



Document title	HELCOM Budget transfers for the financial year 2020-2021
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Background

On 9 November 2020 the HELCOM Secretariat requested that the HELCOM Chair approve transfers between various chapters of the budget for the ongoing financial year 2020-2021, in accordance with Rule 2.6 of the Financial Rules for the Helsinki Commission. The requested approval was granted on 15 November 2020. The changes effected and approved are explained in the present document.

Action requested

The Meeting is invited to take note of this explanatory memorandum and of the approved HELCOM Budget transfers for the financial year 2020-2021.

Explanatory Memorandum on HELCOM Budget transfers for the financial year 2020-2021

On 9 November 2020 the HELCOM Secretariat requested the HELCOM Chair to approve transfers between various chapters of the budget for the ongoing financial year 2020-2021, in accordance with Rule 2.6 of the Financial Rules for the Helsinki Commission. The requested approval was granted on 15 November 2020.

The transfers effected reflect modified budgetary needs of the Secretariat that have developed over the years and were enabled largely by changes in the working mode of HELCOM caused by COVID-19. Due to the pandemic, there have been no physical meetings requiring travel during the current financial year and it can be assumed that this situation will persist and meetings will continue to take place online until the end of the financial year in June 2021. This freed up resources for alternative use. Nevertheless, in reallocating funds to other budget lines, the Secretariat was mindful of the need to be prepared for a minimum level of physical meetings that might take place in the late spring or early summer of next year and has therefore budgeted accordingly.

The changes to the budget can be seen in the table 1. The first column shows the budget for the financial year 2020-2021 as adopted by HELCOM 41-2020. The second column presents the modified budget for the ongoing year, and the last column includes remarks regarding the changes.

The most significant changes in the budget are related to savings in cost categories 1. (Meeting Expenses) and 4. (Travel). Moreover, savings in cost category 10. (Meeting support) are also travel-related. The most substantial increases concern cost categories 2. (Salaries and remunerations) and 11. (Projects). The increases in those categories are explained in more detail below.

Cost category 2. includes the salaries of Secretariat staff, excluding project staff, as well as compulsory employer costs, remunerations identified in the staff rules, the insurances and occupational healthcare costs. Except for the actual salary costs, all other costs in this chapter have continually increased over the years, reducing the funds available for the salaries as such. Therefore, there has been a shortfall in the salary budget for some time. In early 2020, changes in the BSAP Update project management as well as other developments necessitated the immediate re-allocation of staff resources, further aggravating a need for additional Secretariat staff that has been felt since well before the current budget year. The shifts between chapters of the budget now undertaken reflect these developments. Two additional posts have been created, namely a full-time post of Administrative Assistant and a new post of Associate Professional Secretary suggested to start on 1 January 2021. In addition, higher occupational health care costs have also been budgeted for the current financial year to cover potential additional expenditures due to COVID-19.

The other substantial change in the proposed budget is the increase in the HELCOM project budget. The increase is mainly attributable to the HOLAS III -related project Methodology Development (MetDev). The project has been planned from the outset but was not included in the original budget. The Secretariat had envisioned securing funding for MetDev through additional contributions from the Contracting Parties. However, due to budgetary constraints in most Contracting Parties, the project has now been included in the HELCOM budget. The MetDev project is a fundamental part of the HOLAS III project, and therefore not finding funding for it would severely impact the HOLAS process.

Furthermore, the budget for the BSAP Update has been increased by 8.000 €. In the original plan, a tentative reserve of 20.000 € for the project was budgeted for the current budget year, but with the updated figures the need is significantly smaller. Thus, the remaining gap in the BSAP Update project funding has been filled in the modified budget.

Finally, there is an increase in budget chapter 11.15 (Integrated information systems), which is a continuous project for updates in the Secretariat ICT systems. The Secretariat urgently needs modernized administrative tools, as also repeatedly acknowledged by the auditor. Funds for this have been partly budgeted in the current budget year and the process is planned to continue in the next budget year. Furthermore, there is a need to start planning an update in the HELCOM Meeting portal. To initiate that process, a small amount has been budgeted for the ongoing budget year. During the current budget year, the final expenditures for the external website renewal were covered from this budget chapter.

Table 1: HELCOM budget for the Financial year 2020-2021

		2020-2021 endorsed	2020-2021 proposal	Difference	Remarks
1.	Meeting Expenses	118 000,00	10 000,00	108 000,00	Minimum reserve for physical meetings in the spring
2.	Salaries and remunerations	1 014 000,00	1 077 000,00	-63 000,00	Includes occupational health care costs that have been increasing over the years and bigger increase now due to Covid-19; Extra help needed for substance work and administration
3.	Data handling and consultant services	156 800,00	156 800,00		
3.1/1	COMBINE database	65 000,00	65 000,00		
3.1/5	PLC WATER	24 000,00	24 000,00		
3.2/2	EMEP Centers (PLC AIR)	53 000,00	53 000,00		
3.3	Cooperation with ICES and other expertise	14 800,00	14 800,00		
4.	Travels	43 000,00	5 000,00	38 000,00	Minimum travel budget reserved for the spring
5.	Communications *)	77 000,00	77 000,00		
6.	Rent and maintenance of the Office *)	188 000,00	188 000,00		
7.	Publications and information activities	90 000,00	90 000,00		
8.	Material and equipment *)	57 000,00	57 000,00		
9.	Miscellaneous	29 000,00	31 000,00	-2 000,00	Replenishment of WCF not needed as the limit was reached during 2019-2020. Additional training planned for the staff for moderating and facilitating online meetings. Negative bank interest and banking charges bigger than estimated
	Other miscellaneous	19 000,00	22 000,00		
	Replenishment of WCF	5 000,00	0,00		
	Negative bank interest and bank charges	5 000,00	9 000,00		
10.	Meeting support	7 000,00	500,00	6 500,00	Some physical meetings earliest during the spring, small reservation for meeting support
11.	Projects	287 924,00	375 424,00	-87 500,00	Projects detailed below
11.15	Integrated information system	21 588,00	50 000,00	-28 412,00	Needed updates in the HELCOM information, communication and management systems. During 2020-2021 modernizing part of HELCOM administrative tools (including bookkeeping system) and finishing the update of HELCOM external website, also preparing for Meeting Portal update (i.a. creating a better user management system).
11.17	Other projects	17 000,00	17 000,00		non-earmarked funds for new projects/additional needs
11.49	HELCOM PEG QA II	6 160,00	6 160,00		HOD 55-2018, para 4.59 (total 16.480 €, 2020-2022).
11.50	HELCOM FISH PRO II and III	5 500,00	5 500,00		HOD 53-2017 approved continuation 2018-2023, total budget 27.500 € (para 3.58).
11.55	HELCOM CORE INDICATORS AND DATA UPDATE WORK	50 000,00	50 000,00		HOD 48-2015, para 3.64; HOD 51-2016; HOD 54-2018 approved the project until 2021 (para 4.25).
11.56	HELCOM PLC 7 and PLC 8	58 676,00	58 764,00		HOD 51-2016, para 6.79 (total 300,000 € until 2021). For 2019-2020: 70,000 € + 5,000 € (as the sum requested for budget 2016-2017 could not have been earmarked fully). 2020-2021 according to the project budget.
11.58	BSAP UP	35 000,00	43 000,00	-8 000,00	HOD 55-2019, document 3-1: 70.000 € for BSAP UP project Manager, including 50.000 € from HELCOM budget for the financial year 2019-2020 and 35.000 € (+tentatively 20.000 €) for 2020-2021.
11.59	PLC Annual	47 000,00	47 000,00		Project earlier included in Chapter 3.1/5.
	HOLAS III: HELCOM data flow	47 000,00	47 000,00		
	HOLAS III: Methodology development (Metdev)		51 000,00	-51 000,00	Project application submitted to HOD 59-2020
	TOTAL	2 067 724,00	2 067 724,00	0,00	
*) Paid from the Finnish Headquarter contribution					