



Berlin, 27 – 29 August 2023

Baltic Sea Parliamentary Conference
The Secretariat

Approved by the BSPC Standing Committee in Brussels on 6 March 2023

Financial Report 2022 for the BSPC Joint Financing Mechanism (JFM)

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A. Introductory Remarks and the Overall Result

The year 2022 was marked by Russia's unprovoked attack on the people of Ukraine on 24 February 2022 and the brutal war that has continued since then. Furthermore, the immediate cancellation of the planned Standing Committee meeting on 28 February, and the consultations that took place against this background, which led to the immediate suspension of the Russian parliaments and their withdrawal from the BSPC, also directly impacted the annual budget of the BSPC.

Pending fundamental policy discussions at the BSPC Standing Committee meeting in Warsaw in May on the future work of the BSPC, the next meeting of the BSPC Working Group, which had originally been scheduled earlier, was postponed so that one less meeting than usual was held during the rest of the year.

The membership fees of the member parliaments for running costs have remained unchanged in their amount since the introduction of the Joint Financial Mechanism 2007 and for the remuneration of the Secretary General since 2012 unchanged in their amount until the end of 2022. Although, at the same time, the membership fees of the suspended and withdrawn Russian parliaments in the amount of € 33,644 were dropped, the budget planning was adjusted to this reduced budget volume.

The reduced contributions could be partially compensated by no longer providing interpretation services at the Standing Committee meetings and the Working Group meetings.

The 2022 budget could only be managed with the reduced budget volume because the German Bundestag, the Parliament of Åland and the Parliament of Mecklenburg-Vorpommern, in the context of the Standing Committee and Working Group meetings hosted by them, had taken over and covered the total costs of the meetings (i.e., for premises, technology as well as necessary transport and catering). That meant de facto voluntary compensation of missing budgetary funds by individual member parliaments. Additional aspects which made it possible to manage the reduced budget were that meeting density was decreased due to the cancellation of meetings, furthermore – as mentioned before – no interpreting services were provided in the committee meetings, and the other years' regularly incurred costs for the preparation of the content work were not incurred due to the changed annual cycle (preparation and publication of rapporteur reports). At the same time, other expenses incurred in different years in the performance of the tasks of the BSPC were reduced.

Since it was not clear whether necessary expenses incurred in previous years for the activities of the BSPC that were considered necessary could be covered within the framework of the reduced volume of contributions in the coming year, and since it was not yet clear during the financial year whether the previous range of activities and expenses that were considered necessary could be covered in the following years by increasing contributions, efforts were made to keep the costs within a framework that would allow being managed based on the available funds through the support mentioned above of individual member parliaments. At the same time, it had become clear that future management following the agreements made when the JFM was introduced would only require an expansion of the volume of funds or recourse to the reserves that had been built up; otherwise, the previous agreements on cost reductions for individual parliaments in the performance of BSPC tasks, which had led to the introduction of the JFM, would have had to be reconsidered.

Against this background, the BSPC Standing Committee, after intensive discussions in its digital meeting on 5 September and in its meeting on 21 November 2022 in Berlin, decided to increase the membership fees, which had remained unchanged since 2007, and to ask the member parliaments to make these increased fees already available for the year 2023.

This took into account the fact that several member parliaments still had to go through procedural approval processes, given the short-term nature of the implementation.

The decision of the Standing Committee – if all member parliaments will accept this – provides an increase in contributions to a total of € 249,000.

This corresponds to a compensation of the discontinued Russian contributions and the inflation compensation since 2007.

In the context of these discussions, it was also necessary to take into account that the BSPC Annual Conference 2022 in Stockholm, after intensive discussions on the content of the previous Rules of Procedure, had adopted new Statutes and Rules of Procedure given the Russian invasion of Ukraine.

The new Rules of Procedure include the decision that the costs for the secretariat of the BSPC (documents, personnel support, technical equipment) should in future be covered directly by the membership fees and not – as in the years before – only indirectly via the remuneration for the Secretary General or, as in previous years, via a member parliament or a parliamentary organisation.

Therefore, this decision of the BSPC had to be included in the overall considerations for the budget volume required in the future.

In the end, the reasons outlined above and the manifold support that the BSPC has received through the assumption of costs by some of its members and others have made it possible to increase the reserve funds again this year slightly. Notably, in 2022, with the fundamental challenges caused by the war in Ukraine, the range of discussions held throughout the year had also made it clear that these funds are necessary to be able to adequately take advantage of every option for the further course of cooperation.

As a result, the Joint Financing Mechanism shows a surplus of € 173,504.

1. The BSPC Joint Financing Mechanism (JFM)

1.1 Financing of the BSPC

The activities of the BSPC in 2022 were financed – as in the years before – through five channels:

- Firstly, the costs for delegates appointed by the member parliaments and parliamentary organisations to participate in BSPC activities – such as the Standing Committee, the Annual Conference, Working Groups, etc. – were paid by the sending parliament or parliamentary organisation itself.
- Secondly, the operating costs of the BSPC Secretariat were covered by the BSPC Joint Financing Mechanism (JFM), which the BSPC had established in 2007. The nominal budget of the JFM (total running costs) is € 112,000. This sum has remained unchanged since 2007 and had been exceptionally complemented in 2016 concerning the Silver Jubilee by unused means from former years.
- Thirdly, the remuneration costs (which included in the past years de facto nearly all costs for personnel and technical support as well as the secretariat costs and equipment) of the BSPC Secretary General (€ 80,000) were covered by the BSPC Joint Financing Mechanism. Some additional personal costs incurred in connection with the budgetary management of the Joint Finance Mechanism were covered by the Parliament and the Land Mecklenburg-Vorpommern also in 2022.
- Fourthly, the costs for the 31st Annual Conference in Stockholm, which also include the technical costs for the Drafting Committee meeting and the Baltic Sea Parliamentary Youth Forum, were fully covered by the host parliament. The costs for the interpretation were covered by the BSPC Joint Financing Mechanism.
- Fifthly, as for meetings in other BSPC bodies, the parliament hosting the meeting usually provides specific basic amenities, for instance a meeting room. In 2022, the German Bundestag, the Parliament of Åland and the Parliament of Mecklenburg-Vorpommern, in the context of the Standing Committee and Working Group meetings hosted by them, covered the full costs of the meetings (i.e., for premises, technology, catering and necessary transports on site). In former years and regularly, a significant part of those meetings' costs is paid through the JFM.

1.2 Basis for the JFM in 2022

The – for 2022 relevant – BSPC Rules of Procedure adopted by the 20th BSPC in fall 2011, and amended by the 29th BSPC in 2020, include provisions by the JFM for the BSPC Secretariat. They have served as the formal basis for the JFM since 2012. For the years 2023 onwards, the budget will be based on the new Statutes and Rules of Procedure, which were adopted by the BSPC at the 2022 Annual Conference on 14 June 2022 and which, according to the current decisions of the BSPC Standing Committee, will be supplemented by further amendments at the 32nd Annual Conference in Berlin.

1.3 Purpose of the JFM

The joint financial resources for the BSPC Secretariat should be allocated to, but not limited to,

- meeting costs for meetings in various BSPC bodies, including the Annual Conference;
- compilation and layout (only exceptionally printing) of the BSPC Conference Report and of other joint documents from the BSPC bodies;
- information activities and maintenance of the website (www.bspc.net);
- remuneration of the BSPC Secretary General;
- operating costs for the secretariat;
- travelling expenses for the Secretariat to Standing Committee meetings, Secretariat meetings and other relevant internal and external meetings and conferences.

That does not exclude the possibility of financing other types of joint activities via the JFM.

The Standing Committee decides, in its fall meeting, on the nominal sum of the contributions to the Joint Financing Mechanism in the following year – from 2023 on additionally based on preliminary budget planning.

The BSPC Standing Committee decided in its meeting on 21 November 2022 in accordance with Paragraph 11.3 of the BSPC Rules of Procedure on a raise of the contributions.

The BSPC Standing Committee stated that there is an urgent need to raise the previous annual contributions to the BSPC to adapt the BSPC's work opportunities to past developments and the current situation as well as to make them compatible with the future.

The main reasons for this are the discontinuation of contributions from the Russian Legislative Assemblies following their departure from the BSPC and the significant overall increase in costs since the introduction of the JFM.

Therefore, the BSPC Standing Committee decided to fix the contributions to the BSPC for 2023 as follows:

- € 25,000 for the big national parliaments,
- € 10,000 for the other national parliaments,
- € 8,000 for the regional parliaments

and agreed to kindly ask for the payment of these contributions already in 2023.

Based on the new contributions, the total nominal sum of contributions to the BSPC JFM in 2023 is € 246,000.

1.4 Management of the JFM

All BSPC member parliaments contribute to the JFM according to a cost-sharing model described in Section 11 and Annex 3 of the BSPC RoP from 2019.

At the latest at the beginning of each year, a letter of request is sent to the member parliaments of the BSPC, asking them to remit their contributions to the JFM.

Contributions are deposited in a dedicated account at the German Bundesbank. Since the BSPC budgetary affairs have been administratively located at the Parliament of Mecklenburg-Vorpommern, the receiving Landeszentalkasse Mecklenburg-Vorpommern administers the account. By letter of 20 December 2019 to the Secretary General of the BSPC, the Minister of Finance of the federal state Mecklenburg-Vorpommern agreed to the further handling of the budget implementation for BSPC funds by the State Central Treasury in the State Office for Finance until the closing date for bookings in December 2021. The State Parliament of Mecklenburg-Vorpommern has agreed by consensus in its plenary sessions on 30 January and 10 December 2020 that the parliament will continue to perform the tasks associated with its involvement in the BSPC and support the work of the Baltic Sea Parliamentary Conference as before.

The new Minister of Finance of the federal state Mecklenburg-Vorpommern agreed with a letter of 22 December 2021 to the further handling of the budget implementation for BSPC funds till the end of December 2023.

The Secretary General has the right to administer and use the JFM. The right to authorise expenses on the JFM account is vested in the parliament administration. The account is subject to audit by the state.

The request letter for contributions to the JFM in 2022 was issued on 22 December 2021. Members were kindly asked to remit their contributions by 22 February 2022.

Nearly all contributions to the JFM for 2022 have been paid until 22. February 2022 (see *Table 1 in Section 3.1*). As decided in the Standing Committee meeting on 20 April 2022, the contributions by Russia, Kaliningrad and St. Petersburg were paid back. However, the Deputy Chairman of the St Petersburg Legislative Assembly sent a letter to the Secretariat via the Russian Embassy in Berlin, informing the BSPC that the amount transferred by the Landeszentalkasse had yet to be received by the St Petersburg Legislative Assembly. This matter is being further investigated. The parliaments of Karelia and Leningrad did not pay their contributions.

Annex 3 of the BSPC Rules of Procedure lists the relative cost shares of the contributions of the BSPC members to the JFM for 2022 – based on the 26th BSPC resolution with two decimal places after the decimal point.

2. Looking Back: JFM Result in 2021

The total expenditure for the JFM in 2021, as of 31 December 2021, amounts to € 178,142. This yielded a total budget surplus of € 13,819.

In summary, most results had been significantly below expectations. The result for Travel for the very most part fell below budget because meetings and events in 2021 were cancelled or held digitally due to the COVID-19 pandemic. The result for Meeting Costs similarly had been well below budget because they were covered more by hosting parliaments or the meetings were cancelled or two meetings were on the same date. Interpretation costs were higher than planned, especially because of necessary technology for the meeting and the interpretation. Costs for Documentation had been below budget. The information/communication budget was only used for less than a quarter of the planned amount.

The Standing Committee approved the Financial Report 2021 at its meeting on 20 April 2022 in Warsaw. Furthermore, the Standing Committee unanimously decided at its meeting on 25 August 2019 in Oslo to publish the Financial Report for the BSPC Joint Financing Mechanism (JFM) for reasons of transparency on the BSPC website.

The Financial Report 2021 was subsequently published in the general information about the BSPC:

<https://www.bspc.net/fr-2021-v-20042022-approved/>

3. Financial Result in 2022

3.1 Income in 2022

The BSPC Standing Committee agreed at its meeting on 20 April 2022 on the proposed distribution of contributions to the BSPC Joint Financing Mechanism (JFM) in 2022.

After the suspension and exit of the Russian parliaments, the total nominal sum of the contributions to the JFM in 2022 was € 158,637. Previous years saw total projected expenditures of € 192,000. That covered the running costs of the Secretariat (€ 112,000) as well as the remuneration (€ 80,000 which includes de facto nearly all costs for personnel and technical support) of the BSPC Secretary General. Some additional personnel costs were covered by the Parliament of Mecklenburg-Vorpommern.

The letter of request for contributions to the JFM in 2022 was issued on 22 December 2021. As of 31 December 2022, the total actual income was € 158,637 (see Table 1). The reasons are the repayment of the contributions of Russia, Kaliningrad and St. Petersburg. The parliaments of Karelia and Leningrad did not pay their contributions.

Table 1. BSPC Income in 2022, EUR

Financial Contributions to the BSPC Joint Financing Mechanism in 2022, in Euro		
"Big" Countries	Share	Paid
Denmark	17 968	17 968 (20.01.)
Finland	17 968	17 968 (20.01.)
Germany (Bundestag)	17 968	17 968 (18.02.)
Norway	17 968	17 968 (20.01.)
Poland (Sejm + Senate)	17 968	17 968 (17.+22.02.)
<i>Russia (Duma + Fed Council)</i>	17 968	17 968 (22.02.)
Sweden	17 968	17 968 (20.01.)
"Small" Countries		
Estonia	5 989	5 989 (16.02.)
Iceland	5 989	5 989 (20.01.)
Latvia	5 989	5 989 (12.01.)
Lithuania	5 989	5 989 (10.01.)
Regional Parliaments		
Bremen	3 839	3 839 (31.01.)
Faroe Islands	3 839	3 839 (20.01.)
Greenland	3 839	3 839 (20.01.)
Hamburg	3 839	3 839 (30.12.21)
<i>Kaliningrad</i>	3 839	3 839 (18.01.)
<i>Karelia</i>	3 839	
<i>Leningrad</i>	3 839	
Mecklenburg-Vorpommern	3 839	3 839 (11.01.)
<i>St Petersburg</i>	3 839	3 839 (14.02.)
Schleswig-Holstein	3 839	3 839 (11.01.)
Åland Islands	3 839	3 839 (20.01.)
Sum	158 637	158 637

3.2 Result in 2022 and Implications for the 2023 Budget

3.2.1 Result by Budget Positions

The budget disposition for the JFM in 2022, agreed by the Standing Committee on 20 April 2022, appears in the Budget column in Annex 1.

The total expenditure for the JFM in 2022, as of 31 December 2022, amounts to € 128,664. This means a surplus of € 29,973 compared to the budget plan. The distribution of expenditures by budget positions appears in the Result column in Annex 1.

The distribution and size of expenditures by budget positions in Annex 1 will be further explained by some comments concerning the results as well as possible implications for the budget plan in 2023.

In Section 1, Secretariat, the result is some € 9,000 lower than expected. The travel costs in post 1.1 and the Meeting costs in 1.2 have been – due to the situation caused by the COVID-19 pandemic – 50 % below the budget proposal. The Secretary Level meetings are held in English only. Travel costs have been reduced by 59 %, because many events were cancelled or took

place digitally due to the COVID-19 pandemic. Since in spring 2022, first fundamental questions had to be clarified at the political level, one more originally planned meeting was dropped.

The budget allocation and distribution for budget Section 1 in the 2023 budget proposal has to take into account the new para 10.3 of the BSPC Statutes and Rules of Procedure which had been adopted by the annual conference on 14 June 2022. Therefore, the budget should start in 2023 to cover operating costs of the secretariat by the BSPC contributions. The proposal provides that in a first step currently fixed incurred running costs are covered.

It is also envisaged that the remaining allocations will, on the one hand, be restored to pre-pandemic levels and, with regard to meeting costs, also include price increases in the meantime.

Section 2, Standing Committee, the result falls below the budgeted amount by nearly € 3,000. The meeting costs in 2.1 and costs for interpretation and equipment in 2.2 are for one regular meeting in Warsaw and two digital meetings.

The additional seminar, as decided by the Standing Committee, was also financed from the available funds.

At these reduced cost levels, the meetings were only possible because interpretation costs were no longer incurred and the host parliaments covered either the full or a large proportion of the costs.

The budget allocation and distribution for budget Section 2 in the 2023 budget should be prepared for digital and regular meetings.

The budget should be designed in such a way that the former practice of paying for the entire settlements through contributions from the BSPC budget can be resumed, thereby facilitating the possibility of holding such meetings not only where the costs can be covered by the hosts.

Section 3, Working Groups, shows a result which is € 7,400, 74 % lower than budgeted.

There were no meeting costs (3.1) for the WG because all meetings were held digitally or covered completely by the host parliaments. The costs for the compilation of the survey of € 2,466 (3.3) were higher than budgeted.

The 2023 budget should be prepared for digital and regular meetings and designed in such a way that the former practice of paying for the entire settlements through contributions from the BSPC budget can be resumed - taking into account meanwhile cost increases - thereby facilitating the possibility of holding such meetings not only where the costs can be covered by the hosts.

The costs also vary depending on the conference location. For this reason, as in previous years, average values including prices raised in the meantime for regular meetings are used which can be expected to cover the costs incurred.

Section 4, 31st BSPC Stockholm, shows a result that is some € 23,000, i.e. 47 %, lower than budgeted. The main reason for this were that the meeting costs (4.1) and technical support were completely covered by the host parliament. The result under 4.2 contains the costs for the interpretation. The result for the conference report was nearly than budgeted (4.3).

The total amount of the proposed budget for 2023 is planned without interpretation costs. The budget includes the possibility to cover needs which had been raised at former conferences. Since the Baltic Sea Parliamentary Youth Forum shall be established as a permanent back-to-back event to the annual conference, the proposal is that not only the host parliament and the CBSS cover the costs as currently but to also finance that event at least partly through the BSPC contributions. Only in that way can it be guaranteed that further hosts will also be able to manage it.

In Section 5, Information/Communication, the result falls below the budgeted amount by nearly € 6,275. Only 37 % of the funds for information and communication were used. One reason was that in 2022, regularly necessary means for the publication of rapporteur reports did not incur. The former costs for personnel support of the website had been reduced.

Based on a comprehensive technical analysis, it is necessary to revise the technical aspects of the BSPC website to ensure its continued proper operation. This will result in increased costs in 2023, which are budgeted.

Section 6, BSPC Secretary, remains unchanged.

In summary, it can be concluded that the results are significantly below expectations. Due to the impact of the COVID-19 pandemic, there are much lower travel costs (Secretary) (1.1), lower costs for the Secretariat meetings (1.2), lower costs for the Standing Committee, lower costs for the Working Group (3.) and lower costs for the Conference (4.) because the host parliaments have covered the costs either in full or for the most part. Lower costs have also been incurred for information and communication (5.)

The surplus of € 29,973 increases the unused means.

The overall disposition of the proposed 2023 budget must take into account the new Statutes and Rules of Procedure of the BSPC, agreed in 2022 in Stockholm, as well as raised prices and inflation. It should also open up the possibility of covering the costs of future events not only through the host parliaments but primarily through contributions to the BSPC.

For the case that unforeseeable costs will exceed the plan, it is asked to reiterate the agreement that unforeseen meeting costs, which might exceed original budget plan positions, can be covered by the unused means up to 10 % of the budget.

3.2.2 Result by Expenditure Categories

The distribution of expenditures by major categories appears in Table 2 below:

Table 2. Expenditures in 2022 by Major Categories, EUR

Category	Budget Posts	Budget 2022	Budget new 2022	Q4 Result
Travel	1.1	20000	15000	6204
Meeting Costs	1.2, 2.1, 3.1, 4.1	21000	31000	5021
Interpretation, incl. equipment & technical support	2.2, 3.2, 4.2	54000	38000	26617
Documentation and Expertise	3.3, 4.3, 5.2	9000	7000	7097
Information/Communication	5.1, 5.3	8000	8000	3725
Subtotal		112000	99000	48664
Secretary	6.	80000	80000	80000
Sum total		192000	179000	128664

All results are significantly below expectations. The result for Travel for the very most part fell below budget because meetings and events in 2022 were cancelled or held digitally due to the COVID-19 pandemic. The result for Meeting Costs similarly is well below budget because they were covered more by hosting parliaments or the meetings were cancelled. Interpretation costs were lower than planned, especially because of no necessary technology for the meeting and the interpretation. Costs for Documentation are below budget. The information/communication budget was only used for less than a quarter of the planned amount.

3.3 Balance in 2022

The balance of the JFM in 2022, as of 31 December 2022, appears in Table 3.

Table 3. Balance of the JFM in 2022, EUR

Income	Expenditure	Balance
158637	128664	+29973

The Income column indicates the nominal income for 2022. The total result shows a surplus of € 29,973. This has been explained in the sections above.

3.4 Unused means

The principles for using the unused means ("Reserve Fund") are laid down in the BSPC Rules of Procedure from 2011. The Rules state that "If additional resources are needed for organizing events, the Standing Committee, after receiving an application from the BSPC Secretary, shall decide on the possibility of granting additional funding". Moreover, "The Standing Committee shall decide on the BSPC budget reserve fund and its use".

The BSPC Standing Committee has agreed (31 January 2013) on the following procedure for authorising withdrawals from the Reserve Fund in accordance with certain provisions: A rapporteur/BSPC member who wants to examine the possibility of using the Reserve Fund contacts the BSPC Secretary General for deliberations. The Secretary General then raises the issue with the BSPC Chairmanship, which approves the use of the Reserve Fund. The Chairmanship and Secretary also report to the Standing Committee about any uses of the Reserve Fund (cf. para 11.6 in the Rules of Procedure).

The Standing Committee agreed in Hamburg (14 November 2021), digitally (16 November 2020), in Berlin (11 November 2019), Trondheim (13 November 2018), Mariehamn (17 November 2017) and in Hamburg (15 November 2016) that contributions do not have to be raised with a view to the next year because of the current surplus and that the same contributions as in previous years shall be paid. The Standing Committee in Riga (6 November 2015) agreed that the surplus could be used to develop a new website, draw up contracts to support the Secretariat with its work, special projects regarding the BSPC Silver Jubilee - i.e., a special brochure - and to cover unforeseen meeting costs, which might exceed original budget plan positions. The Standing Committee meetings in Liepāja and Riga (28 August 2016) agreed that the unused means could be used to finance the mission to Minsk of the Standing Committee (~€ 10,000) and a 2nd edition of the Silver Jubilee brochure. The digital Standing Committee on 16 November 2020 decided that, should the planned funds have been fully used at the end of the year, the costs for the seminar on 1 February 2021 and the publication on 30 years of the BSPC would be financed from the current budget surplus. There are no further considerations in this regard at that time.

In 2016, the funds of the JFM were transferred from the Nordea Bank account to the Landeszentalkasse Mecklenburg-Vorpommern, which administers the account. On 26 June 2015, € 168,821 were transferred into the new account.

The current amount of the unused means is mainly due to the exceptional situation that five years earlier, no remuneration had to be paid for the secretary for one year and the state parliament of Mecklenburg-Vorpommern provided additional personnel support and due to the before mentioned savings in 2020 - 2022 because of the COVID-19 pandemic.

On 31 December 2020, the amount of the unused means was € 129,712.

On 31 December 2021, the amount of the unused means was € 143,531.

On 31 December 2022, the amount of the unused means was € 173,504.

3.5 Summary of the Financial Result in 2022

The total expenditure for the JFM in 2021, as of 31 December 2022, amounts to € 128,664. This yields a total budget surplus of € 29,973.

In summary, it can be concluded that the results are significantly below expectations.

There were much lower costs for Secretary (1.), lower costs for the Standing Committee (2.), lower costs for the Working Group meetings (3.), lower costs for the Conference (4.), lower costs have been incurred for the technical support for the website (5.). Also, the total running costs were lower than planned.

4. Proposed Budget Plan for 2023

The proposed budget plan for 2023 is found in Annex 2.

The 2022 budget could only be managed with the reduced budget volume because some member parliaments had taken over and covered the total costs of the meetings which they hosted (i.e., for premises, technology, and necessary transport and catering). That meant de facto voluntary compensation of missing budgetary funds by individual member parliaments. Additional aspects which made it possible to manage the reduced budget were that meeting density was decreased due to the cancellation of meetings, furthermore – as mentioned before – no interpreting services were provided in the committee meetings, and the other years' regularly incurred costs for the preparation of the content work were not incurred due to the changed annual cycle (preparation and publication of rapporteur reports).

Against this background, the BSPC Standing Committee, after intensive discussions in its digital meeting on 5 September and in its meeting on 21 November 2022 in Berlin, decided to increase the membership fees, which had remained unchanged since 2007, and to ask the member parliaments to make these increased fees already available for the year 2023.

This took into account the fact that several member parliaments still had to go through procedural approval processes, given the short-term nature of the implementation.

The decision of the Standing Committee – if all member parliaments will accept this – provides an increase in contributions to a total of € 249,000.

This corresponds to a compensation of the discontinued Russian contributions and the inflation compensation since 2007.

In the context of these discussions, it was also necessary to take into account that the BSPC Annual Conference 2022 in Stockholm, after intensive discussions on the content of the previous Rules of Procedure, had adopted new Statutes and Rules of Procedure given the Russian invasion of Ukraine.

The new Rules of Procedure include the decision that the costs for the secretariat of the BSPC (documents, personnel support, technical equipment) should in future be covered directly by the membership fees and not - as in the years before - only indirectly via the remuneration for the Secretary General or, as in previous years, via a member parliament or a parliamentary organisation.

Based on these key points and decisions, the budget proposals for 2023 were prepared. That is intended to enable the developments that the BSPC sees as necessary for its work.

ANNEX 1

BSPC Secretariat/31.12.2022

Financial Result 2022 (Euro)

Budget Post	Result 2021	Budget new 2022	Result as per 31.12.2022	Comments
1. Secretariat (3 meetings)				2 meetings, 1 cancelled
1.1 Travel (Secretary) to all BSPC meetings + other relevant meetings/events	5220	15000	6204 (41%)	
1.2 Secretariat meeting costs	1428	3000	2564 (64%)	Digital I: technical support; Helsinki
Subtotal	6648	18000	8769 (49%)	
2. Standing Committee (4 meetings)				3 meetings, 1 cancelled
2.1 Meeting costs	-	9000	2339 (26%)	SC Warsaw (Dinner)
2.2 Interpretation, incl. technical and organisational support, equipment	19825	2000	4565 (228%)	SC Digital I: 3339 (952 interpretation + 2387 techn. Support) SC Digital II: 1226 (techn. Support)
Subtotal	19825	11000	6904 (63%)	
3. Working Group (3 meetings)				3 meetings held
3.1 Meeting costs, incl. external experts	-	9000	118 (1%)	Schwerin: expert
3.2 Interpretation, incl. technical and organisational support, equipment	13161	-	- (0%)	
3.3 Documentation	1749	1000	2466 (247%)	Compilation survey
Subtotal	14910	10000	2584 (26%)	
4. 31st BSPC, Stockholm, 2022				
4.1 Meeting costs	6554	10000	- (0%)	Experts;
4.2 Interpretation, incl. technical and organisational support, equipment	35514	36000	22052 (61%)	interpretation
4.3 Conference report ENG	3758	4000	4630 (116%)	Report Annual Conference: Text & layout
4.4 30 Years Publication	8229	-	-	Print***
Subtotal	54044	50000	26682 (53%)	
5. Information/Communication				
5.1 BSPC Public relations work	1131	5000	1213 (24%)	Mock-up website, text
5.2 Layout of reports	1198	2000	- (0%)	
5.3 Technical preservation website functionality	375	3000	2513 (84%)	Personnel & technical support, domain
Subtotal	2704	10000	3726 (37%)	
Total Running Costs	98142	99000	48664 (49%)	
6. BSPC Secretary	80000	80000	80000 (100%)	Remuneration
Grand Total	178142	179000*	128664 (72 %)*	

* The concrete amount of all contributions is: € 158,637

The detailed ratio of revenue to expenditure is as follows: € 128,664 : € 158,637 = 81.10 % (rounded: 81 %)

*** In the case that in 2021, the budget for the current plans is fully utilised, the BSPC Standing Committee decided on 16 November 2020 that the costs for two additional projects will be financed from the unused means: a digital seminar on democracy in a changing landscape and a print publication on the 30th anniversary of the BSPC.

Surplus 2022: € 29,973 (Surplus 2021: € 13,819)

Unused means per 31 December 2022: € 173,504 (2021: € 143,531)

ANNEX 2

Budget Plan to be approved by the Digital BSPC Standing Committee on 06.03.2023

BSPC Budget Plan for 2023 (Euro)

Budget Post	Proposal 2023	Comment
1. Secretariat		3 meetings held
1.1 Travel (Secretary) to all BSPC meetings plus other relevant meetings/events	20,000	The amount reverts to the pre-pandemic budget between 2007 and 2020, without including cost increases in the meantime.
1.2 Secretariat meeting costs	6,000	
1.3 Operating costs		
1.3.1 Rent for secretarial premises	7,000	1.3.1-1.3.3: starting to cover operating costs of the secretariat via the BSPC contributions based on Para 10.3 of the BSPC Statutes and RoP adopted on 14 June 2022; 1.3.4: in 2023 still covered by remuneration for administrative reasons (see 6.1)
1.3.2 Personnel costs	17,000	
1.3.3 Additional personnel support by contracts for individual services	6,000	
1.3.4 Technical equipment and office costs	0,000	
Subtotal	56,000	
2. Standing Committee (4 meetings)		In 2022 2 meetings + 1 seminar held, 1 cancelled
2.1 Meeting costs	18,000	Experts, facilities if necessary, catering, interpretation to English if necessary
2.2 Technical and organisational support, equipment	6,000	
Subtotal	24,000	
3. WG Climate Change and Biodiversity (CCB) (2 meetings); next WG (1 meeting)		In 2022 3 meetings held
3.1 Meeting costs	15,000	Experts, facilities if necessary, catering, interpretation to English if necessary
3.2 Technical and organisational support, equipment	3,000	
3.3 Final Report	5,000	Text and layout compilation survey
Subtotal	23,000	
4. 32nd BSPC Berlin		
4.1 Meeting costs	15,000	Experts
4.2 Technical and organisational support, equipment	8,000	
4.3 Conference report	5,000	Text & layout
4.4 Baltic Sea Parliamentary Youth Forum: proportionate support to the host parliament and the CBSS	15,000	Technical and organisational support, equipment, catering
Subtotal	43,000	
5. Information/Communication		
5.1 BSPC public relations work	5,000	Staff support website management
5.2 Layout of reports	10,000	
5.3 Technical preservation website functionality	5,000	Necessary web platform updates, backups, sync with local development environment and code updates to preserve website functionality, technical improvement
Subtotal	20,000	
Total Running Costs	166,000	
6. BSPC Secretary	80,000	Remuneration
Grand Total	246,000*	

*In the case that all parliaments will agree on the new contributions, the total nominal sum of contributions to the BSPC JFM in 2023 will be **€ 246,000**.

The concrete amount of all contributions in 2022 was: **€ 158,637**.

Unused means per 31 December 2022: € 173,504 (2021: € 143,531; Surplus 2022: € 29,973)

Budget Plan 2023 by Major Expenditure Categories

Category	Budget Posts	Result 2022	Nominal allocation 2023
Travel	1.1	6,204	20,000
Meeting Costs	1.2, 2.1, 3.1, 4.1	5,021	54,000
Operating Costs	1.3.1, 1.3.2, 1.3.3, 1.3.4	-	30,000
Interpretation, incl. technical and organisational support, equipment	2.2, 3.2, 4.2	26,617	17,000
Documentation and Expertise	3.3, 4.3, 5.2	7,097	20,000
Information/Communication	5.1, 5.3	3,725	10,000
Baltic Sea Parliamentary Youth Forum	4.4	-	15,000
Subtotal		48,664	166,000
Secretary	6	80,000	80,000
Sum total		128,664	246,000

ANNEX 3

Joint Financing Mechanism of the BSPC Secretariat

Relative Shares of Contributions to the JFM

The relative cost shares of the contribution or the BSPC members to the JFM are listed below:

Member Parliament	Share %*
Denmark	9.36
Finland	9.36
Germany	9.36
Norway	9.36
Poland	9.36
Russia	9.36
Sweden	9.36
Estonia	3.12
Iceland	3.12
Latvia	3.12
Lithuania	3.12
Bremen	2.00
Faroe Island	2.00
Greenland	2.00
Hamburg	2.00
Kaliningrad	2.00
Karelia	2.00
Leningrad	2.00
Mecklenburg-Vorpommern	2.00
St Petersburg	2.00
Schleswig-Holstein	2.00
Åland Islands	2.00
Total	100.00

*rounded