be continued and reinforced in the coming years.

This report addresses recommendations to the Committee of Ministers while drawing its attention to the Congress' specific situation and unique role within the Organisation. Further cuts in the Congress operational budget and/or its human resources would seriously hamper its ability to carry out its unique institutional role. This would not only directly affect its statutory activities but also its growing potential as regards its co-operation activities, which are closely linked to, and built on, the Congress' statutory activities. While the co-operation activities are financed mainly through external resources they still have to be developed and overseen by experienced permanent staff.

RECOMMENDATION 368 (2015)²

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

1. reaffirming its unique role and institutional position within the Council of Europe which confers to the Congress, as the voice of local and regional authorities from all 47 member states and the guardian of the European Charter of Local Self-Government, the responsibility of promoting and fostering the implementation of Council of Europe common standards for local autonomy and regional democracy in Europe and its neighbourhood;

2. bearing in mind that in many member states, in particular due to the need to strengthen efficiency and effectiveness at all levels of government as a consequence of the financial and economic crisis from 2008 on, intense national reform processes address the structure, finance and functioning of local and regional entities and that the role of the Congress to monitor these developments on the basis of the European Charter of Local Self-Government and to give legal and practical advice or to examine and reply to numerous petitions has substantially increased over the last three years;

3. recalling its regular exchanges of views with the Committee of Ministers, and the President and Secretary General of the Congress informing it of the Congress priorities and activities in implementing them;

4. recalling the appreciation expressed on these occasions for the work achieved by the Congress as well as the acknowledgement and understanding of the risks that further budget cuts would incur not only for its statutory activities but also for its post-monitoring and co-operation activities, which are tailored to member states' specific needs and interests;

5. underlining the fact that thanks to a substantial reform of its structures and working methods and despite its constant pursuit of efficiency savings, the Congress has been able to deliver quality work and achieve tangible results but regrettably has already been obliged to reduce some of its statutory activities and notably the number of its monitoring visits planned in 2013 and 2014 and those scheduled for 2015;

6. drawing attention, in particular to:

a. the decisions it has taken since 2010, in the framework of the reform of the Council of Europe, to refocus its priorities and activities on the core values of the Organisation;

b. the resulting amendments to the Congress Charter and Statutory Resolution, approved by the Committee of Ministers on 19 January 2011, and the subsequent changes it undertook, notably to improve its efficiency in its structures and working methods, as well as the additional work undertaken in this respect, in particular Congress Recommendation 367 (2014) adopted on 16 October 2014 on the Revision of the Congress Charter ;

c. its contribution to the Organisation's efficiency savings and cuts in its operational budget as well as in its human resources since 2010 in a context of zero real growth followed by a zero nominal growth for the whole Organisation;

d. its Recommendation 335(2013) stressing that, whereas its operational budget has been readjusted from 2010 onwards in a way which is comparable to other parts of the Organisation, the Congress has been affected, as regards staff resources, to an extent which is disproportional to its size as indicated in its position paper on the preparation of the budget 2014-2015 adopted by the Congress Bureau on 18 June 2013 (CG/BUR(24)16) addressed to the Committee of Ministers;

e. the priorities adopted for 2013-2016 which are fully in line with those proposed by Secretary General Thorbjørn Jagland and with the priorities and work programme adopted by the Committee of Ministers for the biennium 2014-2015;

7. strongly committed to contributing to the identification and implementation of the priorities and the programme for the 2016-2017 biennium to be adopted by the Committee of Ministers for the whole Organisation;

² Debated and adopted by the Congress on 24 March 2015, 1st sitting (see Document CG/2015(28)13FINAL explanatory memorandum) rapporteurs: Clemens LAMMERSKITTEN, Germany (R, EPP/CCE) and Barbara TOCE, Italy (L, SOC).

8. determined to pursue its reform and tighten its activities around its core priorities for the next biennium and to continue implementing activities which contribute at local and regional levels to the Council of Europe's ongoing and new campaigns and specific programmes launched to address highly topical issues such as the promotion of intercultural and interreligious dialogue, integration and social cohesion, the fight against hate and discrimination speech, the prevention of and the fight against corruption and the promotion of Council of Europe core values in particular among young Europeans;

9. reaffirming however that, 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;

10. highlighting in particular the situation of the European Alliance of Towns and Regions for Roma Inclusion, which networks 124 participants from Council of Europe member states, and whose sustainability is at stake due to lack of resources;

11. consequently asks the Committee of Ministers to:

a. fully examine the risks and evaluate the consequences for the Council of Europe as a whole, and for the Congress in particular, of prolonging for the next biennium 2016-2017 and beyond, a budget based upon a zero nominal growth principle as compared to at least a zero real growth principle;

b. acknowledge the results achieved and the efforts made, in increasing the efficiency and effectiveness of the Congress in recent years despite a reduced budgetary allocation and restrictions in the human resources made available to it;

c. 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 impact;

d. in light of the unique role and institutional position of the Congress within the Council of Europe, and taking due account of its past efforts, decide to maintain the Congress operational budget and its human resources for the next biennium 2016-2017;

e. encourage member states to consider funding for 2015 and the next biennium, by means of voluntary contributions and/or seconded officials, targeted co-operation activities based on the monitoring by the Congress of the implementation of the European Charter of Local Self-Government and on the other Congress statutory activities;

f. examine how the Congress could rightfully benefit from budgetary resources or extra budgetary resources in order to continue its action for Roma inclusion at local and regional levels, taking due account of its concrete experience and investment in such activities over the last years and of the prime importance of this issue in Europe;

g. invite the Secretary General of the Council of Europe to include in the draft programme and budget for the next biennium (2016-2017) a budget envelope for the Congress which will fully recognise its contribution to the Council of Europe priorities, as the unique pan-European promoter of territorial democracy, encouraging devolution and promoting citizen's participation as well as debates and exchanges of good practices among local and regional elected peers on main topical issues in our European societies.

EXPLANATORY MEMORANDUM

Introduction and background information

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.

In 2013, at its 24th session, the Congress adopted Recommendation 335 (2013) on “the Budget and resources of the Congress in 2014-2015”, asking the Committee of Ministers to base the 2014-2015 budget of the Congress upon “at least a zero real growth principle as compared to the budget for the biennium 2012-2013”. It stressed in particular that, while existing financial resources cover its basic activities, they do not allow it to realise its full potential.

On 18 June 2013, the Congress Bureau took note of the decision of the Committee of Ministers of 7 May 2013 to adopt the Council of Europe’s ordinary budget 2014-2015 on the basis of a zero nominal growth principle, as opposed to the previous biennial budget. This meant a further reduction of the Congress budget of 1.51%. In light of the evolution of the budgetary constraints and reductions applied in its budget, the Bureau adopted a position paper (CG/BUR(24)16) on the budget 2014-2015 which has been presented to the Committee of Ministers by President van Staa on 18 September 2013.

The position paper informed the Committee of Ministers that any additional cuts to those made in the budgets since 2011 would greatly endanger the Congress’ work and seriously undermine its very *raison d’être*: its unique capacity to protect, ensure and develop local and regional democracy in Europe. Furthermore, it drew the attention of the Committee of Ministers to the fact that the cuts to its budget were more than proportional to its share in the budget of the Organisation.

Discussions are now in progress for the next biennium 2016-2017 and the Congress wants to draw the attention of the Committee of Ministers to the recent evolution of its budget and risks of further reduction of its resources.

Sustainability of Council of Europe and of Congress activities

The Congress underlines the fact that it has adopted priorities for 2013-2016 which are fully in line with the Council of Europe’s priorities. It consequently calls on the Committee of Ministers to grant it sufficient resources to allow it to implement these priorities as well as to enable it to respond meaningfully to the priorities and work programmes set by the successive chairmanships of the Committee of Ministers.

The Congress notes with concern that over the last years, however, the Monitoring Committee has had to revise its work programme and reduce the number of country visits. Observation of local and regional elections also had to be reduced. Other key activities or initiatives, such as the European Alliance of Cities and Regions for Roma Inclusion, are under threat due to the lack of sustainable resources.

In this difficult context, the Congress, over the last years has received an increasing number of requests for legal and practical advice on reforms proposed in member states as regards the structure, finance and functioning of local and regional authorities. 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.

Discussions for the next biennium 2016-2017 are now in progress in the Committee of Ministers. The Congress calls on the Committee of Ministers to fully examine the risks and to evaluate the consequences for the Council of Europe as a whole, and for the Congress in particular, of prolonging for the next biennium and beyond, a budget based upon a zero nominal growth principle as compared to at least a zero real growth principle.

Recent reductions in the Congress’ operational and staff budget

From 2011 onwards the Congress has borne its share of the savings requested to all entities of the Council of Europe in a way which is comparable, as regards the operational budget, to the other Council of Europe entities. As far as the staff budget is concerned, the Congress has contributed more, in proportion to its share, to the cuts (see table below). Between 2010 and 2015, this represents a reduction of 12.8 % in the Congress’ human resources. As a consequence the Congress staff/operational ratio has decreased

significantly over the last years (from 60/40 in 2010 to 54/46 in 2015) and is now one of the best performances within the Council of Europe.

Evolution of human resources within the Congress Secretariat

2010	2011	2012	2013	2014	2015
42 posts	41 posts	39 posts	37 posts	37 posts	37 posts
5 positions	5 positions	5 positions	5 positions	5 positions	4 positions

Evolution of the Congress operational budget as available

2010	2011	2012	2013	2014	2015
2 561 140	2 576 000	2 639 300	2 675 100	2 652 000	2 622 000

	2010	2011	2012	2013	2014	2015
CoE Budget	218 337 900	217 017 900	240 016 900	243 970 300	244 095 200	245 067 600
Congress Budget as available (after cuts)	6 415 400	6 319 900	6 316 518	6 103 044	6 693 400*	6 734 220*
%	2.94%	2.91%	2.63%	2.50%	2.74%	2.75%

*2014 and 2015 figures include allocation to the pension fund

Congress reforms and contribution to efficiency savings

The Congress underlines the fact that it has consistently supported the reform of the Council of Europe and has in a similar spirit carried out its own reform of structures and working methods in order to further improve its efficiency.

Most recently, in October 2014, the Congress adopted Recommendation 367(2014) on the Revision of the Congress Charter which proposes that the Committee of Ministers adopt a small number of changes to the Congress Statutory Resolution and Charter which would allow the Congress to further review its Rules of Procedure and keep improving them in order to continue 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.

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, 318 local and regional elected representatives from the 47 member states.

Extra budgetary resources for the Congress co-operation activities and post-monitoring dialogue

In this difficult budgetary context, the Congress has taken the responsibility of managing new 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.

Since the end of 2012, the Congress has successfully managed extra-budgetary resources and closely cooperated and developed synergies with other Council of Europe entities, in particular ODG-prog (Office of the Directorate General of Programmes) and DGII (Directorate General of Democracy). It has also been able to rely on the experience and contacts of the relevant Council of Europe field offices, in particular Yerevan, Kyiv and Tirana where Congress staff members have been recruited.

This strategy needs to be continued and reinforced in the coming years.

In concrete terms, the Congress has notably been able to substantially develop its co-operation activities thanks to voluntary contributions from Denmark and from Switzerland, as well as joint funding by the European Commission within the new co-operation agreements with the Council of Europe signed in December 2014. It is grateful to donor states and to the European Commission for this invaluable support which enables local democracy in the member states to be further enhanced. Part of these resources are used for hiring temporary staff in the field to implement these projects under the supervision of experienced permanent staff members from the Congress Secretariat, who recruit and train them, as well as design project activities.

Benefiting countries	Budget managed by the Congress	Duration
Albania	560 000 euros	October 2012 – March 2015
Armenia I	575 000 euros	October 2013 - September 2015
Armenia II	674 500 euros	November 2014 - April 2017
Ukraine I (Immediate Measure Package)	376 000 euros	Mai 2014 - December 2014
Ukraine II	120 000 euros	April 2014 - May 2015
EU-CoE Eastern Partnership Programmatic Cooperation Framework- Regional activities (Armenia, Azerbaijan, Georgia, Moldova, Ukraine and Belarus)	1 285 000 euros	January 2015 - December 2017

Conclusion: the Congress wants to contribute in a meaningful way to the Council of Europe output and needs sufficient resources to achieve this objective

The Congress draws the attention of the Committee of Ministers to 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. This would not only directly affect its statutory activities but also 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, and built on, the Congress' statutory activities and are fully integrated into the action of the Council of Europe as a whole.

The time has also come to take a closer look at the situation of the European Alliance of Towns and Regions for Roma Inclusion, which networks 124 participants from Council of Europe member states, and whose sustainability is at stake due to a lack of resources. The Committee of Ministers should duly take into account the contribution that the Congress is able to make in this respect with additional resources.

The Congress remains fully committed to contributing to the identification and implementation of the priorities and the programme for the 2016-2017 biennium to be adopted by the Committee of Ministers for the whole Organisation.

It also stands ready to contribute to the Committee of Ministers and its chairmanship's priorities in its sphere of competences. The Congress will contribute to thematic priorities decided for the whole Organisation for the years ahead and will continue to work in synergy and complementarity with the intergovernmental sector and the Parliamentary Assembly.

In particular, 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 highly topical issues such as the promotion of intercultural and interreligious dialogue, integration and social cohesion, the fight against hate and discrimination speech, the prevention of and the fight against corruption and the promotion of Council of Europe core values in particular among young Europeans.

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.