



Document title	Draft budget for 2022-2023 and budget estimate for 2023-2024
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During HOD 61-2021, the Heads of Delegation had a closed session to discuss the original document 7-3 Draft budget for 2022-2023 and budget estimate for 2023-2024. Based on the closed session, this revised version was created to reflect the changes requested. This document will replace document 7-3.

Background

The 42nd Meeting of the Helsinki Commission endorsed the draft budget estimate for the financial period 1 July 2022- 30 June 2023 (outcome of HELCOM 42-2021, paragraph 7.3).

Income (Attachment 1)

The income budget for the financial year 2022-2023 is the same as the budget estimate endorsed by HELCOM 42-2021, with the exception of the contribution of Estonia, which will remain at the same level as for the financial year 2021-2022. The inflation compensation is included in the budget for all the other Contracting Parties. Equal contributions are not yet reached for the financial year 2022-2023, but the final step to achieve the goal is planned to take place for the year 2023-2024, as presented in the draft income budget estimate.

For the current financial year 2021-2022, there was no inflation compensation included in the income budget, even though the inflation in Finland for the year 2021 is estimated to be 1,9 %. Furthermore, the inflation for the year 2022 is estimated to be 1,6 % and for the year 2023 1,7 %. As both the actual and estimated inflation are rather significant, the inflation compensation of 1,5 % is included in the draft budget estimate for the financial year 2023-2024. The inflation compensation is crucial for the Secretariat to be able to maintain the operations on the current level.

Expenditures (Attachment 2)

The expenditure budget for the financial year 2022-2023 as included in attachment 2 is explained in detail further in this document.

3-year budget development comparison (Attachment 3)

The attachment contains the budget development comparison for the years 2020-2021, 2021-2022 and 2022-2023.

Action requested

The Meeting is invited to consider the draft budget for the financial period 1 July 2022 to 30 June 2023 and advise the Executive Secretary to submit it to HELCOM 43-2022 for official adoption.

Likewise, the Meeting is invited to consider the draft income budget estimate for the financial period 1 July 2023 to 30 June 2024 and advise the Executive Secretary to submit it to HELCOM 43-2022 for official endorsement.

Further, the Meeting is invited to approve a budget transfer from the financial year 2021-2022 to allow travel related savings to be used for the financial year 2022-2023.

Expenditure budget for the financial year 2022-2023 (Attachment 2)

Chapter 1 Meetings, Chapter 4 Travels and Chapter 10 Meeting support

Compared to previous years, the biggest change in the expenditure budget is the decrease in the Meeting and Travel budget chapters (Chapters 1 and 4), as was the case already for the ongoing financial year 2021-2022. HOD 59-2020 endorsed the meeting plan, where part of the physical meetings of the HELCOM working groups and subgroups were decided to be replaced with online meetings (Outcome of HOD 59-2020 and document 7-1 of HOD 59-2020).

Further, the COVID-19 pandemic continues to impact the current financial year 2021-2022, preventing physical meetings from taking place at least for the first half of the financial year. Therefore, the Secretariat foresees budgetary savings in meeting- and travel-related budget chapters for the current financial year. As the budget for the financial year 2022-2023 is very tight mainly due to bigger internal projects such as HOLAS III and Redlist, a transfer of underspend from the financial year 2021-2022 is proposed to be carried out for the next financial year 2022-2023 as a transitory item. The transfer is proposed to be used for meeting- and travel-related costs during the year 2022-2023. With the proposed budget transfer, the Chapter 2 can be maintained on a lower level without compromising the planned meetings.

Further, the budget for Chapter 10 Meeting support is at the same level as for the financial year 2021-2022 and corresponds the number of planned physical meetings.

Chapter 2 salaries and remunerations

Cost category 2 includes the salaries of the Secretariat staff, excluding project staff, as well as compulsory employer costs, remunerations identified in the staff rules, the insurances and occupational health care costs. All the salary-related costs explained above have increased over the years, leaving less and less room for the actual salaries. Therefore, a gap in the salary budget has developed over a longer period of time. Also, the periodic fluctuation among the Professional Staff members creates costs in this chapter due to moving costs and relocation allowances to be paid. In chapter 2, the slight increase in the salary budget reflects the increased costs related to salaries.

Further, the proposed budget for Chapter 2 includes the continuation of the two newer positions: Associate Professional Secretary and Administrative Assistant, for whom the current employment contracts expire on 30 June 2022 when the current financial year ends. The continuation of these contracts was agreed to be discussed again within the current budget document (HOD 59-2020, document 7-2-Rev.1 and HELCOM 42-2021 document 7-2-Rev.2), as the pressing need for additional staff members at the Secretariat has been recognized.

Regarding the administrative staff, the resources of the Secretariat would be extremely limited without the new administrative assistant, who was employed in August 2020 and has proven to be a very valuable and extremely needed support for the Secretariat operations. The administration of the Secretariat, including financial management, bookkeeping and travel management, as well as payroll, HR and general administrative tasks of the office, is conducted by only two staff members. The gap in the administrative personnel was aggravated when a long-term staff member retired at the end of 2019 and the number of administrative staff was continually decreased also in the past, while the overall workload of the Secretariat has increased, together with the number of Secretariat staff, directly affecting the amount of administrative work. Therefore, the workload within the administration has become overwhelming, leading to an unsustainable situation and also leaving no room for any development work that would be required for ensuring efficient processes and meeting modern requirements. During the past year and with the help of the administrative assistant, some of the pending development work has been started. However, the COVID-19 pandemic further increased the administration-related workload at the Secretariat and thus some of the processes had to be postponed.

Some of the most urgent pending development work is related to HELCOM administrative tools, which have not been modernized during the last decades. This results in more manual work in the administration than customary in modern offices and incompatibility with other processes, a problem that has also been highlighted by the HELCOM auditor (document 7-4 to be submitted to the meeting). For the last two years, there has therefore been the aim of modernizing the administrative systems as soon as there are financial resources to execute the process. Furthermore, the process of modernizing the tools is a very laborious task and it is not possible to carry it through without additional staff in the administration. Moreover, new systems are needed not only for the financial management and bookkeeping, but also for travel management, HR and payroll. Therefore, it will not be possible to carry these processes through within just one or two financial years, but they will need to be executed in phases, due to lack of staff resources but also for budgetary reasons.

Therefore, the additional administrative post is needed for the everyday operations of the Secretariat but also for enabling the execution of the urgently needed modernization plans of the Secretariat administrative systems.

The General Service staff (G-staff) are a key component of the operational capacity of the HELCOM Secretariat both regarding internal Secretariat functionalities and Secretariat-Contracting Party interaction. The Associate Professional Secretaries (APS) are a significant contingent within this group. The APS are assigned to one or more of the Professional Secretaries to directly support the preparation and execution of HELCOM, Heads of Delegation and Working Group meetings, and via the same process manage the relevant sub-groups. Thus, they support good progress for the Contracting Parties as well as facilitate vital coordination tasks (e.g. planning and execution of the tasks of the Secretariat within the subsidiary bodies, management of contact lists, registrations, etc.). In addition, the APS staff often act as contact points within other relevant regional or broader processes (e.g. links to other Regional Sea Conventions, United Nations fora or EU level Technical Groups), HELCOM-led projects and also external projects. Thus, the APS are key to the practical running of the Secretariat and to the support of Contracting Parties and meetings, and they transfer information and knowledge between the Expert Groups and, via the Professional Secretaries, to the Contracting Parties and Working Groups. Moreover, the APS represent a key element of institutional memory within the Secretariat. They are therefore vital to meeting the informational needs of the Secretariat (e.g. in connection with the periodic staff changes at the Professional and Executive levels) and Contracting Parties, as they emerge.

While the internal Secretariat structure has not significantly changed over time, the nature and volume of the work, as well as the structures established to carry out the vital functions of HELCOM have evolved greatly. The altered systems have formalized the work within HELCOM, supported robust networks and information flow across the region and provided strong outcomes. However, in order to provide optimal support for the Contracting Parties, there is a need for the Secretariat to adapt internally to the institutional changes that HELCOM has undergone over the years. For example, between 2013 and 2020 there has been a vast increase in the number of Groups within the HELCOM structure, in particular concerning Expert Groups, the number of which has increased from 10 to 37 in that period. While this figure does not take into account of all relevant aspects since, for example, internal projects and processes such as BSAP update, HOLAS and the Maritime Assessment generate peaks in activity and increase the workload also for the APS, it does provide an insight into the institutional changes that have been undertaken to allow HELCOM to deliver the outcomes the Contracting Parties expect it to deliver.

Previously, the Secretariat has maintained its functionality and adapted to the changing workload by assigning additional tasks to existing staff with an interest or expertise in certain themes. It has become increasingly clear, however, that there are limits to what could be achieved with this stopgap approach, which is not sustainable in the long term. There are clear risks to this strategy in that staff members are becoming overloaded. Quite apart from the detrimental effect on the health and wellbeing of staff, which are a source of increasing concern, this overload could also have a negative impact on the potential outcomes of Secretariat work.

Due to the increased workload related to supporting the HELCOM bodies, an additional APS was added to the workforce of the Secretariat in February 2021, after HOD 59-2020 discussed and decided on the

matter (document 7-2-Rev.1). Significant benefits have been attained by the additional APS, who has been available for supporting the work of the Working Groups and expert groups. The benefits have included rationalization of tasks, ensuring improved coordination (internal and external), reaching a more balanced task distribution and thereby ensuring good input to all relevant processes. Keeping the number of APS within the Secretariat in the current frame of five staff members would contribute to maintaining the quality of services delivered by the Secretariat, for the benefit in the long-term of both the organization as a whole and its Contracting Parties. The current team of APS at the Secretariat is composed of staff members who have been working at the Secretariat for at least six years. Such retention of knowledge assists in ensuring smooth coordination of the Secretariat tasks as well as maintaining a viable and long-term institutional memory. Following the respective technical expertise of the APS in the action areas (i.e. policy relevance and competences) and more broadly in the HELCOM processes, the Secretariat recently re-organized the division of tasks among the five APS, as included in Attachment 4. As can be seen from the Attachment 4, the workload for each APS is substantial even with the current number of five staff members.

Even though it can be assumed that the need for these two additional staff members would continue to exist in the long term, the Secretariat proposes to initially continue the employment contracts for three years, until the end of the financial year 2024-2025. The possible continuation of the employments beyond that can then be evaluated and discussed at a later stage.

Other budget chapters

The proposed allocations for Chapters 3 Data handling and consultant services and 11 Projects are based on requests from the HELCOM Groups, on existing contracts and on decisions by the Heads of Delegation. As the budget for the financial year is rather tight, there are no possibilities for reserving budget for project needs presented at a later stage (Chapter 11.17).

Further, Chapter 11.15 Integrated information system includes the part of the budget for the needed updates in the HELCOM information, communication and management systems. The modernization and updating processes are large-scale and therefore extend over several financial years. The sum for the year 2022-2023 (34.000 €) is targeted to cover partly the modernization of HELCOM administrative tools, including the accounting system, where the need is also recognized by the auditor.

The budget Chapters 5 Communications, 6 Rent and maintenance of the office and 8 Material and Equipment are covered from the Finnish Headquarters (HQ) contribution. Chapter 7 Publications and information activities includes the communication costs of the Secretariat. Also, the chapter includes the ICT costs that are not covered by the Finnish HQ contribution. Those are for example the service costs for the Meeting Portal support.

The budget of the present financial year and some additional information regarding budgetary allocations for data handling and consultant services (Chapter 3) and for projects (Chapter 11) under the HELCOM umbrella are also included in the table for ease of reference.

ATTACHMENT 1

Income budget for the financial period 1 July 2022 - 30 June 2023 and draft budget estimate for the financial period 2023-2024 (EUR)

		1,50 %	1,50 %
	2021-2022 <i>Current Budget year</i>	2022-2023 <i>Draft</i>	2023-2024 <i>Draft budget estimate</i>
1. HQ contribution by Finland	322 000	322 000	322 000
2. Contributions by CPs			
2.1 Denmark	190 114	192 966	195 860
2.2 Estonia	184 577	184 577	195 860
2.3 European Union	51 309	52 079	52 860
2.4 Finland	190 114	192 966	195 860
2.5 Germany	190 114	192 966	195 860
2.6 Latvia	190 114	192 966	195 860
2.7 Lithuania	190 114	192 966	195 860
2.8 Poland	190 114	192 966	195 860
2.9 Russia	190 114	192 966	195 860
2.10 Sweden	190 114	192 966	195 860
3. Interest and other income	0	0	0
4. Transfer from Working Capital Fund	0	0	0
5. Other contributions	0	0	0
TOTAL INCOME	2 078 798	2 102 384	2 137 600

Expenditure budget for the financial period 1 July 2022 - 30 June 2023

ATTACHMENT 2

EXPENDITURE (EUR)		2021-2022		2022-2023 draft		Remarks
1.	Meeting Expenses		85 000,00		60 000,00	Meeting costs according to the new meeting plan, transfer from the year 2020-2021 proposed to the year 2022-2023
2.	Salaries and remunerations		1 160 000,00		1 177 000,00	Chapter includes salaries, remunerations, employer costs, occupational health care and insurances.
3.	Data handling and consultant services		150 000,00		69 500,00	The contracts continue as before, but will be partly covered from savings accumulated during previous years.
3.1/1	COMBINE database	65 000,00		65 000,00		Current contract valid for 2020-2022
3.1/5	PLC WATER	24 000,00		0,00		Database hosting, current contract valid for 2021-2022, Budget year 2022-2023 covered from underspent from previous years.
3.2/2	EMEP Centers (PLC AIR)	53 000,00		0,00		Current contract valid for 2020-2023, Budget year 2022-2023 covered from underspent from previous years.
3.3	Cooperation with ICES and other expertise	8 000,00		4 500,00		Maintenance of HELCOM-OSPAR Impulsive noise registry and HELCOM Continuous noise database and soundscape tool (HELCOM 40-2019, para 3.40).
4.	Travels		20 000,00		25 000,00	Travel costs cut due to emphasis on attending meetings online when possible.
5.	Communications *)		74 000,00		91 500,00	
6.	Rent and maintenance of the Office *)		190 000,00		188 000,00	
7.	Publications and information activities		85 000,00		72 500,00	
8.	Material and equipment *)		58 000,00		42 500,00	
9.	Miscellaneous		27 000,00		23 200,00	
	Other miscellaneous	20 000,00		18 000,00		
	Replenishment of WCF	0,00		0,00		Replenishment of WCF not needed as the limit was reached during 2019-2020.
	Negative bank interest and bank charges	7 000,00		5 200,00		
10.	Meeting support		4 000,00		4 000,00	Meeting support in line with the cut of physical meetings.
11.	Projects		225 798,00		349 184,00	Projects detailed below.
11.15	Integrated information system	40 000,00		34 000,00		Needed updates in the HELCOM information, communication and management systems. Meeting Portal update (document submitted to HOD 61-2021) and modernizing of HELCOM administrative tools (including accounting system).
11.17	Other projects	30 298,00		0,00		Non-earmarked funds for new projects/additional needs.
11.49	HELCOM PEG QA II	0,00		0,00		HOD 55-2018, para 4.59 (total 16.480 €, 2020-2022), document for project continuation submitted to HOD 61-2021. For 2021-2022 and 2022-2023 the project will use the budget that was unused previously due to travels not taking place.
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).
11.56	HELCOM PLC 7 and PLC 8	50 000,00		77 000,00		HOD 51-2016, para 6.79 (total 300.000 € until 2021) for PLC-7 and HELCOM 41-2020 para 5.12 (total 300.000 until 2024) for PLC-8.
11.59	PLC Annual	47 000,00		45 000,00		Project earlier included in Chapter 3.1/5.
	HOLAS III: HELCOM data flow	24 000,00		0,00		HOD 57-2019 (paras 4.52-4.57) approved the project for 2020-2022.
	HOLAS III: Methodology development (MetDev)	29 000,00		0,00		HOD 59-2020 (paras 6.3-6.6) approved the project (document 6-18) for 2021-2022.
	HOLAS III Assessment phase			103 623,00		Draft proposed working structure submitted to HOD 59-2020. Approach approved at HELCOM 41-2020 (paras 5.16-5.18, doc 5-12). Updated project application submitted to HOD 61-2021.
	Redlist			65 000,00		Project application submitted to HOD 61-2021
	Strengthening Hazardous substances			19 061,00		Project application submitted to HOD 61-2021
	TOTAL		2 078 798,00		2 102 384,00	

*) Paid from the Finnish Headquarter contribution

ATTACHMENT 3

3-year budget development comparison (EUR)

<i>INCOME</i>	<i>2022-2023</i>	<i>2021-2022</i>	<i>2020-2021</i>	
	<i>Draft budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Actual</i>
1. HQ contribution by Finland	322 000,00	322 000,00	322 000,00	322 000,00
2. Contributions by CPs				
2.1 Denmark	192 966,00	190 114,00	190 114,00	190 114,00
2.2 Estonia	184 577,00	184 577,00	184 577,00	184 577,00
2.3 European Union	52 079,00	51 309,00	51 309,00	51 309,00
2.4 Finland	192 966,00	190 114,00	190 114,00	190 114,00
2.5 Germany	192 966,00	190 114,00	190 114,00	190 114,00
2.6 Latvia	192 966,00	190 114,00	184 577,00	184 577,00
2.7 Lithuania	192 966,00	190 114,00	184 577,00	184 577,00
2.8 Poland	192 966,00	190 114,00	190 114,00	190 114,00
2.9 Russia	192 966,00	190 114,00	190 114,00	190 114,00
2.10 Sweden	192 966,00	190 114,00	190 114,00	190 114,00
2.11 Special contributions	0,00	0,00	0,00	19 000,00
3. Interest and other income	0,00	0,00	0,00	0,00
4. Transfer from Working Capital Fund	0,00	0,00	0,00	0,00
5. Other contributions	0,00	0,00	0,00	1 012 492,51
Total income	2 102 384,00	2 078 798,00	2 067 724,00	3 099 216,51

<i>EXPENDITURE</i>	<i>2022-2023</i>	<i>2021-2022</i>	<i>2020-2021</i>	
	<i>Draft budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Actual</i>
1. Meeting Expenses	60 000,00	85 000,00	10 000,00	15 079,60
2. Salaries	1 177 000,00	1 160 000,00	1 077 000,00	1 077 252,34
3. Data and Consultant services	69 500,00	150 000,00	156 800,00	156 800,00
4. Travels	25 000,00	20 000,00	5 000,00	-452,80
5. Communications	91 500,00	74 000,00	77 000,00	69 486,49
6. Rent and maintenance	188 000,00	190 000,00	188 000,00	188 000,00
7. Information/Publicity activities	72 500,00	85 000,00	90 000,00	92 057,92
8. Material and equipment	42 500,00	58 000,00	57 000,00	64 513,51
9. Miscellaneous	23 200,00	27 000,00	31 000,00	20 446,41
10. Meeting support	4 000,00	4 000,00	500,00	0,00
11. Projects	349 184,00	225 798,00	375 424,00	1 406 916,51
12. Advances				
Total expenditure	2 102 384,00	2 078 798,00	2 067 724,00	3 090 099,98

ATTACHMENT 4

Associate Professional Secretaries' task distribution

WORKING GROUP	EXPERT GROUP	APS IN CHARGE
HELCOM Annual meetings		Laura Meski
HOD meetings		Laura Meski
Stakeholder conference assistance		Laura Meski
Secretariat level development work		Laura Meski
GEAR WG		Susanna Kaasinen
	EN ESA	Luke Dodd
	CG MSFD	Susanna Kaasinen
	Follow up of ongoing processes at international and EU level, including regular contribution as needed, due to their linkage to HELCOM work	Susanna Kaasinen
MARITIME WG		Marta Ruiz
	AIS EWG	Marta Ruiz, Florent Nicolas
	Green team	Marta Ruiz
	SAFE NAV	Marta Ruiz
	PRF CP	Marta Ruiz
	TG BALLAST	Marta Ruiz
	AIS data processing & data requests	Florent Nicolas
	Maritime related reports (Annual report on ship accidents in the Baltic Sea region, Port reception facilities (PRF) Overview)	Juuso Haapaniemi, Florent Nicolas
	Port survey data and Ballast Water Exemptions Decision Support Tool	Marta Ruiz
	EUSBSR PA Ship & PA Safe	Marta Ruiz
	Follow up of ongoing processes at international and EU level, including regular contribution as needed, due to their linkage to HELCOM work	Marta Ruiz
PRESSURE WG		Susanna Kaasinen
	EN DREDS	Juuso Haapaniemi
	EN Marine Litter	Marta Ruiz
	EN Noise	Marta Ruiz
	RedCore DG	Susanna Kaasinen
	PLC 8	Susanna Kaasinen
	Follow up of ongoing processes at international and EU level, including regular contribution as needed, due to their linkage to HELCOM work	Susanna Kaasinen
RESPONSE WG		Laura Meski
	EWG OWR	Laura Meski
	IWGAS	Laura Meski
	SHORE Network	Laura Meski
	SUBMERGED	Laura Meski
	Balex Delta exercise	Laura Meski

	Response related reports (Annual report on discharges observed during aerial surveillance in the Baltic Sea)	Laura Meski
	Follow up of ongoing processes at international and EU level, including regular contribution as needed, due to their linkage to HELCOM work	Laura Meski
STATE AND CONSERVATION WG		Petra Kääriä & Florent Nicolas
	Indicator support	Florent Nicolas
	RedList	Petra Kääriä
	STRATEGIC	Petra Kääriä
	EN CLIME	Petra Kääriä
	FISH-PRO III	Florent Nicolas
	EG STUR	Petra Kääriä
	MPA TG	Petra Kääriä
	EG MAMA	Florent Nicolas
	EG MIGRATION	Petra Kääriä
	JEG NIS	Marta Ruiz
	JWG BIRD	Florent Nicolas
	MPA MANET	Petra Kääriä
	PEG	Florent Nicolas
	ZEN	Florent Nicolas
	MORS	Joni Kaitaranta
	IN EUTRO	Florent Nicolas
	EN BENTHIC	Florent Nicolas
	CG FOODWEB	Florent Nicolas
	EN-HZ	Susanna Kaasinen
	Baltic Sea Environment Fact Sheets	Petra Kääriä
	Follow up of ongoing processes at international and EU level, including regular contribution as needed, due to their linkage to HELCOM work	Petra Kääriä & Florent Nicolas
AGRI WG		Susanna Kaasinen
	Follow up of ongoing processes at international and EU level, including regular contribution as needed, due to their linkage to HELCOM work	Susanna Kaasinen
FISH WG		Petra Kääriä
	CG Aquaculture	Petra Kääriä
	FISH-M	Petra Kääriä
	Follow up of ongoing processes at international and EU level, including regular contribution as needed, due to their linkage to HELCOM work	Petra Kääriä
HELCOM-VASAB MSP WG		Florent Nicolas
	BSR MSP Data ESG	Florent Nicolas
	EUSBSR PA SP/MSP	Florent Nicolas
	Follow up of ongoing processes at international and EU level, including regular contribution as needed, due to their linkage to HELCOM work	Florent Nicolas