

Policy and General Management

Objective

To ensure the relevance, transparency, effectiveness and efficiency of the management of all the Agency's programmes and activities.

Key Issues and Highlights

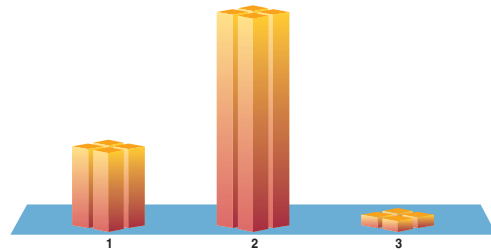
- This was the first year of a full biennium (2002–2003) using the results based approach to programming and budgeting. The *Programme and Budgetary Performance Report for 2001* included the first attempt to assess performance based on the indicators specified in the budget for that year.
- 'FinTrack', a new financial tracking system, was launched at the end of the year and is aimed at streamlining funds control by project and programme managers.
- The asbestos removal project for the VIC was delayed, putting on hold plans for moving staff to temporary accommodation.
- An agreement between the Agency and the Municipality of Vienna on the VIC Child Care Centre was signed.

Executive Management, Policy-making and Co-ordination

Full use was made of the results based approach in the formulation of the draft programme and budget for 2004–2005. In addition, extensive consultations were held with Member States to identify their most urgent needs and priorities.

Regular budget expenditure: \$46 495 047 *

Extrabudgetary programme expenditure (not included in chart): \$725 247 **



1. Executive Management, Policy-making and Co-ordination: \$14 414 183 *
2. Administration and General Services: \$30 596 686
3. Oversight and Evaluation: \$1 484 178

Legal Activities

To support Member States in their development of a comprehensive nuclear law governing radiation protection, nuclear and radiation safety, nuclear liability, safeguards and physical protection, the Agency provided assistance in drafting national nuclear legislation to ten Member States by means of written comments or advice on the legislation submitted to it for review. In addition, at the request of 14 Member States, individual training on issues related to nuclear legislation, was also provided. Participants from nine of these States took part in a two week training course at the Agency's Headquarters. The objectives of the course were to address legal and technical issues relevant to the development of a legal framework governing the safe and peaceful uses of nuclear energy and the Agency's role in its development.

* Including sums for overall management, co-ordination and common activities of: \$593 409 for nuclear power, fuel cycle and nuclear science; \$591 394 for nuclear techniques for development and environmental protection; \$692 713 for nuclear safety and protection against radiation; \$768 795 for nuclear verification and security of material; \$475 253 for management of technical co-operation for development.

** Including a sum for overall management, co-ordination and common activities of \$278 919 for nuclear techniques for development and environmental protection and for nuclear verification and security of material.

There is greater awareness in Member States of the need to strengthen national legislation covering security measures. In response, the Agency, in the course of providing advice on drafting nuclear legislation, paid special attention to legislative aspects relevant for the protection of nuclear and other radioactive materials.

As in previous years, and further to decisions of the Board of Governors (at its December 1999 and November 2001 meetings) concerning the implementation of the technical co-operation project on upgrading radiation protection infrastructures, assistance continued to be provided to those Member States that are still required to establish a legislative and regulatory framework for the application of adequate health and safety standards for all Agency projects. Such activity included the promulgation of radiation protection laws and regulations, and the designation and empowerment of a national regulatory authority. In addition, in the framework of this project, legal advice was provided in five national workshops for the establishment of a legal framework for preparedness and response to radio-logical emergencies.

Advice was also provided to Member States on the:

- Development of a legal framework governing the safety of radioactive waste management, the physical protection of nuclear material and the safe transport of radioactive material (for Latin American countries);
- Development of national legislation to fulfil States' obligations under the Model Protocol Additional to Safeguards Agreements (for the Baltic countries);
- Establishment of a legal framework governing radiation protection, the safety of radiation sources and the safe management of radioactive waste (for French speaking African countries);
- Development of a legal framework governing the safety of radioactive waste management and the safe transport of radioactive material (for English speaking African countries);
- Drafting of nuclear legislation for individual Member States.

A Handbook on Nuclear Law was finalized during the year. Describing the overall character of nuclear law and the process by which it is developed and applied, it is intended to assist legislators, government officials, technical experts, lawyers and users in general of nuclear technology in work related to the development of nuclear legislation.

The open-ended group of legal and technical experts convened by the Director General to prepare a draft of an amendment aimed at strengthening the Convention on the Physical Protection of Nuclear Material (CPPNM) has been working since December 2001. The group has held five meetings in total, but it has been unable to finalize its work. Aware of this situation, the General Conference, in Resolution GC/46/RES/13, noted with concern the lack of progress of the work of the Group and called for the early finalization of negotiations on the amendment.

While the text of the draft amendment is close to being finalized, certain issues remain unresolved. In light of this, at its meeting in November, the Group agreed to hold one further meeting with a view to concluding its task. At the meeting, the Group recognized that in order to ensure the efficient completion of its work, progress on six outstanding issues was needed before the next meeting. Consequently, it was agreed to appoint co-ordinators from the 43 participating Member States to lead subgroups on these issues. The issues relate to: the objectives and scope of the amendment; the language for incorporating the fundamental principles of physical protection into the text; co-operation and assistance in the case of sabotage or threat thereof; a new offence relating to sabotage; and additional provisions relating to extradition. In order to build on the progress made in the intersession, a provisional agenda and the basic organizational measures to be followed by the group were prepared to ensure that issues are dealt with systematically and, once adopted, are not reopened. After extensive work the subgroups proposed texts for consideration at the final meeting in March 2003.

The final meeting of the Group will take place from 3 to 14 March 2003. Following this meeting, States Parties will review the final draft amendment to determine whether, in accordance with Article 20 of the CPPNM, the Director General should be requested to convene an Amendment Conference before the end of 2003 to consider and adopt the amendment.

Administration and General Services

Financial Management

For 2002, the General Conference appropriated an amount of \$245.1 million for the Agency's Regular Budget on the basis of an exchange rate of €0.9229 to one dollar, of which \$238.7 million related to Agency programmes, \$4.6 million to reimbursable work for

others and \$1.8 million to the Special Appropriation for the Acquisition of Safeguards Equipment. The General Conference approved budget of \$238.7 million for Agency programmes was adjusted to \$211.7 million based on the average UN exchange rate actually experienced during the year (1.0724 to one dollar).

The Regular Budget for 2002, at the average UN exchange rate of 1.0724 to one US dollar, amounted to \$217.5 million, of which \$207.6 million was to be financed from contributions by Member States in accordance with the scale of assessment fixed by the General Conference in Resolution GC(45)/RES/8, \$4 million from income from reimbursable work for others, \$4.1 million from other miscellaneous income and \$1.8 million — representing the Special Appropriation for the Acquisition of Safeguards Equipment — from part of the 1999 cash surplus.

The actual expenditure for the Agency's Regular Budget in 2002 amounted to \$214.1 million, of which \$212.3 million was related to Agency programmes and reimbursable work for others and \$1.8 million to the Special Appropriation for the Acquisition of Safeguards Equipment. The unused budgetary balance from the Agency's programmes and the Special Appropriation amounted to \$2.3 million, while the level of reimbursable work for others was \$1.1 million lower than the budgetary forecast. The unused budget of \$2.3 million represents the unobligated balance of the appropriations carried over to 2003 for continued implementation of the approved 2002–2003 programme. The carryover of unspent programme funds was in compliance with the Board of Governors approval of recommended action contained in document GOV/1999/23 on *Proposed Changes to the Agency's Programme and Budget Process towards Biennial Programming*.

The target for voluntary contributions to the Technical Co-operation Fund for 2002 was established at \$73 million, of which Member States pledged \$58.3 million.

A total of \$67.3 million in extrabudgetary resources were actually available for Agency programmes. This total consisted of \$24.1 million unused balance carried forward from 2001 and \$43.2 million in additional extrabudgetary funds made available in 2002. The 2002 expenditure amounted to \$34.7 million, of which 60% came from funds provided by the USA, mostly to support the programme of technical assistance to safeguards activities. About 13% came from funds provided by Japan and were mainly used to support

work on the safety of nuclear installations in countries of South East Asia, the Pacific and the Far East. Another 7% came from European Union Member States, basically to support programmes for Agency safeguards activities. The remaining 20% of the 2002 expenditures were covered by funds from other donors and predominantly financed work in food and agriculture and verification activities in Iraq.

In anticipation of the introduction of full biennial budgeting, a simplified budget update document was introduced for 2003, the budget proposals for that year having already been broadly covered in *The Agency's Programme and Budget 2002–2003* (GC(45)/8). The 2003 budget update dealt only with the price adjustments for that year and amendments arising from the approval in principle of the Action Plan for Protection Against Nuclear Terrorism. Further reflecting the move to results based budgeting and the related programme assessment procedures, the *Programme and Budgetary Performance Report for 2001*, prepared in 2002, incorporated the first attempt to assess performance based on the performance indicators specified in the 2001 programme and budget.

During 2002, various measures were introduced to improve the efficiency of the Agency's financial operations, including automated system improvements in the travel and UNDP payment processes. Despite these efficiencies, there was an ever increasing demand for services resulting from increases in Agency activities such as technical co-operation operations, nuclear security and verification work in Iraq. The 'Financial Tracking System' (FinTrack), a financial systems improvement that was inaugurated in 2002, is aimed at streamlining the funds control processes by providing programme and project managers with direct access to financial information.

Personnel Management

At the end of 2002, there were 2229 staff members in the Secretariat — 1000 in the Professional and higher categories and 1229 in the General Service category. These figures represent 1654 regular, 313 temporary assistance and 161 extrabudgetary staff, as well as 66 cost free experts and 35 consultants. Ninety-nine nationalities were represented among the 725 staff members in posts subject to geographical distribution. In the course of 2002, a total of around 550 staff were appointed, and some 470 consultants were contracted; 140 staff separated from the organization. The number of nationalities represented among staff subject to geographical distribution also increased.

The Secretariat conducted the first comprehensive review of the Provisional Staff Regulations and Staff Rules with the aim of clarifying, streamlining and simplifying them, as well as incorporating the best practices from the United Nations Common System. The amendments to the regulations, including the removal of the word “Provisional” from the title, were approved by the Board of Governors in June.

In view of the continued low number of applications from well qualified women, work started on a web site outlining the important and equal contributions of women to the nuclear field in general and the work of the Agency in particular. A major objective is to showcase the programmes that support the advancement of the quality of life for women and children in Member States.

A policy on the prevention of harassment was promulgated and specific guidelines were issued to improve staff-management communication. A staff mobility policy in support of the sharing of staff skills among different areas of the Secretariat and staff career development was also promulgated.

General Services

During the year, 550 ‘metres of records’ (i.e. the number of metres of shelves containing records or documents in a line) were transferred to intermediate storage space, bringing the total quantity of records in intermediate storage to 3000 metres. In addition, 85 metres of records of historical value were added to the Agency’s archives, bringing the total of historical records accessible to Member States to 5000 metres.

The asbestos removal project in the VIC witnessed some progress. Early in the year, a temporary structure was completed for use as alternative office accommodation. Also, the tendering process for the project commenced in November.

Bidding processes were carried out to renew or establish over 40 Long Term Agreements for a wide range of standardized equipment, supplies and services. These agreements reduce lead times in ordering and reduce the number of lower value procurement orders that have to be placed. The

tendering, technical evaluation and ordering process in 2002 (over 3800 orders and contracts for a total aggregated value of \$36 million) was at a similar level to that in 2001, but took place against a background of improvement and upgrading of the related computer systems and the introduction of electronic based ordering.

The agreement between the Agency and the Municipality of Vienna for the operation of the new and expanded VIC Child Care Centre was signed in August. A subsidy from the Federal Government of Austria and the Staff Welfare Funds of the Agency, UNIDO, UNOV and CTBTO made possible the construction of the new facility. Design and project implementation were undertaken by UNIDO, and administration and project management were provided by the Agency. Originally intended to accommodate 32 children, the facility was expanded to accommodate 148 children ranging in age from three months to six years.

Oversight and Evaluation

Mechanisms for reporting on programme results were presented and agreed to by Member States. These include a ‘Mid-Term Progress Report’, ‘Programme Performance Report’ (containing the assessment of outcomes using performance indicators) and evaluations conducted on selected areas of the Agency’s programme.

The newly established Office of Internal Oversight Services concentrated on fully integrating the evaluation and management services into a consolidated, independent function covering both regular budget and technical co-operation activities. Significant achievements in 2002 included:

- Completion of 24 audits, reviews and evaluations that included 175 recommendations to management for improvement;
- Training of programme managers and counterparts in self-evaluation techniques;
- Co-ordination of an external management review of the Agency carried out by the Marnet consulting firm.