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T-PVS(2021)03

CONVENTION ON THE CONSERVATION OF EUROPEAN WILDLIFE
AND NATURAL HABITATS

INTER-SESSIONAL WORKING GROUP ON FINANCES

2nd meeting (*virtual*)

31 March 2021 (9.00 am – 13.00 pm)

REPORT

*Memorandum of the Secretariat
established by the Directorate of Democratic Participation*

1. Opening and welcome to the participants by the Chair Mr Jan Brojáč, Czech Republic

The Chair, Mr Jan Brojáč, opened the meeting and welcomed the participants (Annex 1).

The Chair pointed out the importance of the two parallel processes of the Intersessional Working Group on Finances and the Working Group on the Vision and Strategic Plan for the Bern Convention for the period to 2030, which should progress simultaneously.

A) Establishing an Enlarged Partial Agreement

2. Presentation by the Director of Democratic Participation, Mr Matjaž Gruden, of the comments made by the Committee of Ministers' Deputies on 18 March on the draft Resolution establishing an Enlarged Partial Agreement on the Fund for the implementation of the Bern Convention.

The Director informed the members of the Working Group that the discussion on the proposals for future funding and development of the Bern Convention was a continuation of the exchanges of views with the Committee of Ministers' Deputies which he had on 27 September 2020 and 21 January 2021.

At the Deputies' meeting on 18 March, the Director pointed out the importance of the Bern Convention as CoE's regional contribution to the global efforts for the conservation of our biodiversity and ecosystems, as well as its extraordinary work in the last 42 years. He stressed the unsustainable financial situation which now jeopardises the proper functioning of the Convention and underlined that the *status quo* was not an option. He presented the Draft Resolution elaborated by the Standing Committee last year, in order to ensure more financial stability for the Convention's implementation. He also emphasised that the fight against environmental degradation and climate change now appears as a key priority of the Strategic Framework for the next CoE quadrennial programme, 2022-25, which was issued at the beginning of 2021. This should make the Bern Convention even more valuable under the new, positive momentum for environmental issues within the Organisation.

Following the Director's intervention, the Deputies of the following twenty one member States intervened: United Kingdom, Greece, Germany, Sweden, Finland, the Netherlands, Norway, Czech Republic, Estonia, Luxembourg, France, Slovenia, Hungary, Latvia, Poland, Switzerland, Croatia, the Russian Federation, the Slovak Republic and Armenia, as well as the representative of the European Union. These delegations clearly expressed general support to the Bern Convention and the need to ensure appropriate financial resources for the Secretariat and the implementation of the Bern programme of work. 16 member States supported the establishment of an Enlarged Partial Agreement (EPA).

The Director welcomed the Deputies' wide support to the Bern convention and the efforts to find a more sustainable manner to support the work, but he pointed out that a future EPA would help us to move closer to this objective only if a significant proportion of the convention member States would also join the EPA, and the preliminary indications we have gathered so far are not encouraging in this respect.

No specific requests for amendments to the draft Resolution were made by member States. One member State requested to know the overall budget needed for the EPA, the number of countries which have expressed an interest so far, and the timeline for EPA approval. A second member State proposed avoiding the creation of a Partial Agreement to solve the Convention's financial crisis by asking the Committee of Ministers to increase the budget for the Bern Convention. It will make this proposal to the Deputies' Group in charge of preparing the next programme and budget. The Director will keep the Working Group informed of the outcome.

Another delegation said that the title should not refer to "Bern" because the EPA should go beyond the financing of the Bern Convention and cover other matters which relate to the environment. The delegation also said that using an EPA as a way to finance the activity of a Treaty would set a dangerous precedent in the working methods of the Organisation, thus putting at risk a number of activities currently covered by the ordinary budget. The Director suggested to the members of the Working Group the revision of the title of the draft Resolution to take the delegation's comment into account.

As requested by the Committee of Ministers' Deputies, the Director will present the draft Resolution with a revised title for discussion, and their possible agreement, at the next GR-C meeting on 1 July 2021, and to transmit it to the Committee of Ministers for adoption. In order to respect the Committee of Ministers' deadline, the document should be ready by mid-May, at the latest.

3. *Discussion of the new financial simulation scenarios requested at the 1st meeting:*
- *financial scenarios with a total EPA budget of 400,000 euros for a simulation with 20, 25 and 30 countries, with the assumption that the core activities of the Convention will still receive 300,000 euros from the ordinary budget of the Organisation;*
 - *scenario with ranges of scales which would enable the calculation for each country of their minimum and maximum financial contribution, independently of the combination of countries that are members of the EPA;*
 - *explore the opportunity to increase the contribution of big payers in order to ameliorate the impact of contributions from intermediary payers so that the scale of contributions for the budget of the EPA reflects the methodology of the CoE's budget with an appropriation for member States' contributions based on a formula which takes into account population and Gross Domestic Product.*

As a follow up to the Working Group meeting on 3 February 2021, the Secretariat presented the new financial scenarios [T-PVS/Inf(2021)8] based on the calculation method described in the Resolution (94)31 of the Committee of Ministers which takes into account the population and Gross Domestic Product of member States. Member States were clustered into six groups of contributors, based on their current rate of contribution to the ordinary budget. Three scenarios were elaborated, considering respectively 20, 25 and 30 members of the EPA. For all three scenarios and related simulations, the minimum and maximum contributions have been set at 1,300 and 54,800 euros respectively.

The Secretariat highlighted that the ranges were quite important as they underline the role of the major contributors. It was also evident that the more countries that contribute to the budget, the lower the contributions would be. The exercise showed, however, its limits and that it would not be possible to reduce the ranges until the Secretariat had a more precise indication of which and how many countries would participate in the EPA.

The Secretariat informed the Group of the Contracting Parties' reply in February 2021 concerning their possible interest in adhering to the EPA. The following eight countries expressed their interest in joining the EPA: Czech Republic, Finland, Italy, Luxembourg, Monaco, Norway, Turkey and United Kingdom. The European Union will not adhere to the EPA, nor will Austria, Estonia, Germany or Slovenia. Denmark sees the establishment of an EPA as a temporary solution, which allows for Parties and non-members who wish so to accede to this agreement and thereby support activities related to implementation of the Convention.

The Group thanked the Secretariat for the new financial scenarios, agreed on the need of diplomatic outreach of the Parties to adhere to the EPA and requested the Secretariat to:

- further elaborate the narrative explanations for the different ranges of scales to be as informative as possible, including the emphasis that the final decision on contributions will be a responsibility of the Parties to the EPA;
- assess whether the major contributors, which have expressed an interest in the EPA (e.g. Italy, United Kingdom) would be willing to increase their maximum financial contribution;
- prepare one single document for the next Bureau meeting (14-15 April) including one of the previous scenarios prepared for illustration purposes and the new simulations on the ranges of scales.

4. The Governance of the EPA: financial and human resources implications

The Secretariat presented a graphic on the financial and human resources allocation for the governance of the EPA (Annex 2) and pointed out that financial resources shall be complemented by anticipated contributions to boost specific projects, if decided by the Standing Committee.

5. *Possible revised title of the Draft Resolution establishing an Enlarged Partial Agreement on the environment.*

In order to respond to the Committee of Ministers' Deputies request to amend the title of the Draft Resolution, as discussed under item 2 of the agenda, the Secretariat proposed the following title: Draft Resolution establishing an Enlarged Partial Agreement on the environment.

To avoid possible confusion with other CoE environmental conventions, as well as not to mention the word "Bern" but keep the reference to its core business, the members proposed the title "Draft Resolution establishing an Enlarged Partial Agreement for the conservation of European wildlife and natural habitats". They agreed to review the new title and examine the implications of this change on the different articles of the Draft Resolution within two weeks, asked the secretariat to send the revised text to the members of the working group in order to possibly agree on it in written procedure. The Bureau will also discuss if the new title represents a substantial change.

B) Amendment of the Bern Convention

6. *Questions of the European Union and its member States for the Amendment of the Bern Convention:*

- a. *how the overall budget is shared among the Parties and what would be the compulsory contribution for each Party;*
- b. *how to ensure that when the Standing Committee establishes the budget on the basis of this new article, it can distinguish between core and programmatic budgets, making only the former (core) subject to obligatory contributions, in accordance with other MEAs.*

The Secretariat recalled the information of the document T-PVS/Inf(2020)03rev to amend the Bern Convention, which will require all Contracting Parties to formally accept the amendments before it enters into force. The aim of the amendment is to have a predictable and stable budget.

The Recommendation for a decision of the Council of the European Union authorising the European Commission, on behalf of the Union, to negotiate amendments to the Bern Convention was issued on 25 March. The Council's official mandate to the Commission is expected to be adopted in June 2021. Meanwhile, the Secretariat proposed starting discussion on questions a) and b) that were informally raised by the European Union and its member States in 2020.

In reply to question a), the Secretariat recalled that, as for all budgets of the Council of Europe, the scale of contributions uses the methodology set in Resolution 94(31) of the Committee of Ministers, and will take into consideration the Gross Domestic Product and the population of Contracting Parties.

Referring to question b), the Secretariat informed members that the CoE Programme and Budget, adopted by the Committee of Ministers, does not distinguish between “core and programmatic budgets”. Therefore, the Bern Convention cannot make this division in its programme and budget.

The only internal differentiation is that between budgetary (i.e. ordinary budget) and extra-budgetary (i.e. voluntary contributions) resources. This is already reflected in the programme of work of the Bern Convention (adopted by the Standing Committee each year) where activities have different sources of funding.

The drawback of the current mechanism is the unpredictability of voluntary contributions. This is why some activities are envisaged but not implemented, lacking the necessary financial resources.

The aim of the amendment of the Convention is to ensure the implementation of the programme of work, independently of the voluntary contributions, and not to reproduce a new mechanism with the same instability.

The amendment of the Convention should therefore create compulsory financial contributions which will complement the ordinary budget in order to create a “core” that provides a stable, predictable and sustainable budget for the Convention. The amendment would obviously not exclude voluntary contributions that funded ad hoc activities.

In order to ensure a more predictable and stable budget, and to reply to the informally raised question of the European Union and its member States, the Secretariat proposed amending the third paragraph of Article 14 bis of the Bern Convention, as presented in Annex 3.

According to the proposed EU mandate, the contribution of the European Union should not exceed 2.5% of the (core) budget. Considering the application of the calculation methodology described in CM Resolution 94 (31), and that the Commission is a major contributor, its contribution should vary from 11 to 14.7 %. One option would be to fix the rate of contribution of the EU to 2.5% and to apply it to the budget of the Bern Convention. In this case, the decreased EU contribution should be compensated by the other Contracting Parties.

In the subsequent discussion, members of the Group who represent EU Contracting Parties pointed out that they had currently no mandate to discuss the questions raised in the Recommendation of the European Council. The Working Group agreed that a representative of the European Commission should be invited to attend its third meeting to discuss how to address these issues in an appropriate way.

7. *Financial scenarios for the amendment of the Bern Convention.*

The Secretariat presented financial scenarios, based on the Resolution (94)31 of the Committee of Ministers of the Council of Europe, for the method of calculating the scales of member States' contributions to Council of Europe budgets [T-PVS/Inf(2021)10].

All Contracting Parties are identified as compulsory financial contributors. Therefore, the only variables are the total amount of the compulsory contributions, and the scale of contribution.

The simulation tool embedded in the document TPVS/Inf(2021)10 considers four scales. The scale presented in option A is the one used for the ordinary budget of the Council of Europe. The subsequent scales set the minimum contribution at 0.26% (option B), 0.3% (option C) and 0.7% (option D) and the maximum contribution at 11%.

By introducing the total amount of the compulsory contributions in the simulator tool (e.g. 400,000 euros), the financial contribution of each Party is calculated automatically, according to the four scales proposed.

The members requested the Secretariat to add one or several examples of simulations using the ranges identified and preferably narrowing the scales to only three (merging A and B).

They also asked the Secretariat to examine the reasons of the higher contributions for the African countries, compared to some European Parties. In addition, members asked for the way the contribution rate of a country is calculated to be illustrated with an example.

8. *Other business*

None

ANNEX 1
LIST OF PARTICIPANTS

Contracting Party	Name
Czech Republic	<p>Ms Eliška ROLFOVÁ Unit of International Conventions Department of Species Protection and Implementation of International Commitments Ministry of the Environment</p> <p>Mr Jan BROJÁČ Ministry of the Environment</p>
Norway	<p>Mr Øystein STØRKERSEN Principal Advisor Norwegian Environment Agency</p>
Poland	<p>Ms Ewa PISARCZYK Senior expert General Directorate for Environmental Protection Department of Nature Conservation</p>
Slovenia	<p>Ms Maja HUMAR Nature Conservation Division Ministry of the Environment and Spatial Planning</p>
Switzerland	<p>M. Martin KREBS Département fédéral des affaires étrangères DFAE Secrétariat d'Etat DFAE Division prospérité et durabilité DPD Environnement, energie et santé</p>
Turkey	<p>Mr Burak TATAR Senior Specialist - Conservation Biologist Department of Wildlife Management General Directorate of Nature Conservation and National Parks Ministry of Agriculture and Forest</p>
United Kingdom	<p>Mr Simon MACKOWN Department for Environment, Food & Rural Affairs</p>
Council of Europe Secretariat	<p>Mr Matjaž GRÜDEN Director, Directorate of Democratic Participation</p>
	<p>Mr Gianluca SILVESTRINI Co-ordinator of the Department of Culture, Nature and Heritage</p>
	<p>Ms Ursula STICKER Secretary of the Bern Convention</p>
	<p>Mr Marc HORY Bern Convention Project Manager</p>

ANNEX 2 - Governance and resources of the Enlarged Partial Agreement

Secretary of the Bern Convention and one assistant:
160,000 €

Statutory meetings: 60,000 €

- Standing Committee
- Bureau of the Standing Committee

Monitoring activities: 40,000 €

- . Reporting on derogations to the Convention
- . Reporting on the conservation status of species and habitats
- . Case-file system
- . Systematic monitoring of the recommendations of the Standing Committee (new)
- . Country monitoring reports (new)

Strategic vision for the Convention: 20,000 €

- Working Group on the development of Strategic Plan 2021 - 2030 for the Bern Convention

Resolutions awarded by the CM: 20,000 €

Groups of Specialists on the European Diploma

Groups of Specialists on the European Diploma for Protected Areas;

Three Secretariat Staff: 190,000 €

Governing Board and Bureau meetings: 30,000 €
(meeting back-to-back with Standing Committee)

Standard setting activities: 80,000 €

Group of Experts on Protected Areas; on Climate Change and Biodiversity; on Illegal Killing of Birds; on Invasive Alien Species; on Large Carnivores; on Amphibians; on Reptiles; on Invertebrates.

Cooperation and assistance activities: 80,000 €

- . Regional/bilateral evaluation of the Emerald Network
- . Coordination of the implementation of the Action Plan on the conservation of Sturgeons (pending funds for the co-funding of the JP)
- . Possible cooperation projects in the Eastern Partnership and/or South East Europe (with DG Environment or the European Environment Agency)
- . Capacity building and networking (new)

Communication and awareness raising: 20,000 €

- . Communication campaigns (for the Bern Convention and the European Diploma)
- . Development of IT tools on the Emerald Network
- . Promoting the Bern Convention in schools (new)

Possible new topics of political relevance

Ordinary Budget: Tot.300,000 €

Partial Agreement: Tot. 400,000 €

ANNEX 3**AMENDMENT OF THE BERN CONVENTION****Article 14 bis**

The Standing Committee shall determine the appropriate financial mechanism to achieve the objectives of the Convention;

The Standing Committee shall determine for each financial period the appropriate financial resources for the implementation of the programme of work in the light of the ordinary budget allocation from the Council of Europe;

The core budget of the Convention shall result from the allocation of the Council of Europe's ordinary budget and the compulsory financial contributions from the established financial mechanism;

The Standing Committee shall agree, at each of its annual meetings, on a scale of financial contributions in order to complement the ordinary budget allocation of the Council of Europe;

The scale of financial contributions agreed on by the Standing Committee shall be endorsed by the Committee of Ministers of the Council of Europe;

Each Contracting Party shall contribute to the financial resources of the Convention according to the scale of annual contributions adopted.