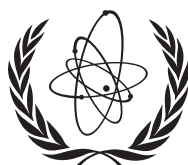




The Agency's Budget Update for 2005

GC(48)/2

**Printed by the
International Atomic Energy Agency
August 2004**



IAEA

International Atomic Energy Agency

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The Agency's Budget Update for 2005

A. Introduction

A.1. Background

1. The Agency's regular *programme for the biennium 2004–2005*, adopted by the Board of Governors, was presented to the General Conference in document GC(47)/3. The Agency continues to be required by the Statute to submit *annual budget* estimates for approval¹, and, thus, the budget estimates for 2005 included in that document were preliminary. In line with the procedures adopted for biennial programming (GOV/1999/23), the budget proposals for the second year of the biennium (2005) are to be contained in a concise summary document. This document highlights significant changes, if any, to the original biennial programme and budget proposals, introduces the price adjustments for the second year of the biennium and, of course, sets out the draft appropriation and other resolutions related to the second year.

A.2. Programmatic Adjustments for 2005

2. There have been no significant changes in the programme and budget proposals for 2004–2005 outlined in GC(47)/3 which need be brought to the attention of Member States for purposes of the updated budget for 2005. Minor operational changes can, however, be expected in the course of programme implementation. There are also some emerging problems, outlined in the following paragraphs, which could have financial resources implications.

A.2.1. Vienna International Centre (VIC) security

3. Arising from the bombing of the United Nations (UN) Headquarters in Iraq in August 2003, a collective review of security issues and arrangements at UN Secretariat Headquarters duty stations has been carried out. UN Headquarters in New York also proposed measures for improvement of security at various Headquarters duty stations, including the VIC, to comply with the Headquarters Minimum Operating Security Standards (H-MOSS). The total cost of the measures amounts to \$8.4 million — comprising initial capital spending of \$7 million and recurrent annual costs of \$1.4 million. Based on the existing formula for sharing buildings management costs among these organizations, the Agency's share of such costs would amount to over 52%. The details of the costs are still being reviewed, however, as is the scope for cost sharing with the host country, Austria. Pending completion of discussions on these issues and final agreement on the costs to be shared, it is not possible to say what increase in funding would be required to cover the Agency's share of these increased costs. The subject is mentioned here simply to alert Member States in a preliminary way about the potential funding requirement.

4. An Agency Business Continuity Plan is being developed, tested and updated to counteract interruptions to the essential activities of the Agency and to protect these activities from the effects of

¹ The required two thirds of Member States have not yet accepted the amendment to Article XIV.A of the Statute agreed by the General Conference in 1999 (GC(43)/RES/8) which would permit full biennial budgeting.

major failures or emergencies. Detailed departmental plans for various critical operational areas under various scenarios will be formulated covering the preparedness, response and recovery stages.

5. The Business Continuity Plan of the Agency will be synchronized with the Vienna Crisis Management Plan — a VIC-wide emergency management plan. Additional funding requirements are estimated to be \$500 000. Best efforts will be made to achieve programme savings to cover the funding requirements for this purpose in 2005.

A.3. Changes in Reimbursable Work for Others

6. Although as mentioned above, there have been no significant changes in Agency programmes, there has been a change in expected income from Reimbursable Work for Others (RWfO). Subsequent to the conclusion of the General Conference in 2003, UNIDO requested, contrary to its previously announced plan, to continue using the Agency's information and communications technology (ICT) services for 2004 and 2005, although at a reduced level compared to 2003. Additional RWfO revenue receipts of \$505 000 per year are expected by the Agency for the reduced services.

7. In the Agency's Programme and Budget for 2004–2005, Member States agreed to an increase of \$625 000 at 2004 prices in the regular budget for Major Programme 5, Information Support Services, to compensate for the then expected loss of the UNIDO income. The increase was needed because the costs of the ICT services, which were funded in part from the UNIDO income, are largely fixed and these fixed costs have to be met regardless of whether income is received from UNIDO.

8. The consequences of the change are that the Secretariat will use the RWfO income from UNIDO for 2004–2005 to fund the continuing service to UNIDO. As a result, only \$341 000 of the regular budget increase of \$625 000 granted to compensate for the loss of UNIDO income will be needed to fund fixed ICT costs, not covered by the UNIDO income.

9. For **2004** therefore, the unutilized balance (\$284 000) of the regular budget increase referred to above will eventually become part of any cash surplus for distribution to Member States. For **2005**, the Secretariat proposes that the UNIDO income should be similarly treated. UNIDO's contribution for reimbursable work is expected to cease by the end of 2005.

10. The proposed budget for Agency programmes for 2005, before price adjustments, remains therefore at the level proposed in GC(47)/3 and is in line with the Package Proposal (GC(47)/INF/7) agreed in connection with the finalization of the 2004–2005 programme and budget.

A.4. Regular Budget for 2005

11. The total regular budget for 2005, by appropriation section, proposed in this document and adjusted only to reflect the price levels applicable for 2005 is estimated at \$281 430 000 — see Table 1. Of this total, the resources for Agency programmes for the year amount to \$278 523 000, while the remaining \$2 907 000 is for reimbursable work to be performed for others. The amount shown for reimbursable work for others in Table 1 will, as is usually the case, be offset completely by income derived from the services provided. The forecast of income to finance the budget proposals is set out in Table 2.

A.5. Submission to the General Conference

12. In accordance with Article XIV.A of the Statute, the Agency's budget estimates for the year 2005 are submitted to the General Conference by the Board of Governors, which requests the General Conference to adopt the draft resolutions set forth in the Annex.

A.6. Report on the Budget to the United Nations General Assembly

13. In accordance with Article XVI of the Agency's relationship agreement with the United Nations (INFCIRC/11, part I), the budget will be reviewed by the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which will report on the administrative aspects thereof to the United Nations General Assembly.

Table 1. The Regular Budget — By Major Programme and Programme

Programme / Major Programme	2003 actual expenditure	2004 budget	Programme Incr./(Decr.)		2005 estimates at 2004 prices	Price increase %	2005 at 2005 prices
				%			
1. NUCLEAR POWER, FUEL CYCLE AND NUCLEAR SCIENCE							
1. Overall Management, Coordination and Common Activities	684 242	702 000	-	-	702 000	3.3	725 200
A. Nuclear Power	4 761 530	5 053 700	52 200	1.0	5 105 900	3.5	5 283 000
B. Nuclear Fuel Cycle and Materials Technologies	2 537 766	2 498 700	-	-	2 498 700	3.6	2 588 400
C. Capacity Building and Nuclear Knowledge Maintenance for Sustainable Energy Development	7 231 325	7 462 000	52 800	0.7	7 514 800	3.3	7 759 500
D. Nuclear Science	8 061 895	8 452 600	(5 000)	(0.1)	8 447 600	3.2	8 717 900
Major Programme 1	23 276 758	24 169 000	100 000	0.4	24 269 000	3.3	25 074 000
2. NUCLEAR TECHNIQUES FOR DEVELOPMENT AND ENVIRONMENTAL PROTECTION							
2. Overall Management, Coordination and Common Activities	665 437	767 000	-	-	767 000	3.2	791 700
E. Food and Agriculture	11 269 270	11 836 400	-	-	11 836 400	3.7	12 269 800
F. Human Health	6 406 761	7 079 000	823 900	11.6	7 902 900	3.6	8 186 000
G. Water Resources	3 053 016	3 236 000	(21 500)	(0.7)	3 214 500	3.4	3 324 600
H. Protection of the Marine and Terrestrial Environment	3 801 141	3 863 600	-	-	3 863 600	3.1	3 984 200
I. Physical and Chemical Applications	2 570 424	2 733 000	(79 400)	(2.9)	2 653 600	3.7	2 751 700
Major Programme 2	27 766 049	29 515 000	723 000	2.4	30 238 000	3.5	31 308 000
3. NUCLEAR SAFETY AND SECURITY							
3. Overall Management, Coordination and Common Activities	763 132	952 000	-	-	952 000	3.5	985 400
J. Safety of Nuclear Installations	7 937 552	8 279 900	131 800	1.6	8 411 700	3.5	8 704 200
K. Radiation and Transport Safety	5 016 770	5 356 900	-	-	5 356 900	3.4	5 539 500
L. Management of Radioactive Waste	6 096 024	6 460 800	28 200	0.4	6 489 000	3.5	6 717 700
M. Nuclear Security	1 252 148	1 351 400	-	-	1 351 400	3.2	1 394 200
Major Programme 3	21 065 626	22 401 000	160 000	0.7	22 561 000	3.5	23 341 000
4. NUCLEAR VERIFICATION							
4. Overall Management, Coordination and Common Activities	975 298	1 021 900	1 000	0.1	1 022 900	3.2	1 055 300
N. Safeguards	88 162 556	101 256 100	3 381 000	3.3	104 637 100	3.0	107 728 700
O. Verification in Iraq Pursuant to UNSC Resolutions (Extrabudgetary Funding Only)	-	-	-	-	-	-	-
Major Programme 4	89 137 854	102 278 000	3 382 000	3.3	105 660 000	3.0	108 784 000
5. INFORMATION SUPPORT SERVICES							
P. Public Information and Communication	3 167 629	3 291 700	-	-	3 291 700	3.0	3 390 100
Q. Information and Communications Technology (ICT)	6 854 851	7 487 300	-	-	7 487 300	3.3	7 736 900
R. Library and Information Support	2 373 052	2 514 000	-	-	2 514 000	5.9	2 661 800
S. Conference, Translation and Publishing Services	5 316 944	5 427 000	-	-	5 427 000	3.1	5 594 200
Major Programme 5	17 712 476	18 720 000	-	-	18 720 000	3.5	19 383 000
6. MANAGEMENT OF TECHNICAL COOPERATION FOR DEVELOPMENT							
6. Overall Management, Coordination and Common Activities	568 415	558 000	(2 100)	(0.4)	555 900	3.1	573 300
T. Management of Technical Cooperation for Development	14 644 963	15 268 000	2 100	-	15 270 100	3.2	15 755 700
Major Programme 6	15 213 378	15 826 000	-	-	15 826 000	3.2	16 329 000
7. POLICY AND GENERAL MANAGEMENT							
U. Executive Management, Policy-Making and Coordination	12 881 188	13 725 600	-	-	13 725 600	3.3	14 174 100
V. Administration and General Services	36 162 085	37 262 400	-	-	37 262 400	2.7	38 271 800
W. Oversight Services and Performance Assessment	1 796 976	1 800 000	-	-	1 800 000	3.2	1 858 100
Major Programme 7	50 840 249	52 788 000	-	-	52 788 000	2.9	54 304 000
Agency Programmes	245 012 390	265 697 000	4 365 000	1.6	270 062 000	3.1	278 523 000
Plus: Reimbursable Work for Others	3 241 986	2 837 000	-	-	2 837 000	2.5	2 907 000
Total Regular Budget	248 254 376	268 534 000	4 365 000	1.6	272 899 000	3.1	281 430 000
Less: Miscellaneous Income:							
Reimbursable Work for Others		2 837 000	-	-	2 837 000	2.5	2 907 000
Other Miscellaneous Income		2 713 000	245 000	9.0	2 958 000	-	2 958 000
Assessment on Member States		262 984 000	4 120 000	1.6	267 104 000	3.2	275 565 000

Table 2. The Regular Budget — Summary of Income

	2003 Actuals	2004 with price adjustments	Increase (decrease)	2005 with price adjustments
(+) Assessed contributions on Member States	242 565 307	262 984 000	12 581 000	275 565 000
(+) Miscellaneous income				
(a) Reimbursable Work for Others				
Data processing services a_/	670 448	-	-	-
Printing services	1 165 226	1 301 200	31 900	1 333 100
Medical services	712 312	796 000	23 700	819 700
Radiation protection and monitoring services	102 119	102 900	3 100	106 000
Translation services	202 666	222 600	7 100	229 700
Nuclear Fusion Journal	143 528	154 300	4 200	158 500
Laboratory services	221 380	200 000	-	200 000
Marine Environment Laboratory services	24 307	60 000	-	60 000
Sub-total	3 241 986	2 837 000	70 000	2 907 000
(b) Other				
Attributable to specific programmes				
INIS Products	69 622	56 000	-	56 000
Publications of the Agency - other	292 916	400 000	25 000	425 000
Laboratory income	215 066	200 000	20 000	220 000
Amounts recoverable under Safeguards agreements	445 124	500 000	-	500 000
Programme support income	25 053	20 000	-	20 000
Other Service income	2 700	2 000	-	2 000
Sub-total	1 050 481	1 178 000	45 000	1 223 000
Not attributable to specific programmes				
Investment and interest income	1 728 624	1 000 000	200 000	1 200 000
Gain (Loss) on exchange of currencies	365 158	-	-	-
Other	(69 319)	535 000	-	535 000
Sub-total	2 024 463	1 535 000	200 000	1 735 000
Sub-total	3 074 944	2 713 000	245 000	2 958 000
Total Miscellaneous Income (a) + (b)	6 316 930	5 550 000	315 000	5 865 000
(=) TOTAL	248 882 237	268 534 000	12 896 000	281 430 000

a_/ Since continuing use by UNIDO of the Agency's information and communications technology services in 2004 and 2005 was not foreseen, no income for this purpose was included in the budget estimates for 2004 or 2005 in document GC(47)/3 (pages 159 and 160 — Resources changes and trends of Subprogramme Q.2., ICT Infrastructure, and Subprogramme Q.3., ICT Customer Services and Applications. See further explanation in paragraphs 6 to 10 of the Introduction to this document). Any income received will, however, be reflected in the Agency's Accounts for 2004 and 2005.

B. Explanatory Notes

B.1. Budget Currency and Rate of Exchange

14. As with previous budgets, the budget estimates for 2005 are expressed in terms of the US dollar — notwithstanding the split appropriation and assessment system — to enable the estimates to be presented in a single currency. The estimates are based on an exchange rate of 0.9229 euro to one United States dollar, the same as used for the budget for 2004 and the preliminary budget estimates for 2005. Presenting the budget estimates at the same US dollar/euro rate of exchange for a number of consecutive years facilitates comparison of estimates with the budgets for previous years. The adjustment formula set out in the attachment to the draft appropriation resolution (Draft Resolution A in the Annex) shows the split in terms of euro and US dollars.

B.2. Budgetary Comparisons with 2004

15. Comparisons are made in Table 1 between the financial resources sought for each major programme and programme in 2005 and the corresponding approved resources in the 2004 budget.

16. Details of actual expenditure in 2003 are also provided in Table 1 at the budget rate of exchange to facilitate comparison with the latest budget year for which actual expenditure figures are available. To enable valid comparisons to be made between the two budgetary periods, it has been necessary to adjust the actual expenditure figures so that they are presented according to the programme structure adopted for 2004–2005 and reflect also technical budgetary adjustments for that biennium. The adjusted actual figures for 2003 therefore reflect the programme changes described under the Programme and Resource Highlights in the Overview (paragraphs 39 to 76 inclusive) of the Agency's Programme and Budget for 2004–2005 (GC(47)/3), and the technical adjustments described in paragraphs 5 and 6 of the Explanatory Notes of the same document.

17. The actual expenditure figures for 2003 are not identical either with those which appear in the Accounts, or the Programme Performance Report (PPR) for 2002–2003 biennium, for which different exchange rates were applied. In those documents, in accordance with established procedures, the disbursements are recorded at the United Nations exchange rate for the month in which they occurred, while unliquidated obligations are reported at the exchange rate for 31 December of the year in question.

18. Member States' assessments are determined on the basis of the net cost of the budget after deducting receipts for Reimbursable Work for Others and Other Miscellaneous Income, as summarized in Tables 1 and 2.

B.3. Technical Cooperation Programme

19. The provision of technical cooperation by the Agency to Member States is financed from the Technical Cooperation Fund (TCF), which receives its income mainly in the form of voluntary contributions, for which a target is set each year by the General Conference, and Assessed Programme

Costs (APCs)² paid by recipient Member States. While APCs have been suspended in 2004³, and will be replaced with NPCs, arrears for prior years remain payable. The target foreseen ('indicative planning figure') for voluntary contributions to the TCF for 2005, according to the resolution GC(46)/RES/6 adopted at the 46th General Conference, shall be no less than \$75 000 000. The target for 2005 is expected to be recommended by the Board of Governors at its meeting in September 2004 for adoption at the 48th General Conference. It will then be reflected in Draft Resolution B set out in the Annex to this document.

20. A tentative forecast of the resources for the technical cooperation programme for 2005 of approximately \$82 706 000 (including funds for extrabudgetary activities) was included in GC(47)/3. The actual technical cooperation programme for 2005 and 2006 will be developed and submitted to the Technical Assistance and Cooperation Committee late in 2004.

B.4. Working Capital Fund

21. The General Conference approved a Working Capital Fund (WCF) of \$18 000 000 for 2004 and no change is proposed for 2005. The relevant resolution (Draft Resolution C. The Working Capital Fund in 2005) is set out in the Annex to this document.

B.5. Cost Developments for 2005

B.5.1. Price Adjustments

22. The regular budget proposals for 2005 set out in document GC(47)/3 were at 2004 prices. It was indicated in that document (paragraph 11 of the Explanatory Notes on the Programme and Budget for 2004–2005) that separate proposals for 2005 price adjustments would be introduced in the simplified budgetary document for 2005. The methodology for determining the price adjustments for the various items of expenditure was also described in the Explanatory Notes. The price adjustments appropriate for 2005 are indicated in Table 3, The Regular Budget by Item of Expenditure. As can be seen in this table, the proposed average price adjustment over the 2004 approved budget level is 3.1%. The adjustments, by individual item of expenditure, are applied to the budget proposals for 2005 at 2004 prices set out previously in document GC(47)/3.

B.5.2. Staff Costs

23. The principal cost elements which contribute to the price adjustments are staff costs. Details of the increases arising under this heading are given below.

Salaries

24. For year 2005 **Professional** salaries, an adjustment of 1.7% over the 2004 budget has been applied based on the following elements which are derived from the UN Common System methodology:

- a) The increase that was assumed for year **2003** in the programme and budget for 2004, based on the International Civil Service Commission (ICSC) decision as to the size of the increase

² With effect from the 2005–2006 technical cooperation programme, Assessed Programme Costs (APCs) will be replaced with National Participation Costs (NPCs) — the proposal contained in GOV/2004/46 approved by the Board in June 2004.

³ In accordance with the Package Proposal approved by the Board in July 2003 (paragraph 16 of GOV/2003/48, GOV/OR.1074 paragraphs 28 and 29).

and forecast of its impact, was 2.2%. The actual increase for 2003 proved to be 2.2%; consequently, no adjustment is required in 2005 for what actually occurred in 2003.

- b) Based on the ICSC forecast that was available at the time, an increase of 1.7% was applied in the 2004 budget in respect of **2004**. This increase is still expected to be 1.7% and consequently no adjustment is required for this period in the 2005 budget.
- c) Based on the most recent information supplied by the ICSC, an increase of 1.7% is forecast for **2005**.

25. The net sum of the factors listed in (a) to (c) above is 1.7% and this has been taken into account in the price adjustments.

26. In the case of **General Service** staff salaries, pay developments/projections for the same three years (2003–2005) are also taken into account but based on the Consumer Price Index (CPI) in Austria and “Tariflohn” (the Austrian minimum salary scale adjustment factor).

- a) For **2003**, an increase of 1.7% was assumed in the 2004 budget; the actual increase was 1.7%. Consequently, no adjustment is required for that year in 2005.
- b) In the absence of definite data at the time concerning **2004**, an increase of 1.3% (i.e. 1.7% prorated from 1 April 2004) in General Service salaries was assumed (which was a reasonable prediction based on experience). Based on present indications, that increase should have been 1.6%, requiring a net upward adjustment of 0.3% for that year.
- c) For **2005**, no forecast is yet available and a prorated increase of 1.2% effective 1 April is assumed.

27. The net sum of the adjustments in (a) to (c) give a total increase of 1.5 % for 2005 and this has been included in the price adjustments.

Common Staff Costs (CSC)

28. The estimated budgetary provision for CSC has been 39.6% of total salary costs beginning with the 2001 programme and budget when the percentage was increased by 0.5% to that level*. The expectation in subsequent years had been that, while retaining the 39.6% factor, the increase in the budgetary allocation for CSC derived from growth in the projected salary costs base would be sufficient to cover growing CSC requirements. This expectation has not been borne out by actual experience and the shortfall has had to be met from budgetary transfers from other areas. The amount of these transfers has increased from about \$1.5 million in 2001 and in 2002 to \$3.3 million in 2003.

29. The following table shows the evolution of CSC over the five years 1999 to 2003:

COMMON STAFF COSTS (at AS 12.70 and €0.9229 respectively to US\$ 1.00)
\$000

	1999	2000	2001	2002	2003
Amounts budgeted	42 779.0	44 064.8	45 148.3	48 421.1	49 391.4
Actual expenditure	45 070.5	46 700.4	46 629.1	49 891.3	52 695.6
(Overrun)/underrun	(2 291.5)	(2 635.6)	(1 480.8)	(1 470.2)	(3 304.2)
% budget	38.8	39.5	40.0	39.6	39.6
% actuals	42.2	43.3	41.3	41.6	43.9

* In fact the rate for 2001 was increased from 39.5% to 40% but a technical adjustment the following year reduced the 40% to 39.6%.

30. The exceptional increase of \$3.3 million in CSC actual expenditure compared to budget in 2003 is attributed to price and other increases in components such as pension contributions for Professional staff, medical insurance, education grant, end of service award for GS staff, etc. which occurred after finalization of the budget.

31. Except for a small proportion of the expenditure which resulted from the above normal rate of retirements and separations in 2003 — not expected to be repeated in 2005 — these increases will remain in 2004, 2005 and future years. They consequently represent a permanent increase in the overall CSC budgetary requirement which has not been funded by the budgetary provision derived from the application of the current standard 39.6 percent used in the estimation of CSC. To fund this increase in costs, it is necessary to increase this percentage to 41.8% for 2005. This is intended to cover the past recurring increases plus the CSC costs that can be expected to arise based on the projected level of salary costs. The proposed increase will not, however, necessarily cover all of the price increases in CSC components which can be expected to arise in the course of 2004 and 2005. As in previous years, therefore, any shortfall which arises would have to be met from savings under other items of expenditure. The Secretariat will, however, continue to review the adequacy of the increased percentage proposed here in connection with the preparation of the budget proposals for the next biennium.

B.5.3. Other Items of Expenditure

32. For items of expenditure other than staff costs, the actual increases experienced in 2003 are applied to 2005. The increases which have been so applied are as follows:

- a) For *staff travel* and *non-staff travel*, a review of the relevant price movements indicates that price increases of 2.0% and 5.8% respectively, are required.
- b) The most recent data concerning charges for *interpretation services* provided by United Nations Office at Vienna (UNOV) indicate that an increase of 7.7% for these services is necessary for 2005. There was no increase under this heading in 2004.
- c) There has been an increase in the ceiling rate for *hospitality* for Austria of 8.8%. There has also been an increase of 1.3% in *representation allowance*, based on movements in the Austrian Consumer Price Index but this has impact only if expenditure exceeds a high threshold. There is consequently a weighted increase of 0.7% in *representation and hospitality* combined.
- d) Based on the Professional salary adjustments (relating to salary payments to trainees) and increases in fees payable for external training as shown by a relevant Austrian index (“courses for vocational advanced training”), an increase of 5.5% for the item of expenditure *training* is appropriate.
- e) For *equipment (leased and purchased)* and *supplies and materials*, actual price movements experienced indicate that increases of 1.5%, 2.4% and 3.2% respectively are appropriate.
- f) A comparison of the average cost per *research and technical contracts* in 2003 with that for 2002 indicates that an increase of 5.4% is appropriate.
- g) *General operating expenses* consist of VIC common services, rental and maintenance of premises, communications, utilities and related services, freight, storage, and transportation and maintenance of equipment. A weighted inflation factor of 2.2% is appropriate, based on the price adjustments in the different areas concerned.
- h) The item of expenditure *contracts* includes contractual consultant services, sample analytical services, and external editing and translation. The weighted average increase indicated by a review of the various indices used is 2.3%.
- i) The adjustments for the wide variety of individual items which are categorized as *miscellaneous* translates into an overall weighted average increase of 2.0% for this heading.

Table 3. The Regular Budget — By Item of Expenditure

Item of expenditure	2003 actual expenditure	2004 budget	increase/(decrease) %	2005 estimates at 2004 prices	Price increase %	2005 with price increase	
Salaries - established posts - P	60 431 014	68 945 500	1 234 000	1.8	70 179 500	1.7	71 372 800
Temporary assistance - P/ MT	4 961 060	6 343 800	160 400	2.5	6 504 200	1.7	6 615 000
Temporary assistance - P/ ST	688 352	1 020 300	66 800	6.5	1 087 100	1.7	1 105 900
Salaries - established posts - GS	31 476 130	33 233 300	(27 600)	(0.1)	33 205 700	1.5	33 704 100
Temporary assistance - GS/ MT	3 184 102	3 281 500	70 800	2.2	3 352 300	1.5	3 402 400
Temporary assistance - GS/ ST	1 214 753	295 200	37 900	12.8	333 100	1.4	337 800
Common staff costs	44 721 541	44 803 600	614 600	1.4	45 418 200	7.3	48 713 000
Overtime	340 661	255 500	7 200	2.8	262 700	1.3	266 200
Subtotal: Staff costs	147 017 613	158 178 700	2 164 100	1.4	160 342 800	3.2	165 517 200
Travel - staff	9 618 550	11 236 100	(22 000)	(0.2)	11 214 100	2.0	11 438 200
Travel - non-staff	5 878 831	7 771 700	(166 000)	(2.1)	7 605 700	5.8	8 046 500
Subtotal: Travel costs	15 497 381	19 007 800	(188 000)	(1.0)	18 819 800	3.5	19 484 700
Interpretation services	763 129	651 000	132 000	20.3	783 000	7.7	843 300
Representation and hospitality	249 563	235 500	-	-	235 500	0.7	237 200
Training	477 132	1 240 500	(299 500)	(24.1)	941 000	5.5	992 500
Equipment: leased or rented	291 381	351 200	(6 200)	(1.8)	345 000	1.5	350 300
Equipment purchased/ construction work	8 098 198	8 369 900	1 697 200	20.3	10 067 100	2.4	10 308 000
Equipment Replacement Fund contribution	-	-	-	-	-	-	-
Supplies and materials	4 990 288	5 648 400	(78 600)	(1.4)	5 569 800	3.2	5 749 900
General operating expenses	18 507 390	18 552 500	132 300	0.7	18 684 800	2.2	19 091 500
Contracts	6 106 117	10 094 700	808 600	8.0	10 903 300	2.3	11 158 300
Research and technical contracts	4 691 220	4 970 000	17 000	0.3	4 987 000	5.4	5 256 900
Miscellaneous	3 417 713	3 385 400	(15 200)	(0.4)	3 370 200	2.0	3 438 000
Subtotal: Other direct costs	47 592 131	53 499 100	2 387 600	4.5	55 886 700	2.8	57 425 900
Laboratory Activities	14 671 326	15 117 200	500	-	15 117 700	3.0	15 572 700
Translation and Records Services	6 023 032	5 830 300	(38 700)	(0.7)	5 791 600	3.2	5 975 400
Printing Services	2 592 783	2 172 900	37 900	1.7	2 210 800	2.6	2 268 200
Publishing Services	-	-	-	-	-	-	-
Data Processing Application Services	1 114 318	828 100	1 600	0.2	829 700	3.3	856 900
Data Processing Central Services (unallocated)	6 498 776	6 830 300	-	-	6 830 300	3.4	7 060 000
Data Processing Central Services (SG fixed costs)	1 399 416	1 429 800	-	-	1 429 800	3.2	1 475 000
Medical Services	849 809	957 600	-	-	957 600	3.0	986 200
Contracts Administration Services	574 293	653 600	-	-	653 600	3.1	673 900
Radiation Protection and Monitoring Services	1 181 512	1 191 600	-	-	1 191 600	3.0	1 226 900
Subtotal: Shared costs	20 233 939	19 894 200	800	-	19 895 000	3.2	20 522 500
Regular Budget for Agency Programmes	245 012 390	265 697 000	4 365 000	1.6	270 062 000	3.1	278 523 000
Reimbursable Work for Others	3 241 986	2 837 000	-	-	2 837 000	2.5	2 907 000
Total Regular Budget	248 254 376	268 534 000	4 365 000	1.6	272 899 000	3.1	281 430 000

Table 4. The Agency's Laboratories (Allocated to Major Programmes)

Item of expenditure	2003 actual expenditure	2004 budget	Expenditure increase/(decrease) %		2005 estimates at 2004 prices	Price increase %	2005 with price increase
Salaries - established posts - P	2 662 729	2 793 600	(27 600)	(1.0)	2 766 000	1.7	2 813 000
Temporary assistance - P/ MT	48 446	152 800	-	-	152 800	1.7	155 400
Temporary assistance - P/ ST	-	-	-	-	-	-	-
Salaries - established posts - GS	3 995 398	4 365 300	(100)	(0.0)	4 365 200	1.5	4 430 700
Temporary assistance - GS/ MT	416 631	382 200	-	-	382 200	1.5	387 900
Temporary assistance - GS/ ST	69 906	25 600	-	-	25 600	1.6	26 000
Common staff costs	3 155 415	3 057 700	(11 800)	(0.4)	3 045 900	7.2	3 265 800
Overtime	85 829	63 100	-	-	63 100	1.4	64 000
Subtotal: Staff costs	10 434 354	10 840 300	(39 500)	(0.4)	10 800 800	3.2	11 142 800
Travel - staff	88 228	130 800	-	-	130 800	2.0	133 400
Travel - non-staff	77 650	67 400	-	-	67 400	5.8	71 300
Subtotal: Travel costs	165 878	198 200	-	-	198 200	3.3	204 700
Interpretation services	-	-	-	-	-	-	-
Representation and hospitality	2 964	4 300	-	-	4 300	2.3	4 400
Training	20 621	31 800	-	-	31 800	8.8	34 600
Equipment: leased or rented	8 662	23 600	-	-	23 600	1.7	24 000
Equipment purchased/ construction work	352 964	521 100	6 200	1.2	527 300	2.3	539 400
Equipment Replacement Fund contribution	-	-	-	-	-	-	-
Supplies and materials	1 047 760	1 008 200	32 600	3.2	1 040 800	2.4	1 065 800
General operating expenses	2 455 661	2 139 800	700	-	2 140 500	2.7	2 198 300
Contracts	340 341	267 800	-	-	267 800	2.5	274 500
Research and technical contracts	11 000	-	-	-	-	-	-
Miscellaneous	13 991	247 300	500	0.2	247 800	0.2	248 400
Subtotal: Other direct costs	4 253 964	4 243 900	40 000	0.9	4 283 900	2.5	4 389 400
Laboratory Activities 1_/	(14 671 326)	(15 117 200)	(500)	-	(15 117 700)	3.0	(15 572 700)
Translation and Records Services	4 912	5 100	-	-	5 100	3.9	5 300
Printing Services	16 021	16 400	-	-	16 400	2.4	16 800
Publishing Services	-	-	-	-	-	-	-
Data Processing Application Services	13 218	13 300	-	-	13 300	3.0	13 700
Data Processing Central Services (unallocated)	-	-	-	-	-	-	-
Data Processing Central Services (SG fixed costs)	-	-	-	-	-	-	-
Medical Services	-	-	-	-	-	-	-
Contracts Administration Services	4 359	-	-	-	-	-	-
Radiation Protection and Monitoring Services	-	-	-	-	-	-	-
Subtotal: Shared costs	38 510	34 800	-	-	34 800	2.9	35 800
REIMBURSABLE WORK FOR OTHERS	221 380	200 000	-	-	200 000	-	200 000
1_/							
MP.1	1 597 215	1 663 200	100	-	1 663 300	3.0	1 713 300
MP.2	8 086 472	8 332 200	400	-	8 332 600	3.0	8 583 500
MP.4	4 987 639	5 121 800	-	-	5 121 800	3.0	5 275 900
TOTAL Agency's Laboratories	14 671 326	15 117 200	500	-	15 117 700	3.0	15 572 700

Table 5. Shared Services

Item of expenditure	2003 actual expenditure	2004 budget	Expenditure increase/(decrease) %		2005 estimates at 2004 prices	Price increase %	2005 with price increase
Salaries - established posts - P	5 361 619	6 288 500	-	-	6 288 500	1.7	6 395 300
Temporary assistance - P/ MT	114 245	202 400	-	-	202 400	1.7	205 800
Temporary assistance - P/ ST	60 027	-	-	-	-	-	-
Salaries - established posts - GS	4 852 974	5 025 900	-	-	5 025 900	1.5	5 101 300
Temporary assistance - GS/ MT	297 945	420 000	-	-	420 000	1.5	426 200
Temporary assistance - GS/ ST	296 040	82 300	-	-	82 300	1.6	83 600
Common staff costs	4 818 617	4 760 100	-	-	4 760 100	7.2	5 105 200
Overtime	59 381	62 300	-	-	62 300	1.4	63 200
Subtotal: Staff costs	15 860 848	16 841 500	-	-	16 841 500	3.2	17 380 600
Travel - staff	64 846	61 700	-	-	61 700	1.8	62 800
Travel - non-staff	69 500	41 700	-	-	41 700	5.8	44 100
Subtotal: Travel costs	134 346	103 400	-	-	103 400	3.4	106 900
Interpretation services	-	-	-	-	-	-	-
Representation and hospitality	327	1 200	-	-	1 200	-	1 200
Training	170 390	150 300	-	-	150 300	8.8	163 600
Equipment: leased or rented	1 655 814	1 379 700	-	-	1 379 700	1.5	1 400 400
Equipment purchased/ construction work	770 336	338 200	-	-	338 200	2.6	346 900
Equipment Replacement Fund contribution	-	-	-	-	-	-	-
Supplies and materials	695 458	769 500	-	-	769 500	2.0	784 900
General operating expenses	2 377 936	2 036 900	-	-	2 036 900	3.9	2 115 500
Contracts	1 566 436	858 900	800	0.1	859 700	2.2	878 600
Research and technical contracts	-	-	-	-	-	-	-
Miscellaneous	36 857	26 400	-	-	26 400	1.1	26 700
Subtotal: Other direct costs	7 273 554	5 561 100	800	-	5 561 900	2.8	5 717 800
Laboratory Activities	-	-	-	-	-	-	-
Translation and Records Services	11 846	6 100	-	-	6 100	3.3	6 300
Printing Services	84 765	15 400	-	-	15 400	3.2	15 900
Publishing Services	-	-	-	-	-	-	-
Data Processing Application Services	52 872	27 600	-	-	27 600	3.3	28 500
Data Processing Central Services (unallocated)	-	-	-	-	-	-	-
Data Processing Central Services (SG fixed costs)	-	-	-	-	-	-	-
Medical Services	-	-	-	-	-	-	-
Contracts Administration Services	-	-	-	-	-	-	-
Radiation Protection and Monitoring Services	-	-	-	-	-	-	-
Subtotal: Shared costs	149 483	49 100	-	-	49 100	3.3	50 700
T O T A L	23 418 231	22 555 100	800	-	22 555 900	3.1	23 256 000
<i>Less:</i>							
Cross-charge (above)	149 483	49 100	-	-	49 100	3.3	50 700
Cross-charge Laboratory Activities	38 510	34 800	-	-	34 800	2.9	35 800
TOTAL Shared Services	23 230 238	22 471 200	800	-	22 472 000	3.1	23 169 500
<i>Less:</i>							
Transfer to Programmes Q and S	6 498 776	6 830 300	-	-	6 830 300	3.4	7 060 000
Allocation to Agency Programmes	13 735 163	13 063 900	800	-	13 064 700	3.0	13 462 500
Reimbursable Work for Others	2 996 299	2 577 000	-	-	2 577 000	2.7	2 647 000
	-	-	-	-	-	-	-

Table 6. Regular Budget Staff Costs

Item of expenditure	2003 actual expenditure	2004 budget	increase/(decrease) %	2005 estimates at 2004 prices	Price increase %	2005 with price increase	
Salaries - established posts - P	68 455 362	78 027 600	1 206 400	1.5	79 234 000	1.7	80 581 100
Temporary assistance - P/ MT	5 123 751	6 699 000	160 400	2.4	6 859 400	1.7	6 976 200
Temporary assistance - P/ ST	748 379	1 020 300	66 800	6.5	1 087 100	1.7	1 105 900
Salaries - established posts - GS	40 324 502	42 624 500	(27 700)	(0.1)	42 596 800	1.5	43 236 100
Temporary assistance - GS/ MT	3 898 678	4 083 700	70 800	1.7	4 154 500	1.5	4 216 500
Temporary assistance - GS/ ST	1 580 699	403 100	37 900	9.4	441 000	1.5	447 400
Common staff costs	52 695 573	52 621 400	602 800	1.1	53 224 200	7.3	57 084 000
Overtime	485 871	380 900	7 200	1.9	388 100	1.4	393 400
Total: Staff costs	173 312 815	185 860 500	2 124 600	1.1	187 985 100	3.2	194 040 600

ANNEX

Draft Resolutions**A. Regular Budget Appropriations for 2005**The General Conference,

Accepting the recommendations of the Board of Governors relating to the Regular Budget of the Agency for 2005 ^{1/},

1. Appropriates on the basis of an exchange rate of €0.9229 to \$1.00, an amount of \$281 430 000 for the Regular Budget expenses of the Agency in 2005 as follows ^{2/}:

	United States dollars
1. Nuclear Power, Fuel Cycle and Nuclear Science	25 074 000
2. Nuclear Techniques for Development and Environmental Protection	31 308 000
3. Nuclear Safety and Security	23 341 000
4. Nuclear Verification	108 784 000
5. Information Support Services	19 383 000
6. Management of Technical Cooperation for Development	16 329 000
7. Policy and General Management	54 304 000
Subtotal Agency Programmes	<hr/> 278 523 000
8. Reimbursable Work for Others	<hr/> 2 907 000
TOTAL	<hr/> <hr/> 281 430 000

the amounts in the Appropriation Sections to be adjusted in accordance with the adjustment formula presented in the Attachment in order to take into account the exchange rate variations during the year.

2. Decides that the foregoing appropriation shall be financed, after the deduction of
 - revenues deriving from Reimbursable Work for Others (Section 8); and
 - Other Miscellaneous Income of \$2 958 000 (representing \$2 058 000 plus €31 000);from contributions by Member States amounting, for an exchange rate of €0.9229 to \$1.00, to \$275 565 000 (\$52 206 000 plus €206 138 000), in accordance with the scale of assessment fixed by the General Conference in resolution GC(48)/RES/ ; and

3. Authorizes the Director General:
 - (a) To incur expenditures additional to those for which provision is made in the Regular Budget for 2005, provided that the relevant emoluments of any staff involved and all other costs are entirely financed from revenues arising out of sales, work performed for Member States or international organizations, research grants, special contributions or other sources extraneous to the Regular Budget for 2005; and
 - (b) With the prior approval of the Board of Governors, to make transfers between any of the Sections listed in paragraph 1 above.

^{1/} See document GC(48)/ .

^{2/} The Appropriation Sections 1–7 represent the Agency's Major Programmes.

ATTACHMENT**ADJUSTMENT FORMULA IN US DOLLARS**

1.	Nuclear Power, Fuel Cycle and Nuclear Science	7 103 000	+	(	16 585 000	/R)
2.	Nuclear Techniques for Development and Environmental Protection	9 510 000	+	(	20 117 000	/R)
3.	Nuclear Safety and Security	4 624 000	+	(	17 274 000	/R)
4.	Nuclear Verification	21 739 000	+	(	80 334 000	/R)
5.	Information Support Services	2 490 000	+	(	15 591 000	/R)
6.	Management of Technical Cooperation for Development	2 072 000	+	(	13 158 000	/R)
7.	Policy and General Management	6 726 000	+	(	43 910 000	/R)
	Subtotal Agency Programmes	<u>54 264 000</u>	+	(	<u>206 969 000</u>	/R)
8.	Reimbursable Work for Others	<u>563 000</u>	+	(	<u>2 163 000</u>	/R)
	TOTAL	<u><u>54 827 000</u></u>	+	(	<u><u>209 132 000</u></u>	/R)

Note: R is the average United Nations euro-to-dollar exchange rate which will be experienced during 2005

B. Technical Cooperation Fund Allocation for 2005

The General Conference,

Recalling the decision of the Board of Governors, which was noted by the General Conference in resolution GC(46)/RES/6 that for 2005 the indicative planning figure for voluntary contributions to the Technical Cooperation Fund shall be no less than \$75 000 000,

Accepting the recommendation of the Board relating to the target for voluntary contributions to the Agency's Technical Cooperation Fund for 2005,

1. Decides that for 2005 the target for voluntary contributions to the Technical Cooperation Fund shall be \$; a/
2. Notes that funds from other sources, estimated at \$1 000 000, are expected to be available for that programme;
3. Allocates the amount of \$ a/ for the Agency's Technical Cooperation programme for 2005; and
4. Urges all Member States to make voluntary contributions for 2005 in accordance with Article XIV.F of the Statute, with paragraph 2 of its Resolution GC(V)/RES/100 as amended by Resolution GC(XV)/RES/286 or with paragraph 3 of the former Resolution, as appropriate.

C. The Working Capital Fund in 2005

The General Conference,

Accepting the recommendations of the Board of Governors relating to the Agency's Working Capital Fund in 2005,

1. Approves a level of \$18 000 000 for the Agency's Working Capital Fund in 2005;
2. Decides that the Fund shall be financed, administered and used in 2005 in accordance with the relevant provisions of the Agency's Financial Regulations ^{1/};
3. Authorizes the Director General to make advances from the Fund not exceeding \$500 000 at any time to finance temporarily projects or activities which have been approved by the Board of Governors for which no funds have been provided under the Regular Budget; and
4. Requests the Director General to submit to the Board statements of advances made from the Fund under the authority given in paragraph 3 above.

^{1/} INFCIRC/8/Rev.2.

a/ Decision on target for recommendation to the General Conference to be taken by the Board of Governors at its meeting in September 2004.