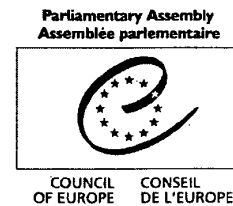


Parliamentary Assembly
Assemblée parlementaire



For debate in the Standing Committee — see Rule 15 of the Rules of Procedure

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**Budgets of the Council of Europe for the financial year
2006**

Report
Committee on Economic Affairs and Development
Rapporteur: Mr Andrea Rigoni, Italy, Group of the European People's Party

I. Draft Opinion

1. The Parliamentary Assembly welcomes the holding in Warsaw of the 3rd Council of Europe Summit which has reaffirmed the Council of Europe's central mission and role in Europe's political and institutional architecture. The ambitious Action Plan which has just been adopted undernably gives the Council a central position in a Europe which is to be free of dividing lines and founded on common values, built around human rights, democracy and the rule of law, while also finding expression in the areas of social cohesion and cultural co-operation.

2. Obviously, this mission cannot be properly discharged unless the Organisation is given adequate human and financial resources.

3. In this connection, the Assembly is concerned at the present situation of the European Court of Human Rights, whose funding remains glaringly inadequate in spite of the efforts made in the last few years to keep pace with its increasing workload. Failing adequate provisions, the Assembly fears that the Court's funding requirements may prejudice the needs of other Council of Europe activities and wreck the ambitious Action Plan from the outset. It welcomes the decision to establish a group of wise persons to consider the issue of the long-term effectiveness of the Court's control mechanism and looks forward to receiving the group's proposals.

4. The Assembly therefore reiterates its request to the Committee of Ministers to discard the principle of zero growth in real terms which has been adopted in recent years for the Council of Europe budget in favour of positive growth in real terms. It urges the governments of the member states to continue honouring their financial obligations by giving the Council of Europe the budgetary resources it needs to respond to the growing challenges which it faces and achieve the objectives set at the Summit.

5. Bearing in mind that it is politically essential to ensure that the gap between European Union and non-European Union states in the Council of Europe does not widen, the Assembly asks the governments of member states to give the Organisation the human and financial resources it must have to continue and further develop the quality and range of its assistance and co-operation programmes.

6. The Assembly reminds the Committee of Ministers of its statutory obligation (Article 38.e) to provide adequate financial resources whenever it takes political decisions which create more work for the Organisation.

7. To make management of the Organisation's expenditure and needs more flexible, the Assembly asks the Committee of Ministers to consider measures, which it proposed in its Opinions 236 (2002), 243 (2003) and 248 (2004) and in particular to:

i. explore the possibility of replacing the present annual budget with a two-year or even multi-annual budget, following the example of countries like the United Kingdom and other international organisations like the United Nations or the OECD which have two-year budgets, or the European Union which, if the Constitution is adopted, envisages having multi-annual budgets. This would enable the Organisation to plan and implement multi-annual projects with the certainty of adequate funding;

ii. review the criteria set out in Resolution (94) 31 whereby the contributions of the five major contributors were reduced to only 12.32% of the ordinary budget and to revise the method for calculation of contributions through the inclusion of a clause setting a minimum contribution to be paid by each member state which would cover the actual cost of its membership. Countries unable to meet this outlay would be granted a rebate. In this context, the Assembly wishes to underline that any possible changes in the criteria set out in Resolution (94) 31 should not be used to reduce the Organisation's overall budget.

8. The Assembly welcomes the signature by a significant number of member states at the Warsaw Summit of three major conventions concerning the fight against terrorism and trafficking in human beings. Furthermore, with regard to the increased ratification of treaty monitoring arrangements by member states, the Assembly recommends that the Committee of Ministers pay closer attention to the growing needs associated with these arrangements, resulting in additional strain on human and financial resources.

9. Believing that full compliance with the statutory rules on decision making will facilitate the taking of budgetary decisions by the Committee of Ministers and prevent blockages, the Assembly encourages all member states to play a bigger part in discussion of the budget and considers that the Committee of Ministers should take decisions on adoption of the Council of Europe's budget by a majority, in accordance with Article 20.d of the Statute.

10. The Assembly regrets that current arrangements for consultation are not entirely satisfactory since they do not allow it to influence either the overall amount or implementation of the budget. It accordingly considers that the time has come to make proposals on giving it budgetary powers of the kind normally exercised by parliamentary assemblies. In particular, it asks the Committee of Ministers to ensure that there is genuine consultation when the budget is being prepared. Specifically, this means that it should be consulted on the ceiling for the next financial year.

11. The Assembly asks the Committee of Ministers and the Secretary General to send it all the documents it needs to assess the programmes conducted by the Council of Europe and the implementation of the budget. In this context, it refers to the communication from the Committee of Ministers on examination of the budget of the Council of Europe (Doc. 349 of 9 May 1955) in

which it "instructed the Secretary General to transmit to the Assembly documentation comprising the final audited accounts for the previous Financial Year and the budget for the current financial year".

12. The Assembly considers that the time has also come to give it budgetary powers corresponding to its status as the Council of Europe's parliamentary and political body. It considers its present subordinate position incompatible with the principles of a genuine parliamentary democracy. It requests that it be given at least co-decision-making power to determine its operating budget, in accordance with its Recommendations 1155 (1991) and 1344 (1997). In particular, the Assembly, basing itself on Article 41.d of the Council of Europe's Statute concerning amendments, which states that "amendments to Articles 23 to 35 (Assembly), 38 and 39 (Finance) which have been approved by the Committee and by the Assembly shall come into force on the date of the certificate of the Secretary General, transmitted to the governments of members, certifying that they have been so approved", suggests that the Committee of Ministers add to Article 38 of the Statute, after paragraph c, a new paragraph, worded as follows:

"The Assembly shall determine the amount of its expenditure, the growth rate being agreed between the Committee of Ministers and the Assembly."

In this connection, the Assembly points out that the simplified procedure provided for in Article 41.d was already used to supplement this article in 1951 and that the "heavy" procedure for amendment of the Statute is not required.

13. As regards the 2005 ordinary budget, the Assembly welcomes the decision of the Government of the Russian Federation to maintain its financial contribution at the same level as those of France, Germany, Italy and the United Kingdom but regrets its use of blocking tactics, which resulted in late adoption of the budget. Having regard to the interests at stake and to its Chairmanship of the Organisation in 2006, it trusts that the Russian Federation will not forfeit its status as a major contributor.

14. The Assembly notes with interest the efforts made to achieve administrative modernisation within the Secretariat, and particularly the new presentation of the 2005 budget which highlights objectives and results. In this connection, it would like to be kept regularly informed of progress made and difficulties encountered in implementing projects in the programme of activities (evaluation of results). It also stresses that modernisation entails expenditure and requires appropriate financial resources.

15. By focusing on expected results, the new budget method gives the Assembly the information it needs to assess the soundness of the Council of Europe's programme of activities. This is why it would also like to receive the Secretary General's evaluation report for the Committee of Ministers which would allow it to assess the validity and outcome of the Council's various activities and make any necessary recommendations on improving, rectifying, redirecting or even discarding some of them, for the purpose of ensuring that the programme fully meets the needs and expectations of member states, in keeping with the aims of the Organisation.

16. The Assembly unreservedly supports the action priorities aimed at maintaining assistance to South-Eastern Europe and the Caucasus, as well as Moldova and Ukraine, in their democratic and peaceful development and contributing to the democratic rehabilitation of the Chechen Republic of the Russian Federation. Other priority areas include promoting social cohesion, cultural diversity and intercultural dialogue and continuing the Organisation's fight against terrorism, including its financing.

17. The Assembly welcomes the furthering and deepening of co-operation with the OSCE and the European Union which has led to the completion of a number of joint programmes, particularly those conducted in Albania, Bosnia and Herzegovina and Serbia and Montenegro

(including Kosovo). It is also convinced that the Council of Europe's field policy, which has resulted in the establishment of Council of Europe offices and the appointment of the Secretary General's Special Representatives, has significantly enhanced the implementation and pursuit of the Organisation's assistance programmes and made for better on-the-spot co-ordination between international organisations, thereby strengthening the Council of Europe's co-operation with the countries concerned.

18. The Assembly considers the signature of a joint Declaration between the Council of Europe and the OSCE on co-operation and complementarity between the two Organisations as a step in the right direction. In this context, it strongly encourages the Committee of Ministers to continue to intensify and rationalise co-operation between the Council of Europe and the OSCE, with a view to generating new synergies and co-ordinating their activities more effectively and to draw up an outline agreement for this purpose.

19. While welcoming the European Commission's decision to appoint a Strasbourg-based representative to the Council of Europe, the Assembly further recommends that the Committee of Ministers develop the closest possible links with the European Union, as well as more diversified forms of co-operation, especially as regards intergovernmental and assistance programmes. In particular, it thinks it vital that the Council of Europe's Secretary General and the Committee of Ministers open negotiations with the European Commission on an institutional partnership, giving the Council of Europe a unique and special link with the European Union and allowing it to work with the latter as a full partner. Such a link is fully justified by the Council of Europe's pan-European dimension and by the wealth of experience and expertise it has built up over a long period in dealing with the democratic, human rights and rule of law issues which underpin the types of programme on which it co-operates with the European Union.

20. In this context, the Assembly welcomes the guidelines on the relations between the Council of Europe and the European Union as defined in the Action Plan adopted at the Warsaw Summit and the decision taken by Heads of States and Governments of member states to instruct Mr Jean-Claude Juncker, Prime Minister and Minister of Finance of Luxembourg, to draw up, in a personal capacity, a report on relations between the Council of Europe and the European Union on the basis of the decisions taken at the Summit.

21. Finally, the Assembly encourages the Committee of Ministers to continue to make provision for the Field Mission Reserve which enables the Council of Europe to react swiftly to unforeseen political developments.

22. The Assembly notes with satisfaction the progress made with reform of human resources policy and particularly the emphasis on skills management, career development and mobility, not forgetting the integration of people with disabilities. It recommends that the Council of Europe pay special attention in its future recruitment policy to the principles of equal opportunity and fair geographical distribution which is based on member states' mandatory contributions.

23. The Assembly also notes with satisfaction the decisions taken to assist the early departure of permanent staff members. It accordingly proposes that the Committee of Ministers adopt a standing arrangement available to all staff for early termination of service and suggests that the existing appropriation in the ordinary budget be made an item of recurrent expenditure in order to speed up the turnover of the Organisation's human resources and promote systematic and efficient redeployment of staff.

24. The Assembly also asks the Committee of Ministers to increase the aggregate financial resources allocated to staff members' training which amount to only 0.5% of the Organisation's payroll. Here it should be pointed out that in many member states the financial resources allocated to this head of expenditure represent 1% to 2.5% of the total wage bill.

25. In view of the ongoing negotiations on future salary adjustments for all six co-ordinated organisations – the Council of Europe, the European Centre for Medium-Range Weather Forecasts, the European Space Agency, NATO, the OECD and the Western European Union – the Assembly urges the governments of Council of Europe member states to participate fully in the work of the Co-ordinating Committee on Remuneration as the appropriate forum for discussion of all questions relating to the remuneration of staff of the Co-ordinated Organisations. In this connection, the Assembly restates its view, already set out in Recommendation 1488 (2000), that an objective and mathematical method for salary adjustments must be established in order to enable the Secretaries General of these six international institutions to recruit, retain and motivate highly trained, competent and independent staff. It is therefore crucial that staff remuneration remain competitive with regard to three recruitment markets, namely the private sector, national civil services and international civil servants, also taking the European Union into consideration.

II. Explanatory Memorandum by Mr Rigoni, Rapporteur

1. Over the years, the Assembly's annual opinions on the Council of Europe budgets have provided parliamentarians with a deeper insight into the Organisation and its political evolution. The primary aim of these reports is to make recommendations on the Council's activities, with a view to examining the political implications of decisions taken by the Committee of Ministers concerning the Organisation's overall budget.

2. This report takes account of the exchange of views on 28 February 2005 between the Committee on Economic Affairs and Development, the Secretary General and the representatives of the Directorates of Administration, Finance and Strategic Planning. It should be noted that at the date when the present opinion was drafted, there were few official documents on budgetary prospects for the 2006 financial year, owing to a calendar established in the context of the Third Summit of Heads of State and Government of the Council of Europe on 16 and 17 May 2005.

3. First of all the Rapporteur wishes to thank the Secretary General for the very helpful and informative exchange of views which gave the Committee a better grasp of the political priorities and the budgetary prospects. Significantly, this is the first time that the Assembly has been involved at such an early stage in the budgetary discussions and thus been able to contribute to them more effectively.

4. The presentation of the budget and programme of activities is in sharp contrast to previous years following the introduction in 2004 of the new PMM (project management methodology) to assist in planning according to objectives and defining evaluation criteria, extended in 2005 by introducing the principles of results-based budgeting (RBB). This change in presentation marks a fundamental turning-point in the design and presentation of the budget and programme of activities, highlighting objectives and expected results and introducing performance indicators. The Council of Europe is one of the first international organisations to equip itself with a tool of this kind.

5. It is therefore appropriate to raise questions about the evaluation procedures and their implications, i.e. would the Secretariat be prepared to reconsider its priorities and objectives in the light of the evaluation of a given programme's results, even to the extent of abandoning part of its activities? There is the inherent risk of undermining the Organisation by taking decisions on financial criteria alone, and furthermore on which parameters could the evaluation of activities with high political significance be based? It is equally clear, as the Secretary General has pointed out, that this method is not aimed at determining the effectiveness of the Parliamentary Assembly or its organs but, by converse implication, could give its members a means of evaluating the Secretariat's work.

6. In this context, the Parliamentary Assembly might very usefully introduce a procedure for monitoring and evaluation of Council of Europe activities (its own included). The new budget method, which focuses on expected results, gives it the information it needs to assess the validity of the Council of Europe's programme of activities. It may also enable the Assembly to make recommendations to the Committee of Ministers and the Secretary General on improving, rectifying, redirecting or discarding certain activities, to ensure that the programme fully meets the needs and expectations of member states, in keeping with the aims of the Organisation, but without going into strictly financial questions. It might instruct one of its committees to analyse the Secretary General's evaluation report, and report to it with one or more proposals on recommendations.

7. The Rapporteur would mention that the Organisation's programme of activities as a whole was cut back in 2005 to eight lines of action constituting its central mission, viz. compliance with human rights and rule of law standards (including the activities of the Commissioner for Human Rights and the Committee of Ministers' monitoring system); human rights in public policy; building a society founded on the rule of law (including the information offices and operational support to democratic stability); promoting pluralist democracy and good governance (incorporating on-the-spot assistance); technological development, human dignity and democracy; building stable and cohesive societies; promoting European cultural identity and diversity; Europe's future through education and youth.

8. This new presentation of the activities programme offers the advantage of enabling the Committee of Ministers to modify the funding level of each line of action according to its own priorities without strain on the overall functioning of the Organisation. This feature will be still more worthwhile in the context of the decisions taken at the 3rd Summit of Heads of State and Government on 16 and 17 May and of the Action Plan adopted, since the member states will then be able to decide whether to increase or reduce the funding of a specific line of action in the light of the new priorities identified for the Council of Europe. This greater flexibility in working methods shows how deeply the Council of Europe is committed to its characteristic mission of serving its member states to the best of its ability and responding swiftly and effectively to their constantly evolving needs.

9. This year, following the conclusions of the 3rd Summit, the Council of Europe will continue to lay emphasis on a number of political priorities, within the limits of the available budgetary appropriations, of which member states' contributions represent just over € 186 million:

- Maintaining the effectiveness of the Council of Europe's activities and instruments to protect human rights;
- Enhancing the Council of Europe's role in the "new European architecture" brought about by the enlargement and continuing integration of the European Union, and further developing the Common Foreign and Security Policy within the Council of Europe;
- Carrying on the fight against the spread of terrorism, particularly by preparing a new comprehensive European convention on terrorism, corruption, organised crime, human traffic and illegal migration which, because they breed a growing sense of insecurity, pose a threat to the economic prosperity and the political stability of the Council of Europe member states;
- Furthering multicultural and inter-faith dialogue at all levels of society in Europe, with our neighbours and in co-operation with other organisations, particularly the United Nations and UNESCO world-wide;
- Highlighting and reinforcing activity on migration issues;
- Maintaining the Council of Europe's capacity for action on the ground to respond to urgent needs in member states;
- Strengthening the linkage between monitoring activities and co-operation programmes;
- Mainstreaming youth-oriented activities by developing the youth dimension across the full range of the Council of Europe's programmes and activities;
- Continuing to assist South-Eastern Europe, the Caucasus and Moldova and Ukraine;
- Contributing to the democratic rehabilitation of the Chechen Republic of the Russian Federation by devising and implementing programmes on human rights and by providing legal expertise in various fields.

10. In this context, the Rapporteur wishes to stress the importance of a presence on the ground (which includes certain information offices) and of the Secretary General's Special Representatives who facilitate the implementation of programmes *in situ* by informing the international partners as well as the local and national/federal authorities about developments in

the Council of Europe and by conveying feedback from the host countries to Strasbourg and thus allowing the effectiveness of the actions undertaken to be more accurately assessed.

11. This new approach should enable the Council of Europe not only to develop more systematic analyses based on the findings of the monitoring mechanisms but also to devise and implement policies designed to solve the problems and make good the shortcomings identified by these complex procedures. Moreover, the Rapporteur believes that regular assessment of the results of the monitoring processes will raise both the quality and the effectiveness of the Council of Europe's programmes of activity, thereby increasing their overall impact on the countries concerned.

12. Among the various activities mentioned above, the European Court of Human Rights indubitably represents one of the priority areas for the Council of Europe and its member states. As 2005 will mark the end of the 2003-2005 programme for enhancing the resources of the European Court of Human Rights and other departments involved in the execution of its judgments, the Rapporteur believes that the member states should now make speedy preparations for the entry into force of Protocol No. 14, take stock of the progress made by the Court over the past three years, and survey the short-term needs (up to 2007) in the light of the internal and external auditors' reports. As the Secretary General emphasised in his address to the Assembly at the January 2005 part-session, "There is an urgent need to bring Protocol 14 into effect, and to assess and provide the resources that are necessary to enable the Court to do the job."

13. As regards the financing of the Court, the Rapporteur has identified two major issues which need to be resolved. First, each member state should be able to cover the full cost of its contribution in respect of the European Court of Human Rights. The second problem is associated with the first to the extent that if member states do not pay the whole of this contribution and the Organisation continues to be subject to zero growth, it is likely that the Court will gradually but inevitably take the lion's share of the Organisation's limited resources. This would be harmful to the functioning and activities of the Council of Europe, which over the past six years has seen a marked reduction in the amount of available resources. Should this situation persist in the years ahead, the Organisation may well have problems in covering the administrative and operational costs of its present eight lines of action and other priority areas as defined in the Action Plan adopted by the Heads of State and Government. Hence it is vital that the Committee of Ministers continue to provide for the Court's additional financial needs without starving the Organisation's other important activities of resources.

14. In fact the resources allotted to the European Court of Human Rights have increased by over 6.5% (nearly € 41.74 million) over the 2004 appropriations, while Vote II, comprising the Organisation's entire programme of intergovernmental activities (some € 70 million), has registered only a very modest rise of just 0.61%. Thus the Rapporteur continues to wonder how the Committee of Ministers proposes to meet the Court's additional financial needs without damage to other important activities, which have seen their resources dwindle significantly over the last six years.

15. One should therefore concentrate on discovering ways to avert a situation where the European Court of Human Rights consumes the bulk of the Organisation's resources – whether new or existing. The Rapporteur is convinced that the Court, being the European body entrusted with the protection of human rights throughout the continent, should receive increased obligatory contributions enabling it to meet its ever-increasing structural needs.

16. Against this background, the Rapporteur wishes to emphasise that the Council's present financing mechanisms do not fit the bill, with the effect of gradually reducing the five major contributors' annual contributions (12.49 % in 2003, 12.40 % in 2004, and 12.32 % in 2005). Current scales of contributions reveal a certain lack of solidarity among member states.

17. The scale of member states' contributions to the Council of Europe ordinary budget is in fact laid down by Resolution (94) 31. Contributions are calculated according to a formula whose main elements are the population and GDP of member states, weighted in a ratio of 5 for GDP to 1 for population. With the accession of Serbia and Montenegro in 2003 and Monaco in 2004, the individual contribution of the five major contributors fell to 12.32% of the Organisation's ordinary budget. As well as underlining a lack of solidarity among member states, this factor aggravates the budgetary position of less wealthy countries. As a remedy, it would be possible to amend the present Resolution by including a clause setting a minimum contribution to be paid by each member state. In this context, the Rapporteur wishes to emphasise that any changes in the criteria set out in Resolution (94) 31 should not be used to reduce the Organisation's overall budget.

18. The attention of the Committee of Ministers should also be drawn to the additional costs associated with the launching of multi-disciplinary and multi-annual projects, enhancement of the Organisation's capacity to undertake action on the ground, and treaty monitoring arrangements which include the improvement of the Committee of Ministers' machinery for following up judgments of the European Court of Human Rights. The recent political crises in several new member states have highlighted the urgency of financing programmes whose activities target democratic security, a field where the Council of Europe's achievements and expertise would be an asset. Specific budgetary provision is also required for the ongoing monitoring of existing conventions. Further ratifications expected to be made in the course of 2005 as a result of the accession of new member states will place serious strain on the Organisation's already overstretched human and financial resources.

19. It is therefore crucially important for the member states to give the Organisation adequate resources to fund the whole of its activities. Consequently, increasing the budgetary resources of the Council of Europe must become one of the principal results which the Assembly will endeavour to obtain from the Committee of Ministers in the years ahead, especially in the light of the priorities laid down during the 3rd Summit, the foremost objective being to end the annual budgetary procedure followed at present by proposing the introduction of a bi-annual or even multi-annual budgetary framework which would enable the Council of Europe to devise and conduct these multi-annual projects with equanimity. Financing structures of this kind already exist not only for certain countries e.g. the United Kingdom, but also for international organisations like the United Nations (which has a two-year budget), not to mention the European Union which, upon the adoption of its Constitutional Treaty, will establish a multi-annual budgetary framework.

20. By securing reliable financial resources in this way, the Council of Europe will be able to devote all its energies to implementing projects relating in particular to the consolidation of democratic and political institutions in the Balkans, South-Eastern Europe and the Caucasus, resisting the spread of terrorism, organised crime, money laundering, corruption and trafficking, the protection of minorities and the fight against trafficking in human beings and social exclusion. Moreover, in the struggle against racism, anti-Semitism, xenophobia and intolerance the Council of Europe's legal instruments could be further strengthened, as could co-operation with the European Union, the OSCE and the United Nations.

21. Regarding co-operation with the European Union the first point, which is to be welcomed, is the European Commission's decision to appoint a special representative to the Council of Europe stationed in Strasbourg and the decision taken at the Warsaw Summit to instruct Mr Jean-Claude Juncker to draw up a report on relations between the Council of Europe and the European Union. Secondly, it may need to be recalled that since 2001 a Joint Declaration on cooperation and partnership between the Council of Europe and the European Commission has been signed. This text supplements the exchanges of letters between the Secretary General of the Council of Europe and the President of the European Commission in June 1987 and November 1996. The agreement provides for the organisation of an annual meeting between the

two institutions to draw up objectives, plan activities, monitor joint programmes and evaluate their implementation. It is important to mention here that between 2001 and 2004 the European Union's voluntary contributions rose from € 2 210 028 to € 10 103 972, which convincingly demonstrates the European Union's keen interest in the Council of Europe programme of activities.

22. However, this co-operation arrangement is not really satisfactory and certain difficulties persist because for one thing the Council of Europe is obliged to go through the public procedure of external bidding to obtain funds for its project, in the same way as an external consultant firm, and furthermore the European Commission seeks to guide the implementation of the joint programme according to its own priorities as it provides the larger share of the financing. The Council of Europe for its part, being unable to provide more funding for want of financial resources, is in no position to exert greater influence on the direction of the joint programme.

23. As a consequence, the Council of Europe can co-operate with the European Commission only if willing to comply with the latter's instructions. It is therefore vital that the Secretary General of the Council of Europe and the Committee of Ministers begin to negotiate an institutional partnership with the European Commission in order to provide the Council of Europe with a unique and special link enabling the Organisation to co-operate as a full partner in the management of joint programmes and to obtain more finance for activities of common interest. Such a link is fully justified by both the Pan-European dimension of the Council of Europe and the fund of experience and knowledge which it has long since acquired in addressing the issues of democracy, human rights and the rule of law that underpin the type of programmes on which it co-operates with the European Union. This desirable strengthening of institutional links would also obviate setting up structures that might compete with the existing bodies effectively dealing with social rights, minorities, treatment of prisoners and prevention of racial discrimination, such as the Agency for Fundamental Rights lately established in Vienna to replace the Monitoring Centre on Racism and Xenophobia, or the draft European convention on prevention of trafficking in human beings which embarrasses the European Union as the Council of the Union has itself adopted a framework decision on combating trafficking in human beings.

24. Where relations with the OSCE are concerned, the Rapporteur would recall that in June 2004 the Norwegian Minister for Foreign Affairs, in his address to the Parliamentary Assembly as Chairman of the Committee of Ministers, issued a call to strengthen the co-operation with the OSCE. The Rapporteur sincerely hopes that the two organisations may agree on formulating a framework agreement to enhance their mutual supportiveness and synergies and avert needless overlapping of activities, especially in the field. He considers the signature of the joint Declaration between the Council of Europe and the OSCE as a good starting point.

25. Generally speaking, although voluntary contributions are welcome additional resources for the Organisation, they cannot replace obligatory contributions in the financing of multi-disciplinary and multi-annual projects. Voluntary contributions, invariably generous at the start of all programmes, actually tend to diminish in subsequent years. This compels the Organisation either to finance these projects from its limited ordinary budget to the detriment of other activities, or to stop them outright for want of resources. This situation is all the more regrettable as all member states interested in making Europe a broad area of democratic security based on shared values should have the chief objective of strengthening peace and stability across our continent. The fact is that the Council of Europe's expertise and experience in a wide range of co-operation sectors genuinely represent a unique asset among European political organisations.

26. Considering the great importance of the human factor in the successful conduct of the Organisation's activities, the Council of Europe should arm itself with an ambitious modern policy on human resources in order to assure its Secretariat of a skilled and motivated staff. The Rapporteur therefore wishes to give his support to the reform in hand to modernise human resources policy. This policy, whose main thrusts were defined in 2001, focuses on four priority

areas (recruitment and contractual policy, management of posts and job classification, competencies management and career development, appraisal and performance management) and is regularly monitored by the Committee of Ministers. Where recruitment is concerned, the emphasis is on competencies; this must go hand in hand with respect for the principles of equal opportunity and fair geographical distribution.

27. In accordance with this approach, the Secretary General has suggested to the Committee of Ministers the revival of a procedure already used in 2000 and 2001: early termination of service. The Committee of Ministers took a favourable view of this measure, which may be implemented as from 2006. This scheme of early departure is governed by a number of regulatory instruments, viz. Article 2 of Appendix VI to the Staff Regulations (Regulations on indemnity for loss of job) and Resolution (92) 28 introducing special measures to terminate the service of permanent staff of the Council of Europe. To be eligible for these measures, staff members are required to be 58 years of age or over and to have completed at least 15 years of service. The objectives pursued are primarily readjustment of the geographical distribution of staff members, input of new expertise into the Secretariat, and increasing motivation (improvement of promotion prospects) and internal mobility. The principal cost of the operation will be incurred through payment of compensation to the staff members concerned, and this will be defrayed by an internal loan over five years as was the 2000-2001 retirement plan, for which a provision of € 484.000 was entered in the budget for the five previous years. It will therefore be possible to finance this operation by retention of the aforesaid provision in the budget. In this context it would be quite feasible for the Committee of Ministers to adopt, in place of a plan financed over a five-year period, a standing arrangement for early termination of service available to all staff by converting the existing appropriation in the ordinary budget into an item of recurrent expenditure.

28. Where staff turnover is concerned it is worth noting that in 2004, 12 staff members resigned, 2 did not have their contracts renewed at the end of the probationary period, 25 retired and 2 died. There were 41 departures in all. On the other hand, in 2005 the Council of Europe created 31 posts (29 of them to last until 31 December 2008, as part of the reinforcement of activities relating to the European Court of Human Rights). These 31 posts, 2 of them in respect of Monaco's accession, were all created in the Court itself except one assigned to the section dealing with Court judgments of the Directorate General of Human Rights (DGII).

29. Lastly, regarding the questions raised by salary adjustments for all six co-ordinated organisations – the Council of Europe, the European Centre for Medium-Range Weather Forecasts, the European Space Agency, NATO, the OECD and the Western European Union - the Rapporteur would point out that the present method of salary adjustment was laid down in the 139th report of the Co-ordinating Committee on Remuneration (CCR) for a period of 4 years to run from 1 January 2003 to 31 December 2006. The method was agreed to and adopted by the Committee of Ministers in November 2002 but the latter, concerned over the automatic functioning of the salary adjustment and the growing proportion of the ordinary budget represented by salaries, wishes to review the method at the earliest opportunity. In this connection the Rapporteur would stress that the Council of Europe is not the proper arena for resolving salary issues, and invites all member states to participate fully in the activities and reforms proceeding in the context of the body serving all six co-ordinated organisations, namely the CCR, bearing in mind the proposals presented by the Assembly in Recommendation 1488 (2000).

30. In conclusion, the Rapporteur considers that the Assembly's present budgetary powers are completely unsatisfactory. In fact, its role concerning the Council of Europe's general budget is minimal. In the wake of the Warsaw Summit, the time has come to give it genuine budgetary powers of the kind normally exercised by all parliamentary assemblies.

Reporting committee: Committee on Economic Affairs and Development.

Reference to committee: Standing mandate

Draft Opinion adopted by the Committee on 23 May 2005

Members of the committee: Mr Evgeni **Kirilov** (Chairperson), Mrs Antigoni Pericleous Papadopoulos (Vice-Chairperson), Mr Márton **Braun** (Vice-Chairperson), Mr Konstantinos **Vrettos** (Vice-Chairperson), MM. Ruhi **Açikgöz**, Ulrich Adam, Hans Ager, Miguel Anacoreta Correia, Abdülkadir **Ateş**, Radu-Mircea Berceanu, Akhmed Bilalov (alternate: Mr Nikolay **Tulaev**), Jaime Blanco, Patrick **Breen**, Milos Budin, Erol Aslan **Cebeci**, Mrs Ingrida Circene, MM. Valeriu Cosarciuc, Ignacio Cosidó, Giovanni Crema, Øystein Djupedal, Ioannis Dragassakis, Iván Farkas (alternate: Mrs Edita **Angyalová**), Relu Fenechiu, Mrs Siv **Fridleifsdóttir**, Mr Carles Gasóliba, Ms Jane Griffiths, MM. Francis Grignon, Alfred Gusenbauer, Norbert **Hauptert**, Anders G. Högmark (alternate: Mr Göran **Lindblad**), Klaus Werner **Jonas**, Ms Verica Kalanović, MM. Karen Karapetyan, Orest **Klympush**, Anatoliy **Korobeynikov**, Rudolf Kraus, Zoran Krstevski, Jean-Marie **Le Guen**, Harald Leibrecht, Rune Lund (alternate: Mr Jens Hald **Madsen**), Gadzhly Makhachev (alternate: Mrs Liudmila **Pirozhnikova**), Jean-Pierre Masseret (alternate: Mr Jean-François **Le Grand**), Miloš **Melčák**, Mrs Ljiljana Milićević, MM. Neven **Mimica**, Conny **Öhman**, Mart Opmann, Mrs Clara Pintat Rossell, MM. Bogdan **Podgórski**, Jakob **Presečnik**, Jeffrey Pullicino Orlando, Luigi Ramponi, Maurizio Rattini, Maximilian **Reimann**, Dario **Rivolta**, Lord Russell-Johnston (alternate: Baroness Gloria **Hooper**), MM. Volodymyr Rybak, Kimmo **Sasi**, Bernard Schreiner (alternate: Mr Michel **Hunault**), Samad Seyidov (alternate: Mr Aydin **Mirzazada**), Leonid Slutsky, Ms Geraldine Smith, Mrs Aynur Sofiyeva, MM. Christophe Spiliotis-Saquet, Dimitar **Stefanov**, Qazim Tepshi, Frans Timmermans, Dragan Todorović, Mrs Ágnes Vadai, Mr Luc **Van den Brande**, Mrs Jelleke **Veenendaal**, Mrs Birutė **Vésaitė**, MM. Oldřich Vojtř, Varujan Vosganian (alternate: Mr Mircea **Mereuță**), Robert **Walter**, Andrzej **Wielowieyski**, Marek Wikiński, Paul **Wille**, Mrs Rosmarie Zapfl-Helbling (alternate: Mr Johannes **Randegger**), Mr Kostyantyn Zhevago

NB: The names of the members who took part in the meeting are printed in **bold**

Head of Secretariat: Mr Torbiörn

Secretaries to the committee: Ms Ramanauskaite, Mr De Buyer