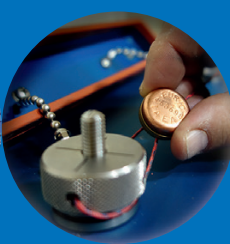


The Agency's Budget Update for 2023



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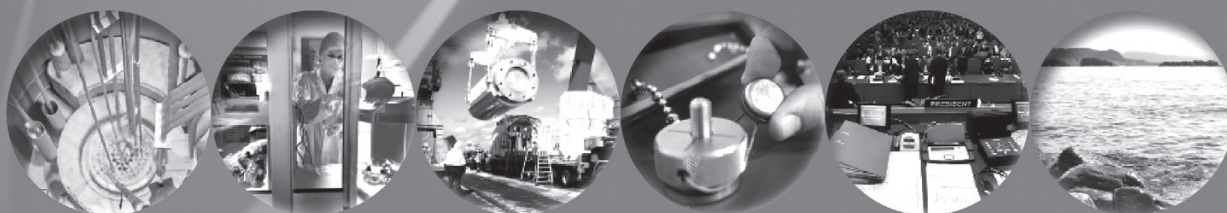
Atoms for Peace and Development

GC(66)/6

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The Agency's Budget Update for 2023



IAEA

International Atomic Energy Agency

Atoms for Peace and Development

GC(66)/6
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Foreword by the Director General

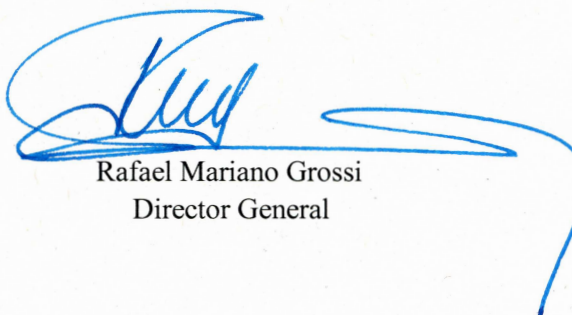
Since the beginning of the pandemic, I have maintained that the Agency cannot stop for a minute and it has not. Member States and the Agency staff came together to face the challenge posed by the pandemic and consequently quickly adapting to emerging situations, the Agency was able to continue to deliver on its programmatic activities.



In the process, the Agency had many achievements to its credit. The Agency continued to draw safeguards conclusions without compromising their effectiveness, despite the unprecedented challenges and hardships faced by our inspectors. We quickly responded to the request for emergency assistance, be it for the COVID-19 pandemic, the explosion in Lebanon or fighting banana disease in Latin America, to mention but a few. Our initiatives such as Zoonotic Disease Integrated Action (ZODIAC), Nuclear Technology for Controlling Plastic Pollution (NUTEC Plastics), the Marie Skłodowska-Curie Fellowship Programme (MSCFP), IAEA Comprehensive Capacity-Building Initiative for SSACs and SRAs (COMPASS) and ReNuAL2 have been making tangible progress. The Agency is supporting Japan in the safe and controlled release of treated water stored at the Fukushima site to provide assurance that the releases meet the criteria established in the IAEA Safety standards. Our efforts to put nuclear energy in the broader debate of climate change for its abilities to play a role in climate change mitigation and adaptation have begun resonating among key global players.

In line with my earlier stated position, *The Agency's Budget Update for 2023* adheres to zero real growth to implement the approved programmes of the second year of the biennium 2022–2023. Several of the important programmatic activities, planned to broaden Agency services to Member States, are being implemented by mobilizing resources from outside the budgetary provisions of regular and technical cooperation programmes. My endeavour will continue to enlarge our donor base by forging new partnerships.

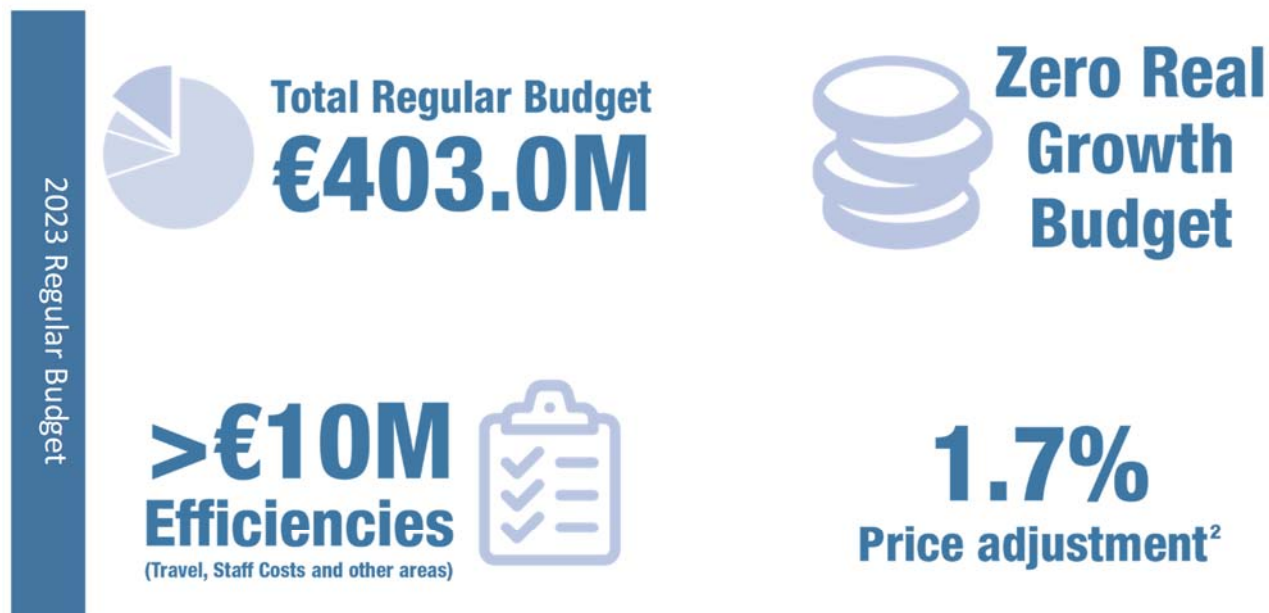
The Agency will continue to seek sustainable efficiencies to enable it to accommodate more services for Member States without unduly burdening them for resources. Transparency, ethical behaviour, respect for the diversity, higher productivity, fiscal discipline, and accountability will continue to be the main drivers for our management practices.



Rafael Mariano Grossi
Director General

2023 Total Resources at a Glance

Zero Real Growth budget, with the Agency delivering more with the same resources



¹All figures in this document are presented in euros at 2023 prices, unless otherwise indicated. Figures in tables may not add up to corresponding sums owing to rounding. Activities currently unfunded in the Regular Budget for which extrabudgetary resources would be required are shown as 'unfunded' in the charts and tables of this document.

²The level of the price adjustment is in line with the price adjustment applied in the context of *The Agency's Programme and Budget 2022–2023*.

1. Overview

The Agency's Budget Update for 2023

Overview

1. The world continues to experience the effects of the COVID-19 pandemic. The Agency has been able to quickly and effectively adapt to the new environment and continue to deliver on its mandate, with operations as close to normal as possible.

2. The Agency's programme for the 2022–2023 biennium, adopted by the Board of Governors, was presented to the General Conference in September 2021 in *The Agency's Programme and Budget 2022–2023* (document GC(65)/2). The document included budget estimates for both 2022 and 2023. However, until biennial budgeting is introduced,³ the Board of Governors is required by the Statute to submit to the General Conference annual budget estimates for approval; the estimates presented for 2023 were therefore only preliminary.

3. In line with the procedures adopted for biennial programming (document GOV/1999/23), the budget estimates for the second year of the biennium are presented in this document. This document introduces the applicable price adjustment for the second year of the biennium and sets out the draft appropriations and other resolutions.

4. In the preparation of *The Agency's Budget Update for 2023*, the Director General has carefully considered the proposal by the Co-Chairs of the Working Group on the Regular Budget and the Technical Cooperation Fund Targets for 2022–2023.⁴

5. The Agency's programme remains as presented in *The Agency's Programme and Budget 2022–2023*.

³ The Agency was informed by the depositary Government that, as of 24 June 2022, 61 of the Agency's 175 Member States have accepted the amendment to Article XIV.A of the Statute. Acceptance by two thirds of Member States is necessary for the amendment to enter into force.

⁴ Summarized in documents GOV/2021/25 and GOV/OR.1583.

For 2023, a total Regular Budget of €403.0 million is proposed, which represents an overall increase of €6.7 million, or 1.7%, compared with 2022.

Both the operational Regular Budget (€396.8 million – an increase of €6.6 million) and the capital Regular Budget (€6.2 million – an increase of €0.1 million) are proposed at zero real growth and include the 1.7% price adjustment.

Efficiencies

6. *The Agency's Budget Update for 2023* fully takes into account the environment in which the Agency continues to operate, as reflected in *The Agency's Programme and Budget 2022–2023*.

7. The specific recommendations of Member States on *The Agency's Programme and Budget 2020–2021*, elaborated in document GOV/2019/25, have also guided the preparation of *The Agency's Budget Update for 2023*, ensuring the effectiveness of the Agency's programmes through strengthening of the results based approach, as well as achieving efficiencies and enabling staff to work more productively.

8. As in the context of *The Agency's Programme and Budget 2022–2023*, the emphasis of the Director General has been on the Secretariat continuing to deliver efficiently by managing the resources wisely and productively, with discipline and restraint. Therefore, a strong focus on finding sustainable efficiencies — while ensuring effectiveness — continued to be the key guiding factor in the preparation of *The Agency's Budget Update for 2023*.

9. These efficiencies enable the Secretariat to accommodate the increased demand from Member States while limiting the growth of the Regular Budget.

Cost savings and efficiencies of €10.7 million per annum identified and reported in *The Agency's Programme and Budget 2022–2023* remain equally applicable in the second year of the biennium and will continue to be implemented in 2023.

10. As a result, the two main areas for sustainable efficiencies in *The Agency's Programme and Budget 2022–2023* remained the focus for *The Agency's Budget Update for 2023*:

- Human resources — The Director General instituted a cap on human resources from both a financial and a full-time equivalent (FTE)⁵ perspective.
- Travel — An efficiency target was set for travel through prioritization, with a view to increasing use of virtual collaboration methods without compromising the quality of programmatic delivery.

11. As in the context of *The Agency's Programme and Budget 2022–2023*, the following guidance from the Director General remained applicable for *The Agency's Budget Update for 2023* preparation:

- A cap of 75% on the human resources component of the total operational Regular Budget for the 2022–2023 biennium to halt the increasing trend of past years. This represented a reduction of the human resources portion of the operational Regular Budget from 76% in the approved 2021 budget to 75% for 2022 and 2023.
- Encouraging the continuation of the trend towards reducing the overall number of General Service staff FTEs.
- A target to abolish 10% of the FTEs that are expected to be vacated (through rotation, retirement or separation) during the 2022–2023 biennium.

12. With the above measures, a net decrease of 29.6 FTEs was achieved for the 2022–2023 biennium compared with the approved 2021 budget.

⁵ Full-time equivalent (FTE) is a measure of planned volume of human resources devoted to the implementation of specific Agency programmatic activities, where one FTE means that the staff member is equivalent to a full-time worker.

2. Financial Overview

Total Resources

13. The Agency's total resources consist of the Regular Budget, extrabudgetary resources and resources for the technical cooperation programme (TCP). For 2023, the Agency's total resources amount to €672.6 million at 2023 prices, including unfunded requirements for which extrabudgetary resources will be sought.

2023 Total Resources at a Glance
(in € millions)

Funding Source	2023
Operational Regular Budget	396.8
Capital Regular Budget	6.2
Capital Carry Forward	2.1
Operational Unfunded	128.7
Capital Unfunded	20.8
TC Programme	118.0
TOTAL	672.6

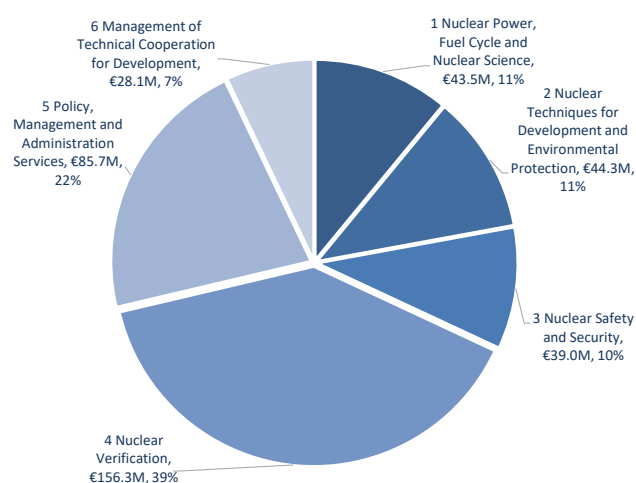
14. The Regular Budget consists of an operational portion and a capital portion used to fund major infrastructure investments in line with the Major Capital Investment Plan (MCIP). Regular Budget estimates are presented in six Major Programmes (MP1 to MP6), in accordance with the structure of the Agency's programme of work.

15. The Agency continues to rely on extrabudgetary funds to carry out some of its activities for which funding is not foreseen in the Regular Budget. As reported in *The Agency's Programme and Budget 2022–2023*, activities currently unfunded in the Regular Budget for which extrabudgetary resources would be required for 2023 amount to €128.7 million for the operational portion and €20.8 million for the capital portion of the Regular Budget. These activities are shown as 'unfunded' in the budget tables of this document.

16. For the TCP, €118.0 million is expected to be available in 2023 — €87.0 million for estimated core project funding, supplemented by €1.0 million in National Participation Costs and €30.0 million in extrabudgetary contributions in support of the TCP.

Operational Regular Budget Resources

17. The chart and the table below depict the operational Regular Budget.



2023 Operational Regular Budget
(in € millions)

Major Programme	2023
1 Nuclear Power, Fuel Cycle and Nuclear Science	43.5
2 Nuclear Techniques for Development and Environmental Protection	44.3
3 Nuclear Safety and Security	39.0
4 Nuclear Verification	156.3
5 Policy, Management and Administration Services	85.7
6 Management of Technical Cooperation for Development	28.1
TOTAL	396.8

Capital Resources

18. The capital resources for 2023 have been allocated with a view to addressing the continuing capital priorities of the Agency while minimizing the overall growth of the Regular Budget. It is proposed to retain the

allocation of the Major Capital Investment Fund (MCIF) at the level set out in *The Agency's Programme and Budget 2022–2023* to finance major infrastructure investments in line with the MCIP. Out of the MCIF allocation of €8.3 million for 2023 (after price adjustment), €6.2 million is proposed to be funded from the capital Regular Budget, to be assessed to Member States, and €2.1 million is proposed to be offset by the capital Carry Forward from the unspent balances of operational Regular Budget appropriations from prior years previously transferred to the MCIF.

19. The table below depicts the 2023 Major Capital Investment Fund.

2023 MCIF (in € millions)	
Capital Project	2023
ReNuAL 2	1.6
Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED)	0.3
Develop and Implement a Safeguards Approach for J-MOX	1.0
Provision for IT Infrastructure and Information Security Investment	2.9
Seibersdorf Infrastructure and Common Facilities	0.9
Buildings Management Services Capital Fund	1.6
Total	8.3
Financing	
From Member State Assessments	6.2
From Capital Carry Forward	2.1
Total	8.3

Other Financial Considerations

Major Items of Expenditure

20. Major items of expenditure include professional staff costs and general service staff costs (€298.8 million, at 2023 prices, or 75% of the 2023 operational Regular Budget), travel costs (€16.3 million, or 4%), equipment and intangible assets (€14.9 million, or 4%), buildings management and security costs (€20.2 million, or 5%) and other direct costs (€46.7 million, or 12%).

Price Adjustment

21. The price adjustment applied for 2023 is 1.7%. This percentage is based on the Harmonised Index of Consumer Prices forecast for the euro area for 2023, as provided in the fourth quarter report of the European Central Bank's Survey of Professional Forecasters issued in October 2021⁶. The level of the price adjustment is also in line with the long term year-on-year change in the Harmonised Index of Consumer Prices for the euro area, as provided in the fourth quarter report of the European Central Bank's Survey of Professional Forecasters issued in October 2020⁶, which was applied in the context of *The Agency's Programme and Budget 2022–2023*.

After-Service Health Insurance Liabilities

22. The Agency fulfils its obligations in respect of the financing of health insurance for former officials from the Regular Budget on a pay-as-you-go basis. It does not currently set aside any funds to meet this long term financial liability, which amounts to €320 million (as of 31 December 2021).⁷ Most United Nations system organizations are facing the issue of funding after-service staff liabilities, and most organizations have established reserves. A recommendation from the Agency's External Auditor to consider the implementation of a long term funding strategy for after-service

⁶ Available at: https://www.ecb.europa.eu/stats/ecb_surveys/survey_of_professional_forecasters/html/index.en.html.

⁷ As contained in *The Agency's Financial Statements for 2021* (document GC(66)/3).

health insurance (ASHI) was first made in 2013 and was reiterated by the External Auditor in its reports in 2014, 2016 and 2017.

23. At the request of Member States, in GOV/INF/2022/5, the Secretariat presented an update on the ASHI liability, including the recent discussions in the United Nations system, and the measures being considered by the Agency Secretariat to both contain the costs and address the unfunded liability. Understanding that funding will need to go hand in hand with cost containment, considering the experiences of other United Nations system organizations as well as past Agency proposals, and being fully cognizant of the current economic environment, the Director General is exploring mechanisms to start addressing the ASHI liability through cost containment measures and the creation of a fund without requesting additional resources from Member States. A funding mechanism is expected to be proposed to Member States for their consideration during 2022.

Budget Currency and Exchange Rate

24. The Agency's functional currency is the euro. As in the past, Regular Budget estimates have been prepared in euros, using a budget exchange rate of US \$1.00 to €1.00. All tables and charts in this document are in euros, based on this budget exchange rate. The Agency assesses Member States in euros and US dollars in accordance with the scale of assessment fixed by the General Conference and the required split between the two currencies. Approximately 88% of the Agency's expenditure is in euros. The split assessment protects the Agency in the event of currency fluctuations between the euro and the US dollar. The Secretariat monitors any changes in the proportion of the currencies of expenditure and will report to Member States, if required.

3. Budgetary Requirements by Major Programme

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

Programme/Major Programme	2022 Budget	2023		Variance compared with 2022		Price Adjustment	2023 Estimates at 2023 Prices
		Estimates at 2022 Prices	Estimates at 2023 Prices	EUR	%		
1. Nuclear Power, Fuel Cycle and Nuclear Science							
Overall Management, Coordination and Common Activities	3 484 097	3 507 986	23 889	0.7%	1.7%	3 567 622	
Nuclear Power	9 528 906	9 528 907	0	0.0%	1.7%	9 690 898	
Nuclear Fuel Cycle and Waste Management	9 540 390	9 542 745	2 355	0.0%	1.7%	9 704 972	
Capacity Building and Nuclear Knowledge for Sustainable Energy Development	10 978 838	10 955 285	(23 553)	-0.2%	1.7%	11 141 525	
Nuclear Science	9 258 348	9 255 656	(2 691)	0.0%	1.7%	9 413 002	
Major Programme 1	42 790 579	42 790 579	-	0.0%	1.7%	43 518 019	
2. Nuclear Techniques for Development and Environmental Protection							
Overall Management, Coordination and Common Activities	8 923 139	8 923 166	27	0.0%	1.7%	9 074 860	
Food and Agriculture	12 161 632	12 161 632	-	0.0%	1.7%	12 368 380	
Human Health	9 099 476	9 099 478	2	0.0%	1.7%	9 254 169	
Water Resources	3 877 856	3 877 858	1	0.0%	1.7%	3 943 781	
Marine Environment	4 871 178	4 871 179	0	0.0%	1.7%	4 953 989	
Radiochemistry and Radiation Technology	4 582 024	4 581 994	(30)	0.0%	1.7%	4 659 888	
Major Programme 2	43 515 306	43 515 306	-	0.0%	1.7%	44 255 066	
3. Nuclear Safety and Security							
Overall Management, Coordination and Common Activities	4 133 419	4 089 355	(44 063)	-1.1%	1.7%	4 158 874	
Incident and Emergency Preparedness and Response	4 621 628	4 616 894	(4 734)	-0.1%	1.7%	4 695 381	
Safety of Nuclear Installations	11 093 052	11 060 110	(32 941)	-0.3%	1.7%	11 248 132	
Radiation and Transport Safety	7 921 421	7 935 531	14 110	0.2%	1.7%	8 070 435	
Radioactive Waste Management and Environmental Safety	3 997 006	3 978 499	(18 506)	-0.5%	1.7%	4 046 134	
Nuclear Security	6 556 689	6 642 823	86 135	1.3%	1.7%	6 755 751	
Major Programme 3	38 323 213	38 323 213	-	0.0%	1.7%	38 974 708	
4. Nuclear Verification							
Overall Management, Coordination and Common Activities	14 780 452	14 647 855	(132 598)	-0.9%	1.7%	14 896 868	
Safeguards Implementation	135 775 821	135 916 603	140 782	0.1%	1.7%	138 227 186	
Other Verification Activities	3 100 992	3 092 807	(8 185)	-0.3%	1.7%	3 145 385	
Major Programme 4	153 657 265	153 657 265	-	0.0%	1.7%	156 269 439	
5. Policy, Management and Administration Services							
Policy, Management and Administration Services	84 287 568	84 287 568	-	0.0%	1.7%	85 720 457	
Major Programme 5	84 287 568	84 287 568	-	0.0%	1.7%	85 720 457	
6. Management of Technical Cooperation for Development							
Management of Technical Cooperation for Development	27 620 821	27 620 821	-	0.0%	1.7%	28 090 375	
Major Programme 6	27 620 821	27 620 821	-	0.0%	1.7%	28 090 375	
Operational Regular Budget	390 194 752	390 194 752	-	0.0%	1.7%	396 828 064	
Major Capital Investment Funding Requirements							
Capital Regular Budget	6 102 000	6 102 000	-	0.0%	1.7%	6 205 734	
Total Agency Programmes	396 296 752	396 296 752	-	0.0%	1.7%	403 033 798	
Reimbursable Work for Others	3 128 370	3 128 370	-	0.0%	1.7%	3 181 552	
Total Regular Budget	399 425 122	399 425 122	-	0.0%	1.7%	406 215 350	
Less Miscellaneous Income	3 363 370	3 363 370	-	0.0%	1.7%	3 416 552	
Assessment on Member States	396 061 752	396 061 752	-	0.0%	1.7%	402 798 798	

Table 2. The Regular Budget — Summary of Income

	2022 Budget	2023 Estimates at 2022 Prices	Variance 2023 compared with 2022	2023 Estimates at 2023 Prices
Operational Regular Budget ^a	389 959 752	389 959 752	-	396 593 064
Capital Regular Budget	6 102 000	6 102 000	-	6 205 734
Assessment on Member States	396 061 752	396 061 752	-	402 798 798
Miscellaneous Income				
Reimbursable Work for Others				
Printing Services	387 942	387 942	-	394 537
Medical Services	876 441	876 441	-	891 341
Nuclear Fusion Journal	396 672	396 672	-	403 415
Publications of the Agency – Other	42 034	42 034	-	42 748
Laboratory Income	223 740	223 740	-	227 544
Amounts Recoverable Under Safeguards Agreements	1 201 541	1 201 541	-	1 221 967
Subtotal Reimbursable Work for Others	3 128 370	3 128 370	-	3 181 552
Other Miscellaneous Income				
Travel Rebates	135 000	135 000	-	135 000
Investment and Interest Income	100 000	100 000	-	100 000
Subtotal Other Miscellaneous Income	235 000	235 000	-	235 000
Total Miscellaneous Income	3 363 370	3 363 370	-	3 416 552
Total Regular Budget Income	399 425 122	399 425 122	-	406 215 350

^aDoes not include estimates for Other Miscellaneous Income.

4. Major Capital Investment Plan for 2023–2031
and
Major Capital Investment Fund for 2023

Major Capital Investment Plan

25. The MCIP presented below includes the Agency's major capital projects for the period 2023–2031. The MCIP is updated annually and is derived from the needs of the Agency to maintain an adequate, up-to-date and well functioning infrastructure. An overview of the plan with annual projections is presented in Table 10.

26. For 2023, major capital investment requirements total €29.0 million. The breakdown is shown in the table below.

Major Programme/Major Capital Item (in € millions)	2023
1. Nuclear Power, Fuel Cycle and Nuclear Science	
Integrated Information Management Systems Upgrade	0.3
Establishment of an Ion Beam Accelerator Facility in Seibersdorf	0.8
Major Programme 1	1.1
2. Nuclear Techniques for Development and Environmental Protection	
ReNuAL 2	9.3
Major Programme 2	9.3
3. Nuclear Safety and Security	
Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED)	0.4
Radiation Safety Technical Services	0.3
Major Programme 3	0.6
4. Nuclear Verification	
Develop and Implement a Safeguards Approach for J-MOX	3.1
Integrated Life Cycle Management of Safeguards Assets (ILSA)	3.0
Major Programme 4	6.1
5. Policy, Management and Administration Services	
Provision for IT Infrastructure and Information Security Investment	7.1
Seibersdorf Infrastructure and Common Facilities	1.8
Buildings Management Services Capital Fund	1.6
Major Programme 5	10.5
6. Management of Technical Cooperation for Development	
Upgrade of the IAEA Technical Cooperation Programme Cycle Management Framework	1.4
Major Programme 6	1.4
Total Major Capital Investment Plan	29.0

27. The MCIF is a reserve fund established in accordance with Financial Regulation 4.06 (INFCIRC/8/Rev.4) to help to provide for the

Agency's major infrastructure requirements that are included in the MCIP. It provides an opportunity to fund capital requirements that could otherwise face continued deferral or require substantial increases in Member State annual contributions. The MCIF is reviewed by the Board of Governors in the framework of the established Programme and Budget approval process.

28. In accordance with *The Agency's Programme and Budget 2010–2011* (document GC(53)/5), the MCIF is funded by the entire amount appropriated for the capital portion of the Regular Budget, unspent budgetary balances from the operational Regular Budget in prior years, if any, and any other source as the Board of Governors may determine.

29. Since the inception of the MCIF in 2009,⁸ unspent balances from past operational Regular Budget appropriations have been transferred to the MCIF and reported in the respective financial statements in accordance with Financial Regulation 7.02(b)(4) (INFCIRC/8/Rev.4). In the same manner, unspent budgetary balances from the 2020–2021 operational Regular Budget will also be transferred to the MCIF.

Capital Investments

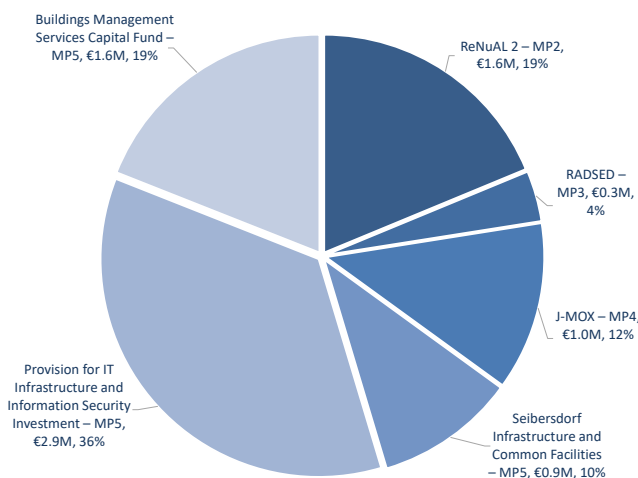
30. As in the 2022 Budget, it is proposed to fund €2.1 million of the capital Regular Budget for 2023 from the unspent balances of past operational Regular Budget appropriations previously transferred to the MCIF and €6.2 million from assessed contributions.

31. A total of €8.3 million of MCIF funding (€6.2 million from the capital Regular Budget and €2.1 million from the capital Carry Forward) will be distributed to the following projects:

- Renovation of the Nuclear Applications Laboratories (ReNuAL 2) — Major Programme 2 — €1.6 million;
- Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED) — Major Programme 3 — €0.3 million;

⁸ See documents GOV/2009/1 and GOV/2009/52/Rev.1.

- Develop and Implement a Safeguards Approach for J-MOX — Major Programme 4 — €1.0 million;
- Provision for IT Infrastructure and Information Security Investment — Major Programme 5 — €2.9 million;
- Seibersdorf Infrastructure and Common Facilities — Major Programme 5 — €0.9 million;
- Buildings Management Services Capital Fund — Major Programme 5 — €1.6 million.



32. While this document presents the MCIP for the period 2023–2031, a significant amount of capital investment proposed in 2022 remains unfunded. Currently, a total of €22.4 million of capital requirements remain unfunded for 2022, while investments unfunded for 2023 amount to €20.8 million. It is hoped that these requirements will be funded through extrabudgetary contributions. The unfunded requirements for 2022 and 2023 are presented in Table 12.

Overview by Major Programme

33. A programmatic overview of major capital investments that are part of the MCIP for 2023–2031 has been included in *The Agency's Programme and Budget 2022–2023* (document GC(65)/2). The following paragraphs provide an overview of funding requirements for 2023 at 2023 prices as well as project updates. No changes in funding are proposed compared with

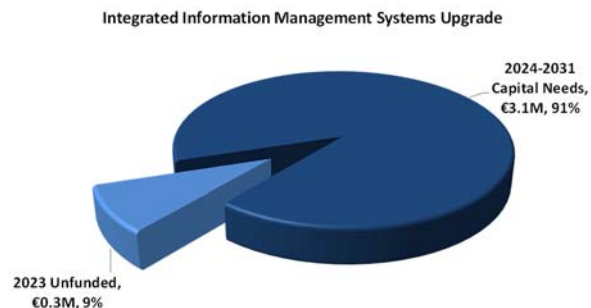
The Agency's Programme and Budget 2022–2023, other than the 2023 price adjustment.

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

Integrated Information Management Systems Upgrade

34. Major Programme 1 maintains a set of information systems for the collection and timely dissemination of validated, authoritative nuclear data, information and knowledge resources on peaceful uses of nuclear energy. However, these systems are currently at the end of their life cycle and need to be updated to ensure the integrity of the information as well as continued access for Member States. The objective of this project is to update and secure these information systems and to ensure their continuity.

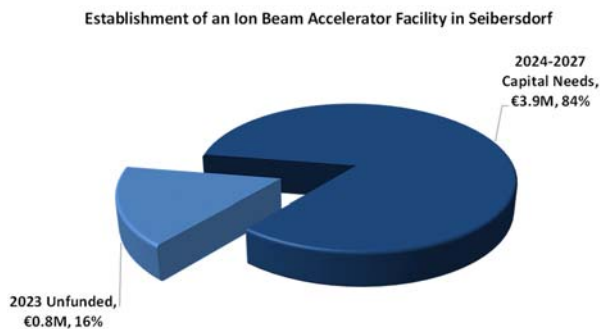
35. The project needs for 2023 of €0.3 million are currently unfunded.



Establishment of an Ion Beam Accelerator Facility in Seibersdorf

36. The Nuclear Science and Instrumentation Laboratory in Seibersdorf, Austria, supports capacity building in Member States through the effective use and development of nuclear instrumentation and nuclear spectroscopy techniques in a variety of peaceful applications using adaptive research, analytical services and training activities. The objective of this project is to expand laboratory capacity by establishing an ion beam accelerator facility with several beam lines for ion beam analysis techniques as well as a beam line dedicated to neutron production.

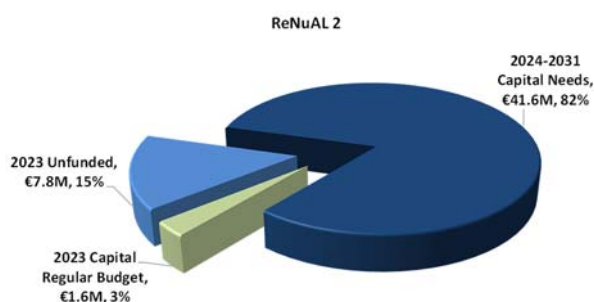
37. The project needs for 2023 of €0.8 million are currently unfunded.



Major Programme 2 — Nuclear Techniques for Development and Environmental Protection

Renovation of the Nuclear Applications Laboratories (ReNuAL 2)

38. In a follow-up to the ReNuAL/ReNuAL+ project, the ReNuAL 2 phase of the project will complete the modernization of the nuclear applications laboratories in Seibersdorf and fulfil the vision of providing laboratory facilities to meet current and emerging needs. The three main elements of this phase are (1) construction of a new laboratory building (provisionally called FML) to house the Nuclear Science and Instrumentation Laboratory, the Terrestrial Environment Laboratory and the Plant Breeding and Genetics Laboratory; (2) refurbishment of the Agency’s Dosimetry Laboratory in its current location adjacent to the new linear accelerator facility; and (3) replacement of ageing greenhouses in the laboratories, in particular for the Agency’s important work on climate resilience and environmental resource management.



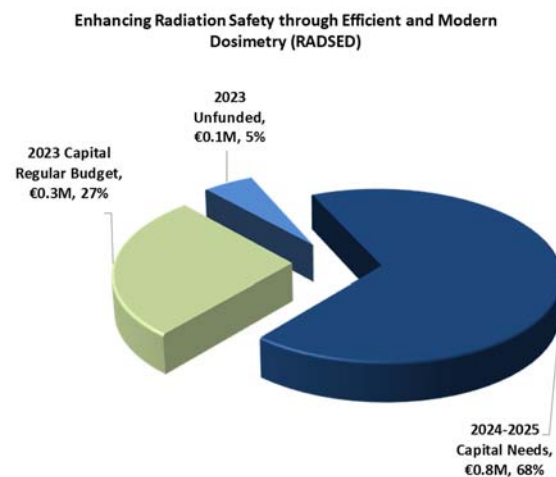
39. The project needs for 2023 are estimated at €9.3 million, €1.6 million of which will be funded from the capital Regular Budget.

Major Programme 3 — Nuclear Safety and Security

Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED)

40. This project aims at implementing advanced dose assessment technologies and approaches in order to ensure the provision of radiation safety technical services at the highest level that can reasonably be achieved.

41. The project needs for 2023 are €0.4 million, of which €0.3 million will be funded from the capital Regular Budget.

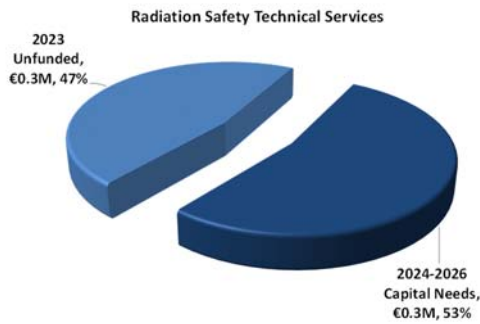


Radiation Safety Technical Services

42. Under Major Programme 3, the Division of Radiation, Transport and Waste Safety provides direct support to Agency managers and radiation protection officers to enable them to meet their regulatory obligations to monitor and evaluate doses received by staff and by participants in Agency sponsored activities worldwide. Monitoring is required routinely and for emergency purposes. This project aims to improve the equipment replacement planning process for radiation monitoring and protection

services by providing for the timely replacement of essential equipment of significant value before it exceeds its service life and either fails or becomes non-functional. It also provides for a backup equipment programme as required for ISO/IEC 17025 accreditation.

43. The project needs for 2023 are estimated at €0.3 million and are currently unfunded.

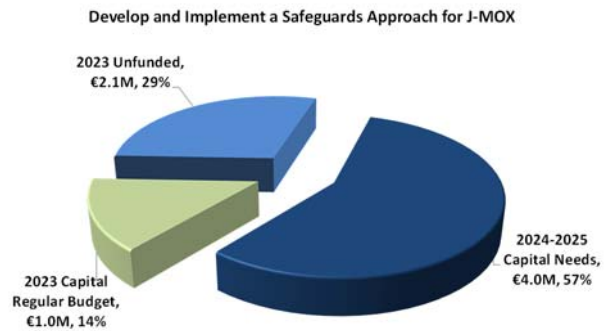


Major Programme 4 — Nuclear Verification

Develop and Implement a Safeguards Approach for J-MOX

44. Japan Nuclear Fuel Limited is building a large scale plant to produce mixed uranium and plutonium oxide fuel for light water reactors at its site in Rokkasho-mura. Construction began in 2010, and, according to the latest officially supplied information, operations are expected to commence by the end of 2022. Although there are still uncertainties about that deadline, the development, manufacture, testing and installation of equipment and software are necessary in order to have all safeguards systems available for use for the targeted operation of the facility. The relevant plans include funding from the MCIF for major equipment and software required for safeguarding the plant.

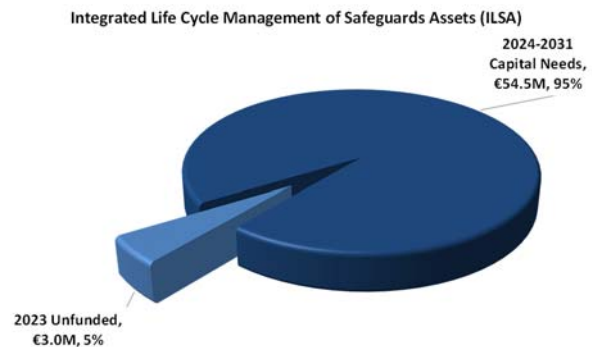
45. The project needs for 2023 are estimated at €3.1 million, of which €1.0 million will be funded from the capital Regular Budget.



Integrated Life Cycle Management of Safeguards Assets (ILSA)

46. This project aims at enhancing the existing safeguards asset management system, including the definition of policies, governance, strategies, processes, practices and enablers (such as technology tools, data, materials, equipment and human resources) that are applied to manage assets through their entire life cycle, and defines the safeguards management approach to establishing, maintaining and continuously improving the safeguards asset management system. A strong safeguards asset management system creates the conditions for an efficient holistic review of all safeguards assets, which in turn allows for both planning and prioritizing safeguards asset needs.

47. The project needs for 2023 are €3.0 million and are currently unfunded.

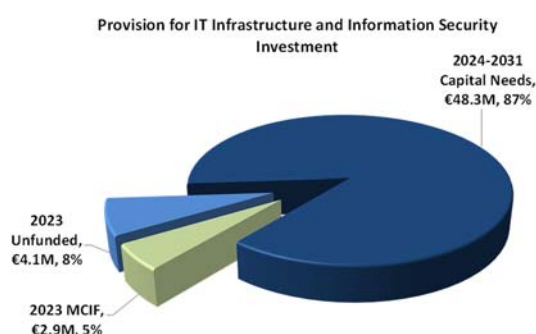


Major Programme 5 — Policy, Management and Administration Services

Provision for IT Infrastructure and Information Security Investment

48. This project covers costs associated with maintaining up-to-date information and communication technology infrastructure and services through the procurement of hardware, software and cloud or subscription based services. Components of this project include infrastructure replacement related to the network, telecommunications, data processing, the data centre and applications; disaster recovery infrastructure; future upgrades of common support systems; and a new data integration framework.

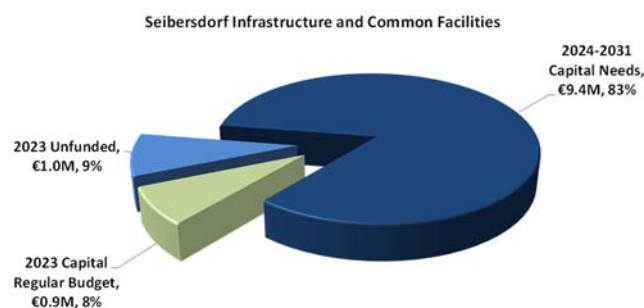
49. The project needs for 2023 are €7.1 million, funded by €0.9 million from the capital Regular Budget and by €2.1 million from the capital Carry Forward, while an amount of €4.1 million remains unfunded.



Seibersdorf Infrastructure and Common Facilities

50. The objective of this project is to ensure the Agency's ability to maintain ongoing and planned investments in the laboratories and property in Seibersdorf, and thus to support the delivery of the relevant programmes. This need has resulted from the infrastructure investments in Seibersdorf, including the expansion of the laboratories, and the increased complexity of the site infrastructure.

51. The project covers infrastructure capital investments and costs related to the decommissioning of old infrastructure and obsolete or unsafe buildings and structures, and to the replacement of non-laboratory specific



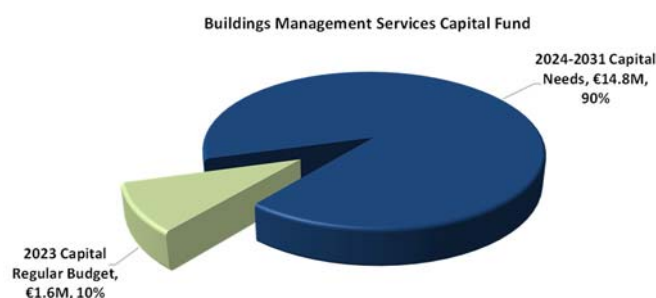
equipment. It also covers continued investments in physical security infrastructure, including the upgrade, renewal and integration of existing physical security systems.

52. The 2023 funding requirement for the project is €1.8 million, of which €0.9 million will be funded from the capital Regular Budget.

Buildings Management Services Capital Fund

53. This project represents the Agency's contribution to the Major Repairs and Replacement Fund, established as a common fund for financing agreed costs of major repairs and replacement of buildings, facilities and technical installations at the Vienna International Centre. The annual assessed contributions to the fund are shared equally between the Republic of Austria and the organizations based at the Vienna International Centre.

54. The 2023 funding requirement for the project is capped at €1.6 million and will be funded from the capital Regular Budget.



Major Programme 6 — Management of Technical Cooperation for Development

Upgrade of the IAEA Technical Cooperation Programme Cycle Management Framework

55. The planning, design and review process for the TCP is handled through the Programme Cycle Management Framework (PCMF). It enables users to develop and manage the TCP — from formulating country programme frameworks and submitting project concepts and designs, to project and programme approval and monitoring.

56. The PCMF uses a platform that is based on obsolete technology and requires an overhaul.

57. The overhaul of the PCMF, subject to availability of funding, is planned for 2022–2025, in time for the 2026–2027 technical cooperation cycle. Project activities would continue in 2025 towards full completion of the planned project.

58. The project needs for 2023 are estimated at €1.4 million and are currently unfunded.



Table 10. Major Capital Investment Plan 2023–2031

Major Programme/Major Capital Item	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
1. Nuclear Power, Fuel Cycle and Nuclear Science										
Integrated Information Management Systems Upgrade	310 287	-	-	-	651 602	1 241 147	692 974	393 030	165 486	3 454 525
Establishment of an Ion Beam Accelerator Facility in Seibersdorf	775 717	1 489 376	1 716 920	527 487	206 858	-	-	-	-	4 716 358
Major Programme 1	1 086 003	1 489 376	1 716 920	527 487	858 460	1 241 147	692 974	393 030	165 486	8 170 883
2. Nuclear Techniques for Development and Environmental Protection										
ReNuAL 2	9 336 633	5 430 017	5 171 445	5 171 445	5 171 445	5 171 445	5 171 445	5 171 445	5 171 445	50 966 765
Calibration and Auditing Services for the Dosimetry Laboratory (Seibersdorf)	-	206 858	-	-	258 572	310 287	3 102 867	206 858	-	4 085 442
Major Programme 2	9 336 633	5 636 875	5 171 445	5 171 445	5 430 017	5 481 732	8 274 312	5 378 303	5 171 445	55 052 206
3. Nuclear Safety and Security										
Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED)	368 963	394 871	379 076	-	-	-	-	-	-	1 142 910
Radiation Safety Technical Services	268 915	-	-	308 218	-	-	-	-	-	577 133
Major Programme 3	637 878	394 871	379 076	308 218	-	-	-	-	-	1 720 043
4. Nuclear Verification										
Develop and Implement a Safeguards Approach for J-MOX	3 102 867	2 068 578	1 965 149	-	-	-	-	-	-	7 136 594
Develop and Implement SG Approaches for a SF EPGR	-	167 555	548 173	1 556 547	1 556 547	1 207 288	-	-	-	5 036 110
Integrated Life Cycle Management of Safeguards Assets (ILSA)	2 953 929	3 293 693	4 147 395	4 263 236	5 395 575	6 647 272	8 451 382	9 881 494	12 388 714	57 422 691
Major Programme 4	6 056 796	5 529 826	6 660 718	5 819 783	6 952 122	7 854 560	8 451 382	9 881 494	12 388 714	69 595 395
5. Policy, Management and Administration Services										
Provision for IT Infrastructure and Information Security Investment	7 095 223	4 716 358	8 801 799	4 768 072	5 388 646	5 647 218	6 526 364	6 940 079	5 492 075	55 375 833
Seibersdorf Infrastructure and Common Facilities	1 835 863	1 344 576	1 189 432	1 137 718	1 137 718	1 137 718	1 137 718	1 137 718	1 137 718	11 196 178
Buildings Management Services Capital Fund	1 572 119	1 631 137	1 690 853	1 752 753	1 816 920	1 883 435	1 952 386	2 023 861	2 097 952	16 421 415
Major Programme 5	10 503 205	7 692 070	11 682 084	7 658 543	8 343 284	8 668 371	9 616 467	10 101 658	8 727 744	82 993 426
6. Management of Technical Cooperation for Development										
Upgrade of the IAEA Technical Cooperation Programme Cycle Management Framework	1 412 585	1 692 186	600 791	-	-	-	-	-	-	3 705 562
Major Programme 6	1 412 585	1 692 186	600 791	-	-	-	-	-	-	3 705 562
Major Capital Investment Plan Total	29 033 101	22 435 204	26 211 034	19 485 476	21 583 883	23 245 810	27 035 135	25 754 484	26 453 389	221 237 516

Table 11. Capital Regular Budget Details 2023

Major Programme / Major Capital Item	2022 Budget	2023 Estimates at 2022 Prices	2023 Estimates at 2023 Prices
2. Nuclear Techniques for Development and Environmental Protection			
ReNuAL 2	1 525 500	1 525 500	1 551 433
Major Programme 2	1 525 500	1 525 500	1 551 433
3. Nuclear Safety and Security			
Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED)	305 100	305 100	310 287
Major Programme 3	305 100	305 100	310 287
4. Nuclear Verification			
Develop and Implement a Safeguards Approach for J-MOX	1 017 000	1 017 000	1 034 289
Major Programme 4	1 017 000	1 017 000	1 034 289
5. Policy, Management and Administration Services			
Provision for IT Infrastructure and Information Security Investment	2 959 470	2 898 450	2 947 724
Seibersdorf Infrastructure and Common Facilities	844 110	844 110	858 460
Buildings Management Services Capital Fund	1 484 820	1 545 840	1 572 119
Major Programme 5	5 288 400	5 288 400	5 378 303
Major Capital Investment Fund	8 136 000	8 136 000	8 274 312
Capital Carry Forward	(2 034 000)	(2 034 000)	(2 068 578)
Capital Regular Budget	6 102 000	6 102 000	6 205 734

59. Table 12 lists capital needs for 2022 and 2023 that will not be funded from the MCIF. It is expected that these needs will attract extrabudgetary pledges from Member States.

Table 12. Unfunded 2022–2023 Capital Needs

Major Programme / Major Capital Item	2022	2023
1. Nuclear Power, Fuel Cycle and Nuclear Science		
Integrated Information Management Systems Upgrade	864 450	310 287
Establishment of an Ion Beam Accelerator Facility in Seibersdorf	50 850	775 717
Major Programme 1	915 300	1 086 003
2. Nuclear Techniques for Development and Environmental Protection		
ReNuAL 2	7 655 063	7 785 199
Major Programme 2	7 655 063	7 785 199
3. Nuclear Safety and Security		
Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED)	150 880	58 676
Radiation Safety Technical Services	-	268 915
Major Programme 3	150 880	327 591
4. Nuclear Verification		
Develop and Implement a Safeguards Approach for J-MOX	2 034 000	2 068 578
Integrated Life Cycle Management of Safeguards Assets (ILSA)	3 255 315	2 953 929
Major Programme 4	5 289 315	5 022 507
5. Policy, Management and Administration Services		
Provision for IT Infrastructure and Information Security Investment	5 847 750	4 147 499
Seibersdorf Infrastructure and Common Facilities	1 627 200	977 403
Buildings Management Services Capital Fund	3 769	-
Major Programme 5	7 478 719	5 124 902
6. Management of Technical Cooperation for Development		
Upgrade of the IAEA Technical Cooperation Programme Cycle Management Framework	907 724	1 412 585
Major Programme 6	907 724	1 412 585
Unfunded Capital Needs Total	22 397 001	20 758 789

Annex. Draft Resolutions for 2023

60. This section presents the draft resolutions for 2023, including the appropriations for the Regular Budget for 2023, the allocation for the Technical Cooperation Fund (TCF) in 2023 and the Working Capital Fund (WCF) in 2023.

A. The Regular Budget

61. Regular Budget appropriations for 2023 are presented in two parts: one for the operational Regular Budget (paras 1 and 2 of resolution A); and one for the capital Regular Budget (paras 3–5 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 and vice versa. The total amount of appropriations for the capital Regular Budget will be transferred to the Major Capital Investment Fund.

62. 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 to be fixed by the General Conference in September 2022.

B. Technical Cooperation Programme

63. The technical cooperation activities of the Agency are financed from the TCF and extrabudgetary contributions. The TCF mainly comprises 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 for voluntary contributions to the TCF recommended by the Board of Governors amounts to €92 600 000 for 2023.

64. The forecast of the resources for the technical cooperation programme for 2023 amounts to €118 044 000, comprising €87 044 000 for estimated core project funding, €1 000 000 for National Participation Costs (to be added to the estimated core funding) and €30 000 000 for the estimated implementation levels of extrabudgetary activities.

65. These amounts do not constitute a target for, or limitation on, funds and do not in any way prejudice the technical cooperation programme for 2023.

C. Working Capital Fund

66. During its 65th regular session, the General Conference approved a continuation of the WCF at the level of €15 210 000 for 2022. No change in this level is proposed for 2023, although it should be borne in mind that the average monthly requirement of the Regular Budget exceeds the level of the WCF, which constitutes a significant risk to the Agency.

A. REGULAR BUDGET APPROPRIATIONS FOR 2023

The General Conference,

Accepting the recommendations of the Board of Governors relating to the Regular Budget of the Agency for 2023,¹

1. Appropriates, on the basis of an exchange rate of US \$1.00 to €1.00, an amount of €400 009 616 for the operational portion of the Regular Budget expenses of the Agency in 2023 as follows:²

	€
1. Nuclear Power, Fuel Cycle and Nuclear Science	43 518 019
2. Nuclear Techniques for Development and Environmental Protection	44 255 066
3. Nuclear Safety and Security	38 974 708
4. Nuclear Verification	156 269 439
5. Policy, Management and Administration Services	85 720 457
6. Management of Technical Cooperation for Development	28 090 375
Subtotal of Major Programmes	<hr/> 396 828 064
7. Reimbursable work for others	3 181 552
TOTAL	<hr/> <hr/> 400 009 616

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 €235 000;

from contributions by Member States amounting, at an exchange rate of US \$1.00 to €1.00, to €396 593 064 (€340 984 693 plus US \$55 608 371), in accordance with the scale of assessment fixed by the General Conference in resolution GC(66)/RES/ ;

¹ Document GC(66)/6.

² Appropriation Sections 1–6 represent the Agency's Major Programmes.

3. Appropriates, on the basis of an exchange rate of US \$1.00 to €1.00, an amount of €6 205 734 for the capital portion of the Regular Budget expenses of the Agency in 2023 as follows:³

	€
1. Nuclear Power, Fuel Cycle and Nuclear Science	-
2. Nuclear Techniques for Development and Environmental Protection	1 551 433
3. Nuclear Safety and Security	310 287
4. Nuclear Verification	1 034 289
5. Policy, Management and Administration Services	3 309 725
6. Management of Technical Cooperation for Development	-
TOTAL	6 205 734

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, at an exchange rate of US \$1.00 to €1.00, to €6 205 734 (€6 138 815 plus US \$66 919), in accordance with the scale of assessment fixed by the General Conference in resolution GC(66)/RES/ ;

5. Authorizes the transfer of the capital portion of the Regular Budget to the Major Capital Investment Fund; and

6. Authorizes the Director General:

- a. To incur expenditures additional to those for which provision is made in the Regular Budget for 2023, 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 2023; and
- b. With the approval of the Board of Governors, to make transfers between any of the Sections listed in paras 1 and 3 above.

³ See footnote 2.

ATTACHMENT

A.1. APPROPRIATIONS FOR THE OPERATIONAL PORTION OF THE REGULAR BUDGET IN 2023

ADJUSTMENT FORMULA IN EUROS

		€		US\$
1.	Nuclear Power, Fuel Cycle and Nuclear Science	37 008 437	+ (	6 509 582 /R)
2.	Nuclear Techniques for Development and Environmental Protection	39 327 630	+ (	4 927 436 /R)
3.	Nuclear Safety and Security	31 906 331	+ (	7 068 377 /R)
4.	Nuclear Verification	132 110 104	+ (	24 159 335 /R)
5.	Policy, Management and Administration Services	76 866 478	+ (	8 853 979 /R)
6.	Management of Technical Cooperation for Development	24 000 713	+ (	4 089 662 /R)
	Subtotal of Major Programmes	341 219 693	+ (	55 608 371 /R)
7.	Reimbursable work for others	3 181 552	+ (	- /R)
	TOTAL	344 401 245	+ (	55 608 371 /R)

Note: R is the average United Nations dollar to euro exchange rate which will be experienced during 2023.

ATTACHMENT**A.2. APPROPRIATIONS FOR THE CAPITAL PORTION OF THE
REGULAR BUDGET IN 2023**

ADJUSTMENT FORMULA IN EUROS

	€	US\$
1. Nuclear Power, Fuel Cycle and Nuclear Science	- + (	- /R)
2. Nuclear Techniques for Development and Environmental Protection	1 484 514 + (	66 919 /R)
3. Nuclear Safety and Security	310 287 + (	- /R)
4. Nuclear Verification	1 034 289 + (	- /R)
5. Policy, Management and Administration Services	3 309 725 + (	- /R)
6. Management of Technical Cooperation for Development	- + (	- /R)
TOTAL	<u>6 138 815 + (</u>	<u>66 919 /R)</u>

Note: R is the average United Nations dollar to euro exchange rate which will be experienced during 2023.

B. TECHNICAL COOPERATION FUND ALLOCATION FOR 2023

The General Conference,

- (a) Noting the decision of the Board of Governors of June 2021 to recommend the Technical Cooperation Fund target of €92 600 000 for voluntary contributions to the Agency's Technical Cooperation Fund for 2023, and
 - (b) Accepting the foregoing recommendation of the Board,
1. Decides that for 2023 the target figure for voluntary contributions to the Technical Cooperation Fund shall be €92 600 000;
 2. Allocates, in euros, contributions of €92 600 000 for the Agency's technical cooperation programme for 2023; and
 3. Urges all Member States to make voluntary contributions for 2023 in accordance with Article XIV.F of the Statute, with para. 2 of its resolution GC(V)/RES/100 as amended by resolution GC(XV)/RES/286 or with para. 3 of the former resolution, as appropriate.

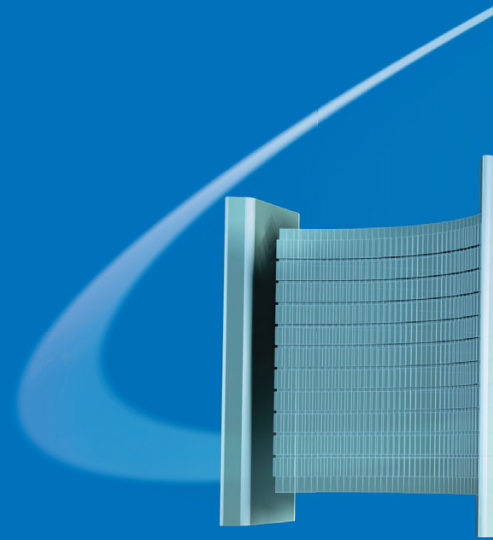
C. WORKING CAPITAL FUND FOR 2023

The General Conference,

Accepting the recommendations of the Board of Governors relating to the Agency's Working Capital Fund for 2023,

1. Approves a level of €15 210 000 for the Agency's Working Capital Fund for 2023;
2. Decides that the Fund shall be financed, administered and used in 2023 in accordance with the relevant provisions of the Financial Regulations of the Agency;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 of Governors statements of advances made from the Fund under the authority given in para. 3 above.

⁴ Document INFCIRC/8/Rev.4.



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