

The Agency's Budget Update for 2013



IAEA

International Atomic Energy Agency

The document is accessible electronically on the IAEA's website at:

www.iaea.org

The Agency's Budget Update for 2013



GC(56)/4

Printed by the
International Atomic Energy Agency
July 2012



IAEA

International Atomic Energy Agency

Table of Contents

A. Introduction	1
A.1. Background	1
A.2. Summary of budgetary implications.....	1
A.3. Programmatic adjustments for 2013.....	1
A.3.1. Operational regular budget.....	1
A.3.2. Capital regular budget	2
A.4. Regular budget adjustments for 2013.....	2
A.4.1. Operational regular budget.....	3
A.4.2. Capital regular budget	5
Major Programme 1 — Nuclear Power, Fuel Cycle and Nuclear Science.....	5
Major Programme 2 — Nuclear Techniques for Development and Environmental Protection.....	5
Major Programme 4 — Nuclear Verification.....	6
Major Programme 5 — Policy, Management and Administration Services	7
A.5. Submission to the General Conference	9
A.6. Report on the budget to the United Nations General Assembly.....	9
B. Explanatory notes	10
B.1. Budget currency and rate of exchange.....	10
B.2. Budgetary information.....	10
B.3. Technical cooperation programme	10
B.4. Working Capital Fund	10
B.5. Cost developments for 2013	11
B.5.1. Price adjustments.....	11
Table 1. The Regular Budget — By Programme and Major Programme	12
Table 2. The Regular Budget — Summary of Income.....	13
Annex. Draft Resolutions for 2013	15
A. Regular Budget Appropriations for 2013	18
B. Technical Cooperation Fund Allocation for 2013	22
C. The Working Capital Fund in 2013	22

The Agency's Budget Update for 2013

A. Introduction

A.1. Background

1. The Agency's regular programme for the biennium 2012–2013, adopted by the Board of Governors, was presented to the General Conference in September 2011 in document GC(55)/5 'The Agency's Programme and Budget 2012–2013'. Although that document included budget estimates for both 2012 and 2013, the Board of Governors is required by the Statute to submit to the General Conference *annual* budget estimates for approval¹, and thus the estimates for 2013 were only preliminary.

2. In line with the procedures adopted for biennial programming (GOV/1999/23), the budget estimates for the second year of the biennium (2013) are to be contained in a concise summary document — 'The Agency's Budget Update'. This document focuses on the second year of the biennium and highlights any significant changes to the preliminary budget estimates, introduces the price adjustments and sets out the draft appropriations and other resolutions.

A.2. Summary of budgetary implications

3. In compliance with GC(55)/5, 'The Agency's Programme and Budget 2012–2013', paragraph 3, the updated estimates for 2013 are retained at zero real growth compared to 2012. Furthermore, the relative share of funding by major programme remains the same as in 2012, as decided by the Board in June 2011.²

A.3. Programmatic adjustments for 2013

A.3.1. Operational regular budget

4. The updated estimates for 2013 include adjustments within major programmes that — without altering the balance among major programmes or the overall size of the regular budget — are geared to ensure prompt and effective implementation of activities under the IAEA Action Plan on Nuclear Safety (referred to henceforth as the Action Plan) as well as to reflect lessons learned in the aftermath of the accident at the Fukushima Daiichi nuclear power plant in Japan in March 2011.

5. These adjustments, for which details are provided in Section A.4, fall under the following categories:

- Establishment of new dedicated 'action plan projects' into which new or existing activities related to the Action Plan will be consolidated;
- Increase in core activities unfunded in the regular budget (CAURBs),³ some 2013 regular budget funding preliminarily foreseen within GC(55)/5 for lower priority activities will be

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 (see GC(55)/7).

² Reference: GOV/OR.1300, paragraphs 158 through 160.

³ CAURBs are identified in the programme for adoption by the Board of Governors so that they may be implemented without further approval should extrabudgetary funds be received or should adequate regular budget savings materialize in the course of the biennium.

redirected to the Action Plan; and some activities identified in connection with the Action Plan could not be accommodated through reprioritization within either the regular budget or extrabudgetary funds.

6. Adjustments have been effected in Major Programme 4 (MP4) to strengthen security and support change management in this major programme, resulting in amendments to the initial 2013 estimates presented in GC(55)/5. However, there is no impact on the overall major programme funding.

A.3.2. Capital regular budget

7. The Major Capital Investment Fund (MCIF) was established by the Board of Governors in accordance with Financial Regulation 4.06⁴ to support major infrastructural investments reflected in the Major Capital Investment Plan (MCIP). The MCIF can be funded from, inter alia, any savings from annual regular budget appropriations.⁵

8. The capital regular budget for 2013 is capped at €8.2 million (2012 prices), as approved by the Board. However, as required by paragraph 140 (c), GC(53/5), the updates to the MCIF and MCIP are herewith presented as follows:

- Anticipated unspent balance of €10.2 million in regular budget appropriations, of which €5.2 million from the 2011 regular budget and €5.0 million from the prior years' regular budget will be retained in the MCIF;⁶
- Changes in the schedule for some major capital investments, including deferral from 2012 to 2013 of investments to which Member States did not pledge adequate extrabudgetary contributions;
- Additional extrabudgetary pledges to ECAS received since the issuance of GC(55)/5 totalling €3.2 million.

9. Details on MCIP adjustments are provided in Section A.4.

A.4. Regular budget adjustments for 2013

10. As noted in A.3.1, no change is proposed in either the funding envelope for the total regular budget or the relative share of funding by major programme.

11. The price adjustment estimate for 2013 obtained through the Agency's standard methodology of semi-full budgeting is 2.8%. This rate is primarily attributable to the increase of 4.7% that the United Nations International Civil Service Commission (ICSC) has forecast for salaries of Professional staff in Vienna. Recognizing that 2.8% would be an impracticable adjustment given the current global financial situation, the Director General has requested that the increase in the budget for Professional staff in Vienna be capped at 2.0%. Likewise price adjustments for short term consultants/experts, research and technical contracts, as well as miscellaneous items have been capped at 0.0%. This has led to an overall price adjustment of 1.4% (see B.5.1).

⁴ Financial Regulation 4.06 provides:

Reserve Funds may be established by the Board or by the Director General with the approval of the Board. The purposes and limits of each Reserve Fund and the authority to incur expenditures shall be clearly defined. Financial Regulations 4.04 and 4.05 shall not apply to Reserve Funds and balances remaining at the end of a financial year may be carried forward to subsequent financial years.

⁵ Reference: GC(53)/5, paragraphs 140–144.

⁶ These figures are to be considered provisional pending final closure of financial year 2011.

A.4.1. Operational regular budget

12. New dedicated action plan projects will be established in MP1, *Nuclear Power, Fuel Cycle and Nuclear Science*; MP2, *Nuclear Techniques for Development and Environmental Protection*; and MP3, *Nuclear Safety and Security*, with regular budget funding totalling €1.73 million, €0.12 million, and €3.24 million, respectively.

12.1. In MP1, action plan projects will be created by redeploying resources from other projects in the relevant subprogramme, as follows:

- Under Programme 1.1, *Nuclear Power*, action plan projects will be created for Subprogrammes 1.1.1, 1.1.2, 1.1.3 and 1.1.5, with total regular budget funding of €0.86 million;
- Under Programme 1.2, *Nuclear Fuel Cycle and Materials Technologies*, an action plan project will be created for Subprogramme 1.2.3, with total regular budget funding of €0.42 million;
- Under Programme 1.3, *Capacity Building and Nuclear Knowledge Maintenance for Sustainable Energy Development*, action plan projects will be established for each subprogramme, with total regular budget funding of €0.33 million;
- Under Programme 1.4, *Nuclear Science*, an action plan project will be created for Subprogramme 1.4.3, with total regular budget funding of €0.12 million.

12.2. In MP2, a new project, the *Nuclear Safety Action Plan*, will be initiated, with regular budget funding of €0.12 million, using resources redeployed mostly from Subprogramme 2.1.3, *Improvement of Food Safety and Food Control Systems*.

12.3. In MP3, a new action plan project will be established to support the *Nuclear Safety Action Team*, tasked with the overall coordination of the Action Plan. Regular budget funding will total €0.63 million, of which €0.41 million will be redeployed from Subprogramme 3.2.1, *Governmental and Regulatory Framework, Safety Infrastructure and Capacity Building for Nuclear Installations*, and €0.22 million from Projects 3.0.0.1, 3.0.0.2 and 3.2.5.2. Furthermore, as in the case of MP1, action plan projects will be established for each relevant subprogramme by redeploying resources from other projects within the subprogramme, as follows:

- Under Programme 3.1, *Incident and Emergency Preparedness and Response*, action plan projects will be created for each subprogramme, with total regular budget funding of €0.31 million;
- Under Programme 3.2, *Safety of Nuclear Installations*, action plan projects will be created for each subprogramme, with the exception of Subprogramme 3.2.5, with total regular budget funding of €0.65 million;
- Under Programme 3.3, *Radiation and Transport Safety*, action plan projects will be created for each of the two subprogrammes, with total regular budget funding of €0.80 million;
- Under Programme 3.4, *Management of Radioactive Waste*, action plan projects will be created for each of the two subprogrammes, with total regular budget funding of €0.86 million.

12.4. MP5 provides management services to the Agency's programme. There will be no dedicated action plan projects under this major programme. However, MP5 resources of €1.20 million have been attributed to the Action Plan based on the relative share of regular budget resources earmarked to the Action Plan in Major Programmes 1, 2 and 3.

13. Furthermore, compared to the preliminary estimates of €9.5 million for 2013 CAURBs reflected in GC(55)/5, CAURBs will be increased by €4.7 million. Of this increase, €2.3 million is for the

Action Plan, while €2.4 million is for activities originally budgeted under GC(55)/5 whose regular budget funding will now be shifted to Action Plan activities. As a consequence, these CAURBs will require extrabudgetary contributions or allocations from regular budget savings in order to be implemented. The projects concerned are:

13.1. In MP2:

- Project 2.1.3.2, *Traceability to improve food safety and quality and enhance international trade*, with funding moved to CAURBs of €0.11 million;

13.2. In MP3:

- Under Subprogramme 3.2.1, *Governmental and Regulatory Framework, Safety Infrastructure and Capacity Building for Nuclear Installations*, Projects 3.2.1.1, 3.2.1.2, 3.2.1.3 and 3.2.1.4: overall funding of €0.65 million moved to CAURBs;
- Project 3.2.2.1, *Promoting and applying an integrated approach to evaluation of safety design of nuclear facilities*: funding of €0.43 million moved to CAURBs;
- Project 3.2.3.1, *Promoting an integrated approach for site safety and protection against internal and external hazards*: funding of €0.28 million moved to CAURBs;
- Under Subprogramme 3.2.4, *Safe Operation of Nuclear Power Plants*, Projects 3.2.4.1, 3.2.4.2, 3.2.4.3: overall funding of €0.97 million moved to CAURBs;

14. In summary, the estimated 2013 funding for the Action Plan totals €10.10 million as follows.

Table: 2013 funding for the Action Plan by MP and Fund⁷

(€ millions)

Major Programmes	Regular Budget	Extrabudgetary	CAURBs	Total
1 ^a	1.73	0.77	1.75	4.25
2	0.12	—	0.03	0.15
3	3.24	0.74	0.52	4.50
5	1.20	—	—	1.20
Total^b	6.29	1.51	2.30	10.10

^a Includes €0.8 million that will be shifted to post-accident priorities in response to 2011/Note 23 in connection with Subprogrammes 1.1.1, 1.1.5 and 1.2.3, as identified in GC(55)/5.

^b Major Programmes 4 and 6 have no direct activities in support of the Action Plan.

15. In addition to the resources reflected in the table above, 2013 activities worth approximately €20 million from national and regional projects funded from the Technical Cooperation Fund are linked to the Action Plan.

16. As indicated in paragraph 6, adjustments to 2013 preliminary estimates in GC(55)/5 have been made in MP4 to strengthen security and support change management. While there are some material variances under Project 4.0.0.1, and Subprogrammes 4.1 and 4.3, these adjustments have no impact on the overall major programme funding.

⁷ Not including Action Plan activities that Member States will finance through their own resources and will not implement through the Agency.

A.4.2. Capital regular budget⁸

Changes to capital regular budget requirements for 2013⁹

17. The tables in this section highlight the updated funding plan for major capital investments. No tables are provided for those major capital investments for which there is no change in plan or funding compared to the preliminary estimates for 2013 that were set out in GC(55)/5. As noted in paragraph 8 above, the capital regular budget for 2013 is capped at €8.2 million (at 2012 prices), as approved by the Board.

Major Programme 1 — Nuclear Power, Fuel Cycle and Nuclear Science

Establishment and major upgrade of facilities and equipment for environmental nuclear monitoring for newcomers and other advanced applications at Seibersdorf

18. It is proposed that €0.3 million from the total unspent regular budget balance¹⁰ retained in the MCIF be deployed to reduce 2012 unfunded needs of €0.3 million previously reported for this major capital investment.¹¹ The updated plan for 2013 and beyond is shown in the following table.

Applications in Seibersdorf	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Funding Needs	302	-	300	-	300	-	-	-	-	902
Funding Source:										
Regular Budget	-	-	300	-	300	-	-	-	-	600
Extrabudgetary	-	-	-	-	-	-	-	-	-	-
Carry Forward of MCIF	20	-	-	-	-	-	-	-	-	20
Capital Unfunded	282	-	-	-	-	-	-	-	-	282

Major Programme 2 — Nuclear Techniques for Development and Environmental Protection

Laboratory enhancement and equipment

19. It is proposed that €0.5 million from the total unspent regular budget balance retained in the MCIF be deployed to partially reduce 2012 unfunded needs of €1.9 million reported for this major programme.¹² The balance of 2012 needs of €1.5 million is deferred, increasing 2013 capital needs for this major programme to €4.1 million that would remain unfunded. The updated plan for 2013 and beyond is shown in the following table.

Laboratory enhancements	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Funding Needs	4 088	-	-	-	-	-	-	-	-	4 088
Funding Source:										
Regular Budget	-	-	-	-	-	-	-	-	-	-
Extrabudgetary	-	-	-	-	-	-	-	-	-	-
Carry Forward of MCIF	-	-	-	-	-	-	-	-	-	-
Capital Unfunded	4 088	-	-	-	-	-	-	-	-	4 088

⁸ Figures in this section are provided at 2013 prices.

⁹ As noted in paragraph 8, all 2012 unfunded needs to which Member States did not pledge any or pledged insufficient extrabudgetary funds are deferred to 2013. All tables in this section reflect this deferral, as applicable.

¹⁰ See paragraph 8.

¹¹ Reference: GC(55)/5, page 44, Table 11, 'Unfunded 2012–2013 Capital Needs'.

¹² See paragraph 8.

Major Programme 4 — Nuclear Verification

Monitoring equipment and software — large mixed oxide fuel fabrication plant under construction in Japan (JMOX)

20. The Secretariat has been informed of a delay in the construction schedule for the implementation of a safeguards approach for JMOX. However, there is no change in overall project needs. As a result, it is proposed to deploy €0.7 million of the MCIF resources earmarked for JMOX to Enhancing Capabilities of the Safeguards Analytical Services (ECAS), in order to address part of urgent ECAS needs in 2012.

21. The updated plan for JMOX for 2013 and beyond is shown in the following table.

JMOX	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Funding Needs	3 503	4 200	4 000	1 700	800	-	-	-	-	14 203
Funding Source:										
Regular Budget	368	4 200	3 700	1 700	800	-	-	-	-	10 768
Extrabudgetary	-	-	-	-	-	-	-	-	-	-
Carry Forward of MCIF	3 135	-	-	-	-	-	-	-	-	3 135
Capital Unfunded	-	-	300	-	-	-	-	-	-	300

Enhancing Capabilities of the Safeguards Analytical Services

22. The funding plan for ECAS has been amended, as compared to GC(55)/5, reflecting the latest project schedule and funding status. While the overall project needs remain unchanged, due to the construction schedule 2012 and 2013 needs have increased by €3.0 million and €2.4 million, respectively. This increase is offset by a decrease in 2014 needs and adjustments to needs prior to 2012. Needs for 2012 are fully funded through:

- New extrabudgetary pledges of €3.2 million that were not reflected in GC(55)/5;¹³
- Balances of unspent extrabudgetary pledges from previous years of €5.6 million;
- Deployment of €0.7 million from MCIF resources earmarked to JMOX to partially meet urgent ECAS needs in 2012;¹⁴
- Deployment of €4.0 million from the total unspent regular budget balance retained in MCIF, to partially address urgent 2012 needs.¹⁵

23. The updated plan for ECAS for 2013 and beyond is shown in the following table.

ECAS ^a	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Funding Needs	9 330	3 800	-	-	-	-	-	-	-	13 130
Funding Source:										
Regular Budget	1 314	1 200	-	-	-	-	-	-	-	2 514
Extrabudgetary	264	250	-	-	-	-	-	-	-	514
Carry Forward of MCIF	-	-	-	-	-	-	-	-	-	-
Capital Unfunded	7 752	2 400	-	-	-	-	-	-	-	10 152

^a In addition to the €13.1 million funding needs for 2013–2014 reflected in this table, funding needs for this project include €52.0 million for the period 2009–2012 (of which €26.5 million for 2012) and €0.8 million in-kind contributions expected to materialize in 2013–2014. The resulting €65.9 million is the approved funding for ECAS, as previously reported in GC(55)/5.

¹³ €2.50 million from Germany, €0.01 million from Greece, €0.01 million from Ireland, €0.05 million from Republic of Kazakhstan, €0.02 million from Spain, €0.50 million from the United Kingdom and €0.10 million from the United States.

¹⁴ See paragraph 20.

¹⁵ See paragraph 8.

Integrated analysis

24. It is proposed that €4.4 million from the total unspent regular budget balance retained in the MCIF be deployed to partially reduce 2012 unfunded needs of €6.4 million reported for this major capital investment.¹⁶ The balance of 2012 unfunded needs of €2.0 million is deferred, increasing 2013 capital needs for this major programme to €4.0 million. The updated plan for 2013 and beyond is shown in the following table.

Integrated analysis	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Funding Needs	4 037	800	800	800	400	-	-	-	-	6 837
Funding Source:										
Regular Budget	-	800	800	800	400	-	-	-	-	2 800
Extrabudgetary	-	-	-	-	-	-	-	-	-	-
Carry Forward of MCIF	-	-	-	-	-	-	-	-	-	-
Capital Unfunded	4 037	-	-	-	-	-	-	-	-	4 037

Major Programme 5 — Policy, Management and Administration Services*Agency-wide Information System for Programme Support (AIPS)*

25. The €0.5 million increase in AIPS in 2013 will address an organizational need for improved handling of contact information. There is no impact on regular budget requirements since, due to the need to comply with an €8.2 million funding cap for the capital regular budget, this increase is accounted for as part of unfunded capital needs for 2013. It should be noted that the increase in 2013 unfunded capital needs related to AIPS is almost fully offset by a €0.4 million reduction in the unfunded needs for “IT infrastructure investment” in the same year.¹⁷

AIPS	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Funding Needs	6 883	1 400	3 200	3 200	-	1 400	-	-	-	16 083
Funding Source:										
Regular Budget	6 411	1 400	3 200	3 200	-	1 400	-	-	-	15 611
Extrabudgetary	-	-	-	-	-	-	-	-	-	-
Carry Forward of MCIF	-	-	-	-	-	-	-	-	-	-
Capital Unfunded	472	-	-	-	-	-	-	-	-	472

Buildings Management Services (BMS)

26. The Buildings Management Special Fund (BMSF) is managed by UNIDO on behalf of all VIC based organizations (VBOs). In past years, the BMSF was increased significantly to meet the cost of renovation of the C Building in conjunction with asbestos removal. In 2011, the Agency made an additional payment to BMS which, along with UNIDO’s new planning figures, has reduced total BMS needs for 2013 onwards from the €4.1 million reported in GC(55)/5 to €2.1 million.

BMS	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Funding Needs	247	1 400	500	-	-	-	-	-	-	2 147
Funding Source:										
Regular Budget	247	300	200	-	-	-	-	-	-	747
Extrabudgetary	-	-	-	-	-	-	-	-	-	-
Carry Forward of MCIF	-	-	-	-	-	-	-	-	-	-
Capital Unfunded	-	1 100	300	-	-	-	-	-	-	1 400

Provision for IT infrastructure investment

27. This critical project is the successor to the Equipment Replacement Fund (ERF) for which funding was last approved by the Board of Governors in 2005.¹⁸ In addition to reducing the overall

¹⁶ See paragraph 8.

¹⁷ See paragraph 27.

¹⁸ Reference: GOV/2005/22 and GOV/OR.1127.

needs by €0.4 million,¹⁹ it is proposed that €1.0 million be deployed from the total unspent regular budget balance retained in the MCIF²⁰ to partially reduce 2012 needs. The €1.1 million balance of unfunded 2012 needs is deferred, increasing 2013 capital needs for IT infrastructure to €2.4 million. The updated plan for 2013 and beyond is shown in the following table.

IT infrastructure	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Funding Needs	2 388	2 100	1 000	1 000	1 800	4 100	2 500	1 000	1 800	17 688
Funding Source:										
Regular Budget	-	400	200	1 000	1 800	4 100	2 500	1 000	1 800	12 800
Extrabudgetary	-	-	-	-	-	-	-	-	-	-
Carry Forward of MCIF	-	-	-	-	-	-	-	-	-	-
Capital Unfunded	2 388	1 700	800	-	-	-	-	-	-	4 888

28. The capital regular budget for 2013 is shown in the table below.

Major Capital Item / Major Programme		2012 budget at 2012 prices	2013 estimates at 2012 prices	Price Adjustment	2013 estimates at 2013 prices
4.3.3	Enhancing Capabilities of the Safeguards Analytical Services (ECAS)	5 575 350	1 314 350	-	1 314 350
4.3.3	Monitoring equipment - JMOX	1 562 555	368 360	-	368 360
Total Major Programme 4		7 137 905	1 682 710	-	1 682 710
5.0.1	Agency-wide Information System for Programme Support (AIPS)	-	6 254 622	2.5%	6 410 988
5.0.5	Provision for IT infrastructure investment	504 050	-	-	-
5.0.8	Buildings Management Services (BMS)	511 500	241 223	2.5%	247 254
Total Major Programme 5		1 015 550	6 495 845	2.5%	6 658 242
Total Agency Programmes		8 153 455	8 178 556	2.0%	8 340 952

¹⁹ See paragraph 25.

²⁰ See paragraph 8.

Major Capital Investment Plan

29. In compliance with paragraph 140 of GC(53)/5, the Agency's updated MCIP is provided below. The plan is updated yearly, and figures for out-years are indicative only and subject to change.

Major Capital Investment Plan 2013–2021

Needs by Major Programme and Funding Source	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
1 Nuclear Power, Fuel Cycle and Nuclear Science	302	-	300	-	300	-	-	-	-	902
Funding Source:										
Regular Budget	-	-	300	-	300	-	-	-	-	600
Extrabudgetary Capital	-	-	-	-	-	-	-	-	-	-
Carry Forward of MCIF	20	-	-	-	-	-	-	-	-	20
Capital Unfunded	282	-	-	-	-	-	-	-	-	282
2 Nuclear Techniques for Development and Environmental Protection	4 088	-	-	-	-	-	-	-	-	4 088
Funding Source:										
Regular Budget	-	-	-	-	-	-	-	-	-	-
Extrabudgetary Capital	-	-	-	-	-	-	-	-	-	-
Carry Forward of MCIF	-	-	-	-	-	-	-	-	-	-
Capital Unfunded	4 088	-	-	-	-	-	-	-	-	4 088
4 Nuclear Verification	21 222	8 850	6 800	4 500	3 200	2 000	-	-	-	46 572
Funding Source:										
Regular Budget	1 683	6 200	4 500	4 200	3 200	2 000	-	-	-	21 783
Extrabudgetary Capital	264	250	-	-	-	-	-	-	-	514
Carry Forward of MCIF	3 135	-	-	-	-	-	-	-	-	3 135
Capital Unfunded	16 141	2 400	2 300	300	-	-	-	-	-	21 141
5 Policy, Management and Administration Services	14 104	4 900	4 800	4 100	2 000	5 500	2 700	1 000	2 000	41 104
Funding Source:										
Regular Budget	6 658	2 100	3 500	4 100	2 000	5 500	2 700	1 000	2 000	29 558
Extrabudgetary Capital	-	-	-	-	-	-	-	-	-	-
Carry Forward of MCIF	-	-	-	-	-	-	-	-	-	-
Capital Unfunded	7 446	2 800	1 300	-	-	-	-	-	-	11 546
Total needs	39 716	13 750	11 900	8 600	5 500	7 500	2 700	1 000	2 000	92 666
Funding Source:										
Regular Budget	8 341	8 300	8 300	8 300	5 500	7 500	2 700	1 000	2 000	51 941
Extrabudgetary Capital	264	250	-	-	-	-	-	-	-	514
Carry Forward of MCIF	3 155	-	-	-	-	-	-	-	-	3 155
Capital Unfunded	27 957	5 200	3 600	300	-	-	-	-	-	37 057

A.5. Submission to the General Conference

30. In accordance with Article XIV.A of the Statute, the Agency's budget estimates for the year 2013 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

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

B. Explanatory notes

B.1. Budget currency and rate of exchange

32. The budget estimates for 2013 are expressed in euro — notwithstanding the split appropriation and assessment system — so as to enable the estimates to be presented in a single currency. The estimates are based on an exchange rate of one US dollar to one euro fixed for consecutive years in order to facilitate historical comparison of budgets. 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 information

33. The present document contains the following tables:

- Table 1: The Regular Budget — By Programme and Major Programme
- Table 2: The Regular Budget — Summary of Income

34. Table 1 compares the financial resources proposed for each major programme and programme in 2013 with the corresponding approved resources in the 2012–2013 Programme and Budget, and includes the price adjustments for 2013.

35. Table 2 is a summary of the income expected in 2013. It includes assessed contributions from Member States, income from reimbursable work for others and other miscellaneous income. The total assessed contributions of Member States is 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

36. The funding mechanism for the provision of technical cooperation by the Agency to Member States is the Technical Cooperation Fund (TCF). It receives its income mainly in the form of voluntary contributions, for which a target is set each year by the General Conference, and National Participation Costs paid by recipient Member States. The target figure for voluntary contributions to the TCF for 2013, recommended by the Board of Governors, is \$88 750 000.²¹

37. Additionally, as per GOV/2009/52/Rev.1, effective 2011 the target for voluntary contributions to the TCF is set in euro and US dollars to match the expected expenditures in the two currencies and, thereby, to protect the purchasing power of the TCF. Based on projections of 2013 technical cooperation expenditures by currency, the target is split into \$44 375 000 and the euro equivalent of \$44 375 000.²²

B.4. Working Capital Fund

38. In its 55th regular session, the General Conference approved a Working Capital Fund (WCF) of €15 210 000 for 2012. No change is proposed for 2013. The External Auditor, in his report on the Agency's accounts for 2008 (GC(53)/4), stated in paragraph 74 that "...should major donors fail to pay, the Working Capital Fund (WCF), with an established level of €15.2 million, would not be sufficient to provide the cash needed to make payments..."

39. In response to this concern, the Secretariat has looked into the issue of increasing the level of the WCF. However, it was considered that — in light of material funding needs for capital investments that cannot be further postponed — such an increase would, at this time, be unacceptable to Member States.

²¹ Reference: GOV/2011/37 and GOV/2011/58.

²² Reference: GOV/2011/37.

40. The relevant resolution (Draft Resolution C, 'The Working Capital Fund in 2013') is set out in the Annex to this document.

B.5. Cost developments for 2013

B.5.1. Price adjustments

41. As mentioned in paragraph 11, the price adjustment estimate for 2013 was 2.8%, obtained through the Agency's standard methodology. This figure was primarily attributable to the increase of 4.7% that the ICSC has forecast for salaries of Professional staff in Vienna. The issue of Professional staff salaries is currently being reviewed by the United Nations. In light of this, and recognizing that 2.8% would be an impracticable adjustment given the current global financial situation, the Director General has directed that the increase in the budget for Professional staff be limited to 2.0%. Likewise, price adjustments for short term consultants/experts, research and technical contracts, as well as miscellaneous items have been capped at 0.0%. As a result, the overall price adjustment applied is 1.4%. Should the ICSC confirm its original forecast for 2013 in the amount of a 4.7% adjustment, the Director General would revert to the Board of Governors to advise on options to ensure compliance with the ICSC adjustment of salaries. The following table provides price adjustments by individual expenditure type.

Expenditure Type	2011 budget adjustment* %	2012 budget adjustment %	2013 budget adjustment %
Salaries - Professional	1.6	0.5	2.0
Salaries - General Service	1.2	2.3	1.2
Travel - staff	0.0	4.1	(2.5)
Travel - non-staff	0.0	(5.8)	(2.5)
Interpretation	1.6	0.5	1.9
Representation and hospitality	0.6	0.8	1.9
Training	0.6	2.2	0.9
Equipment leased	0.6	0.3	0.0
Equipment purchased	0.6	0.8	0.0
Supplies and materials	0.6	2.9	1.7
General operating costs	0.6	2.3	2.5
Contracts	0.6	2.3	2.5
Short term consultants/experts	1.6	0.5	0.0
Research and technical contracts	0.6	0.5	0.0
Miscellaneous	0.3	2.0	0.0
VIC buildings management	0.4	2.0	2.0
VIC security services	0.4	2.1	1.1

*2011 price adjustments displayed were prorated to match the 1.1% overall price adjustment decided by the Board. They were not based on the Agency's standard methodology.

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

Programme / Major Programme	2012 budget at 2012 prices	2013 estimates at 2012 prices	Variance 2013 over 2012 €		Price Adjustment %	2013 estimates at 2013 prices
1. Nuclear Power, Fuel Cycle and Nuclear Science						
1.0.0.1 Overall management, coordination and common activities	1 058 593	1 074 359	15 766	1.5%	1.5%	1 090 436
1.1 Nuclear Power	7 949 930	7 956 139	6 209	0.1%	1.1%	8 041 816
1.2 Nuclear Fuel Cycle and Materials Technologies	3 465 431	3 475 164	9 733	0.3%	0.7%	3 497 881
1.3 Capacity Building and Nuclear Knowledge Maintenance for Sustainable Energy Development	10 999 606	11 002 679	3 073	-	1.3%	11 150 885
1.4 Nuclear Science	10 250 987	10 250 439	(548)	-	0.7%	10 324 422
Major Programme 1	33 724 547	33 758 780	34 233	0.1%	1.0%	34 105 440
2. Nuclear Techniques for Development and Environmental Protection						
2.0.0.1 Overall management, coordination and common activities	4 743 359	4 866 320	122 961	2.6%	1.7%	4 950 298
2.0.0.2 Management of the coordinated research activities	713 681	713 270	(411)	(0.1%)	1.5%	724 045
2.1 Food and Agriculture	11 508 119	11 413 828	(94 291)	(0.8%)	1.1%	11 539 055
2.2 Human Health	9 817 795	9 787 722	(30 073)	(0.3%)	0.8%	9 870 329
2.3 Water Resources	3 496 437	3 503 855	7 418	0.2%	1.2%	3 545 281
2.4 Environment	6 122 843	6 124 034	1 191	-	1.4%	6 207 928
2.5 Radioisotope Production and Radiation Technology	2 261 840	2 263 981	2 141	0.1%	0.5%	2 275 840
Major Programme 2	38 664 074	38 673 010	8 936	-	1.1%	39 112 776
3. Nuclear Safety and Security						
3.0.0.1 Enhancing the global nuclear safety and security framework	898 383	823 228	(75 155)	(8.4%)	1.6%	836 187
3.0.0.2 Enhancing and strengthening capacity building, communications, knowledge networking, education and training	513 381	311 553	(201 828)	(39.3%)	1.3%	315 542
3.0.0.5 Nuclear Safety Action Team	-	627 921	627 921	-	1.7%	638 799
3.1 Incident and Emergency Preparedness and Response	3 550 201	3 541 902	(8 299)	(0.2%)	0.8%	3 568 525
3.2 Safety of Nuclear Installations	10 900 373	10 486 963	(413 410)	(3.8%)	1.5%	10 640 452
3.3 Radiation and Transport Safety	6 206 638	6 211 265	4 627	0.1%	1.3%	6 293 765
3.4 Management of Radioactive Waste	7 361 139	7 365 557	4 418	0.1%	1.2%	7 452 062
3.5 Nuclear Security	4 568 421	4 629 459	61 038	1.3%	1.3%	4 689 152
Major Programme 3	33 998 536	33 997 848	(688)	-	1.3%	34 434 484
4. Nuclear Verification						
4.0.0.1 Overall management and coordination	2 594 585	3 011 113	416 528	16.1%	1.8%	3 065 442
4.0.0.2 Quality management	1 117 857	982 608	(135 249)	(12.1%)	1.7%	999 080
4.0.0.3 Resources management	1 260 260	1 341 207	80 947	6.4%	1.7%	1 364 172
4.1 Safeguards Implementation	112 587 314	111 747 196	(840 118)	(0.7%)	1.4%	113 325 486
4.2 Other Verification Activities	587 780	532 829	(54 951)	(9.3%)	1.8%	542 669
4.3 Development	10 632 753	11 168 719	535 966	5.0%	1.5%	11 332 170
Major Programme 4	128 780 549	128 783 672	3 123	-	1.4%	130 629 019
5. Policy, Management and Administration Services						
Policy, Management and Administration Services	75 354 949	75 306 517	(48 432)	(0.1%)	1.6%	76 517 489
Major Programme 5	75 354 949	75 306 517	(48 432)	(0.1%)	1.6%	76 517 489
6. Management of Technical Cooperation for Development						
Management of Technical Cooperation for Development	20 389 905	20 389 160	(745)	-	1.6%	20 717 070
Major Programme 6	20 389 905	20 389 160	(745)	-	1.6%	20 717 070
Operational regular budget	330 912 560	330 908 987	(3 573)	-	1.4%	335 516 278
Major Capital Investment Funding Requirements						
1. Nuclear Power, Fuel Cycle and Nuclear Science	-	-	-	-	-	-
2. Nuclear Techniques for Development and Environmental Protection	-	-	-	-	-	-
3. Nuclear Safety and Security	-	-	-	-	-	-
4. Nuclear Verification	7 137 905	1 682 710	(5 455 195)	(76.4%)	-	1 682 710
5. Policy, Management and Administration Services	1 015 550	6 495 845	5 480 295	539.6%	2.5%	6 658 242
6. Management of Technical Cooperation for Development	-	-	-	-	-	-
Capital regular budget	8 153 455	8 178 556	25 101	-	2.0%	8 340 952
Total Agency programmes	339 066 015	339 087 543	21 528	-	1.4%	343 857 230
Reimbursable work for others	2 385 239	2 387 988	2 749	0.1%	1.2%	2 417 027
Total regular budget	341 451 254	341 475 531	24 277	-	1.4%	346 274 257
Less miscellaneous income						
Reimbursable work for others	2 385 239	2 387 988	2 749	0.1%	1.2%	2 417 027
Other miscellaneous income	1 522 000	842 000	(680 000)	(44.7%)	-	842 000
Assessed contributions of Member States	337 544 015	338 245 543	701 528	0.2%	1.4%	343 015 230

Table 2. The Regular Budget — Summary of Income

	2012 budget at 2012 prices	2013 estimates at 2012 prices	Variance 2013 over 2012	2013 estimates at 2013 prices
Operational regular budget	329 390 560	330 066 987	676 427	334 674 278
Capital regular budget	8 153 455	8 178 556	25 101	8 340 952
Assessed contributions of Member States	337 544 015	338 245 543	701 528	343 015 230
Miscellaneous income				
Reimbursable work for others				
Data processing services	-	-	-	-
Printing services	610 501	610 315	(186)	618 104
Medical services	863 823	863 822	(1)	876 489
Radiation protection and monitoring services	115 669	118 345	2 676	120 034
Translation services	151 211	151 472	261	153 809
Nuclear Fusion journal	187 721	187 720	(1)	188 951
Other financial services	180 814	180 814	-	184 140
Laboratory services	250 000	250 000	-	250 000
Environment Laboratory services	25 500	25 500	-	25 500
Subtotal reimbursable work for others	2 385 239	2 387 988	2 749	2 417 027
Other				
Attributable to specific programmes				
INIS products	10 000	5 000	(5 000)	5 000
Publications of the Agency - other	300 000	250 000	(50 000)	250 000
Laboratory income	200 000	200 000	-	200 000
Amounts recoverable under Safeguards agreements	185 000	185 000	-	185 000
Other service income	2 000	2 000	-	2 000
Subtotal	697 000	642 000	(55 000)	642 000
Not attributable to specific programmes				
Investment and interest income	700 000	200 000	(500 000)	200 000
Gain (Loss) on exchange of currencies	-	-	-	-
Other	125 000	-	(125 000)	-
Subtotal	825 000	200 000	(625 000)	200 000
Subtotal Other	1 522 000	842 000	(680 000)	842 000
Total miscellaneous income	3 907 239	3 229 988	(677 251)	3 259 027
Total regular budget income	341 451 254	341 475 531	24 277	346 274 257

Annex. Draft Resolutions for 2013

42. This section presents the Agency's draft resolutions for 2013, comprising the appropriations for the 2013 regular budget, the allocation for the TCF in 2013, and the WCF in 2013.

A. The regular budget

43. The regular budget appropriations for 2013 are presented in two parts: one for the operational regular budget (paragraphs 1 and 2 of Resolution A); and one for the capital regular budget (paragraphs 3 and 4 of Resolution A). The expenditures against these appropriations will be recorded separately so that funds appropriated for the operational regular budget will not be used for major capital investments or vice versa.

44. The resolution for the regular budget appropriation contains an adjustment formula to take into account the exchange rate variations during the year. Member State contributions will be based on the scale of assessment fixed by the General Conference in September 2012.

B. Technical cooperation programme

45. The technical cooperation activities of the Agency are financed from the TCF and extrabudgetary contributions. The TCF comprises mainly voluntary contributions, for which a target is recommended each year by the Board of Governors, and National Participation Costs paid by recipient Member States. The target figure for voluntary contributions to the TCF recommended by the Board of Governors for 2013 amounts to \$88 750 000.

C. Working Capital Fund

46. In its 55th regular session, the General Conference approved a continuation of the WCF at the level of €15 210 000 for 2012. No change in this level is proposed for 2013, although it should be borne in mind that the WCF has not changed since 2008 and that the average monthly requirement of the regular budget exceeds nearly double the level of the WCF.

A. REGULAR BUDGET APPROPRIATIONS FOR 2013

The General Conference.

Accepting the recommendations of the Board of Governors relating to the regular budget of the Agency for 2013,¹

1. Appropriates on the basis of an exchange rate of \$1.00 to €1.00, an amount of €337 933 305 for the operational and recurrent portion of regular budget expenses of the Agency in 2013 as follows:²

	€
1. Nuclear Power, Fuel Cycle and Nuclear Science	34 105 440
2. Nuclear Techniques for Development and Environmental Protection	39 112 776
3. Nuclear Safety and Security	34 434 484
4. Nuclear Verification	130 629 019
5. Policy, Management and Administration Services	76 517 489
6. Management of Technical Cooperation for Development	20 717 070
	<hr/>
Subtotal for Major Programmes	335 516 278
	<hr/>
7. Reimbursable Work for Others	2 417 027
	<hr/>
TOTAL	<u>337 933 305</u>

the amounts in the appropriation sections to be adjusted in accordance with the adjustment formula presented in Attachment A.1 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 7); and
 - Other Miscellaneous Income of €842 000 (representing €802 000 plus \$40 000);

from contributions by Member States amounting, for an exchange rate of \$1.00 to €1.00, to €334 674 278 (€270 360 635 plus \$ 64 313 643), in accordance with the scale of assessment fixed by the General Conference in resolution GC(56)/RES/ ;

¹ See document GC(56)/4.

² Appropriation Sections 1–6 represent the Agency's major programmes.

3. Appropriates on the basis of an exchange rate of \$1.00 to €1.00, an amount of €8 340 952 for the capital portion of the regular budget expenses of the Agency in 2013 as follows:³

	€
1. Nuclear Power, Fuel Cycle and Nuclear Science	–
2. Nuclear Techniques for Development and Environmental Protection	–
3. Nuclear Safety and Security	–
4. Nuclear Verification	1 682 710
5. Policy, Management and Administration Services	6 658 242
6. Management of Technical Cooperation for Development	–
	<hr/>
TOTAL	8 340 952
	<hr/> <hr/>

the amounts in the appropriation sections to be adjusted in accordance with the adjustment formula presented in Attachment A.2 in order to take into account the exchange rate variations during the year;

4. Decides that the foregoing appropriation shall be financed from contributions by Member States amounting, for an exchange rate of \$1.00 to €1.00, to €8 340 952 (€8 340 952 plus \$0), in accordance with the scale of assessment fixed by the General Conference in resolution GC(56)/RES/ ; and

5. Authorizes the Director General:

- a. To incur expenditures additional to those for which provision is made in the regular budget for 2013, 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 2013; and
- b. With the approval of the Board of Governors, to make transfers between any of the Sections listed in paragraphs 1 and 3 above.

³ Please refer to footnote 2.

ATTACHMENT

A.1 APPROPRIATIONS FOR THE OPERATIONAL PORTION OF THE REGULAR BUDGET IN 2013

ADJUSTMENT FORMULA IN EURO

	€		\$	
1. Nuclear Power, Fuel Cycle and Nuclear Science	26 681 581	+	(7 423 859	/R)
2. Nuclear Techniques for Development and Environmental Protection	31 704 985	+	(7 407 791	/R)
3. Nuclear Safety and Security	26 928 769	+	(7 505 715	/R)
4. Nuclear Verification	103 971 232	+	(26 657 787	/R)
5. Policy, Management and Administration Services	64 930 425	+	(11 587 064	/R)
6. Management of Technical Cooperation for Development	16 945 643	+	(3 771 427	/R)
Subtotal for Major Programmes	271 162 635	+	(64 353 643	/R)
7. Reimbursable Work for Others	1 772 309	+	(644 718	/R)
TOTAL	272 934 944	+	(64 998 361	/R)

Note: R is the average United Nations dollar-to-euro exchange rate which will be experienced during 2013.

ATTACHMENT**A.2 APPROPRIATIONS FOR THE CAPITAL PORTION OF THE
REGULAR BUDGET IN 2013**

ADJUSTMENT FORMULA IN EURO

	€		US\$
1. Nuclear Power, Fuel Cycle and Nuclear Science	-	+ (- /R)
2. Nuclear Techniques for Development and Environmental Protection	-	+ (- /R)
3. Nuclear Safety and Security	-	+ (- /R)
4. Nuclear Verification	1 682 710	+ (- /R)
5. Policy, Management and Administration Services	6 658 242	+ (- /R)
6. Management of Technical Cooperation for Development	-	+ (- /R)
	<hr/>		<hr/>
TOTAL	<u>8 340 952</u>	+ (<u>- /R)</u>

Note: R is the average United Nations dollar-to-euro exchange rate which will be experienced during 2013.

B. TECHNICAL COOPERATION FUND ALLOCATION FOR 2013

The General Conference,

Noting the decision of the Board of Governors of June 2011 to recommend the target figure of \$88 750 000 for voluntary contributions to the Agency's Technical Cooperation Fund for 2013, and

Accepting the foregoing recommendation of the Board, and following the language in GOV/2011/37, regarding setting the target for voluntary contributions to the Technical Cooperation Fund in euro and US dollars,

1. Decides that for 2013 the target for voluntary contributions to the Technical Cooperation Fund shall be as follows:

- \$44 375 000;
- and the euro equivalent of \$44 375 000, based on the United Nations rate of exchange in effect at the time when the Board decides to recommend the target figure for voluntary contributions to the TCF for 2013 (anticipated in June 2012);

2. Notes that funds from other sources, estimated at the euro equivalent of \$500 000, are expected to be available for the programme;

3. Allocates, in euro, contributions to the technical cooperation programme split in \$44 375 000 and the euro equivalent of \$44 375 000. The conversion to euro will be made at the United Nations rate of exchange in effect at the time when the Board decides to recommend the target figure for voluntary contributions to the Agency's Technical Cooperation Fund for 2013; and

4. Urges all Member States to make voluntary contributions for 2013 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 2013

The General Conference,

Accepting the recommendations of the Board of Governors relating to the Agency's Working Capital Fund in 2013,

1. Approves a level of €15 210 000 for the Agency's Working Capital Fund in 2013;

2. Decides that the Fund shall be financed, administered and used in 2013 in accordance with the relevant provisions of the Agency's Financial Regulations;⁴

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.

⁴INFCIRC/8/Rev.2.

