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Item 9 of the provisional agenda
(GC(XXIII)/609)**THE AGENCY'S BUDGET FOR 1980**Modifications

1. At the beginning of November the Director General circulated a note^{1/} to inform the General Conference of his intention to consult the Board of Governors about ways of overcoming the difficulties confronting the Agency as a result of the fluctuations in currency exchange rates that have occurred since the estimates in the Agency's budget for 1980^{2/} were prepared.
2. When the Board came to consider the matter on 30 November, it was informed by the Director General that the United Nations operational rate of exchange of the Austrian schilling to the United States dollar, which stood at 14.00 schillings to the dollar in June, when the Board reviewed the budget estimates for 1980, had been fixed at 12.90 schillings to the dollar with effect from 1 November. Just as the change in the rate from 15.05 to 14.00 schillings had necessitated a provision in the estimates of \$4 080 000, as the Board has explained in the introduction to the estimates^{3/}, so this further reduction in the value of the dollar will make it necessary to increase the budget estimates by \$4 987 000 in order fully to finance the programme of activities which the Board has decided is to be carried out under next year's Regular Budget.
3. The Board, for its part, has considered how the \$4 987 000 could be raised with the least inconvenience to Members. It recommends that this amount be financed as follows: \$500 000 from the cash surplus in respect of 1978, \$500 000 from miscellaneous income for 1979, and \$3 987 000 from contributions by Member States on the basis of the scale of assessment to be fixed by the General Conference.

^{1/} GC(XXIII)/615.

^{2/} GC(XXIII)/612.

^{3/} Ibid., para. 16.

4. The Board accordingly informs the Conference that document GC(XXIII)/612 containing the budget estimates for 1980 is modified as follows:

- (a) The text of paragraphs 15 through 19 of the Introduction is replaced by the material attached hereto;
- (b) Tables 1, 3, 4 and 5 are replaced by the material attached hereto;
- (c) Part T "Adjustment of programme cost estimates" and Table T.1 are replaced by the material attached hereto; and
- (d) Annex VII, draft resolution A, REGULAR BUDGET APPROPRIATIONS FOR 1980, is replaced in its entirety by the material attached hereto.

THE REGULAR BUDGET FOR 1980

15. The total of the Regular Budget estimates for 1980 is '0 643 000.
16. The programme cost estimates are based on an exchange rate of 15.05 Austrian schillings to the United States dollar; they can, therefore, be compared directly with the adjusted programme cost estimates for 1979, which are also based on that rate. Because of the substantial decline in the dollar/schilling exchange rate during recent months, however, an amount of \$9 067 000 has been included under appropriation Section 10 of the Regular Budget - Adjustment of programme cost estimates - in order to compensate for an estimated average rate of exchange of 12.90 schillings to the dollar throughout 1980.
17. The programme budget and the total Regular Budget are set forth in Table 3. The programme budget reflects the Agency's programme and supporting administrative activities including the cost of work for others. The programme budget for 1980 was prepared on the basis that all programmes will be charged with costs exclusive of Value Added Tax in respect of local services rendered and goods received. This change is in conformity with the practice of the United Nations and its organisations. As a result, the refund of Value Added Tax will be recorded outside the budget accounts and has been deleted from Table 5, "Summary of income", in respect of 1980 and subsequent years. The Regular Budget is the amount being requested for appropriation; it is the total of the programme budget plus the amount necessary to compensate for currency fluctuations. This year, as indicated above, the amount necessary to compensate for currency fluctuations is \$9 067 000 as the 1979 Regular Budget is based on an exchange rate of 15.05 schillings to the dollar while the 1980 Regular Budget is based on an estimated average rate of 12.90 schillings to the dollar.
18. The programme cost estimates for 1980 are directly comparable with the adjusted programme cost estimates for 1979. The increase from the 1979 to the 1980 budget level is \$6 399 000 or 9.8% (see Table 3). The 9.8% is made up as follows: 6.9% for price increases attributable to inflation; 2.9% for a net programme increase. The net programme increase is made up as follows: programme growth of 1.1% (2.3% programme growth under "Safeguards" partially

offset by a 1.2% reduction for all other programme activities); a programme increase of 1.4% under "Cost of work for others"; and 0.4% in respect of the Agency's Permanent Headquarters (an increase of 6.4% for a full year's operation and maintenance partly offset by a 2.5% programme reduction under "General services" and a 3.5% reduction under "Transfer of the Agency to its Permanent Headquarters").

19. The Board, recognising that the progress of the construction of the Permanent Headquarters and the related dates when certain equipment had to be installed were further delayed, and in the interest of effective financial management control over the changed conditions, endorsed under the existing conditions and as an exception the carry forward of any unused balances remaining under the appropriation Section of the Regular Budget for the Agency's transfer to its Permanent Headquarters with respect to balances at the end of 1979. The action by the Board does not increase the funds available for this purpose over the amounts already appropriated. The balances remaining at the end of 1979 would be available solely for the purposes of meeting costs directly associated with the Agency's transfer and, in addition, such balances would not be available for use after 1980. No provision for the transfer of the Agency to its Permanent Headquarters is contained in the Regular Budget for 1980.

REGULAR AND OPERATIONAL BUDGETS 1980

Table 1

Programmes	Regular Budget	Operational Budget		Total
		Operating Fund I	Operating Fund II	
A. Technical assistance and training	3 197 000	-	11 050 000	14 247 000
B. Nuclear power and reactors	3 445 000	-	-	3 445 000
C. Nuclear safety and environmental protection	5 180 000	-	-	5 180 000
D. Nuclear explosions for peaceful purposes	193 000	-	-	193 000
E. Food and agriculture	3 458 000	-	-	3 458 000
F. Life sciences	2 687 000	-	-	2 687 000
G. Physical sciences	5 409 000	-	-	5 409 000
I. International Centre for Theoretical Physics	901 000	1 235 000	-	2 136 000
J. International Laboratory of Marine Radioactivity	915 000	135 000	-	1 050 000
K. Safeguards	19 396 000	-	-	19 396 000
L. Information and technical services	3 925 000	-	-	3 925 000
M. Policy-making organs	2 284 000	-	-	2 284 000
N. Executive management and technical programme planning	1 391 000	-	-	1 391 000
O. Administration	6 888 000	-	-	6 888 000
P. General services	10 599 000	-	-	10 599 000
R. Cost of work for others	1 708 000	-	-	1 708 000
T. Adjustment of programme cost estimates	9 067 000	-	-	9 067 000
TOTAL	80 643 000	1 370 000	11 050 000	93 063 000
<u>Source of funds:</u>				
Assessment on Member States	74 920 000	-	-	74 920 000
Voluntary contributions	-	1 370 000	10 300 000	11 670 000
Extrabudgetary resources	-	-	-	-
Income from work for others	1 708 000	-	-	1 708 000
Other miscellaneous income	3 015 000	-	550 000	3 565 000
Transfer of cash surplus	1 000 000	-	-	1 000 000
TOTAL	80 643 000	1 370 000	11 050 000	93 063 000

THE REGULAR BUDGET

By programme

Table 3

	1979 Adjusted budget		Price increase		Programme increase		Total change		1980 Estimate	1981 Preliminary estimate
	\$		\$	%	\$	%	\$	%	\$	\$
A. Technical assistance and training (Regular Budget)	2 857 000		221 000	7,7	119 000	4,2	340 000	11,9	3 197 000	3 520 000
B. Nuclear power and reactors	3 660 000		163 000	4,4	(378 000)	(10,3)	(215 000)	(5,9)	3 445 000	4 231 000
C. Nuclear safety and environmental protection	4 838 000		380 000	7,9	(38 000)	(0,8)	342 000	7,1	5 180 000	5 774 000
D. Nuclear explosions for peaceful purposes	226 000		13 700	6,1	(44 700)	(19,8)	(31 000)	(13,7)	195 000	251 000
E. Food and agriculture	3 343 000		279 000	8,3	(164 000)	(4,9)	115 000	3,4	3 458 000	4 020 000
F. Life sciences	2 492 000		185 000	7,4	10 000	0,4	195 000	7,8	2 687 000	3 147 000
G. Physical sciences	5 181 000		418 000	8,1	(190 000)	(3,7)	228 000	4,4	5 409 000	6 219 000
I. International Centre for Theoretical Physics										
Regular Budget	710 000		87 000	12,3	104 000	14,6	191 000	26,9	901 000	940 000
Operating Fund I	1 165 000		135 000	11,6	(65 000)	(5,6)	70 000	6,0	1 235 000	1 450 000
Sub-total	1 875 000		222 000	11,8	39 000	2,1	261 000	13,9	2 136 000	2 390 000
J. International Laboratory of Marine Radioactivity										
Regular Budget	698 000		178 700	25,7	40 300	5,8	219 000	31,5	915 000	1 040 000
Operating Fund I	120 000		30 000	25,0	(15 000)	(12,5)	15 000	12,5	135 000	150 000
Sub-total	818 000		208 700	25,6	25 300	3,1	234 000	28,7	1 050 000	1 190 000
K. Safeguards	18 795 000		1 132 000	6,7	1 469 000	8,8	2 601 000	15,5	19 396 000	22 932 000
L. Information and technical services	4 617 000		142 200	3,5	(234 200)	(5,8)	(92 000)	(2,3)	3 925 000	4 520 000
M. Policy-making organs	2 240 000		150 000	6,7	(106 000)	(4,7)	44 000	2,0	2 284 000	2 442 000
N. Executive management and technical programme planning	1 309 000		92 000	7,0	(10 000)	(0,7)	82 000	6,3	1 391 000	1 438 000
O. Administration	6 430 000		351 000	5,5	105 000	1,6	456 000	7,1	6 886 000	7 724 000
P. General services	5 217 000		485 000	9,3	(1 603 000)	(30,7)	(1 118 000)	(21,4)	4 099 000	4 328 000
Permanent Headquarters operating costs	2 120 000		210 000	9,9	4 170 000	196,7	4 380 000	206,6	6 500 000	6 500 000
Sub-total	7 337 000		695 000	9,5	2 567 000	35,0	3 262 000	44,5	10 599 000	10 828 000

E. Cost of work for others	730 000	13 000	1,7	915 000	117,3	928 000	120,0	1 708 000	1 970 000
G. Transfer of the Agency to its Permanent Headquarters	2 266 000	-	-	(2 266 000)	(100,0)	(2 266 000)	(100,0)	-	-
Sub-total: Regular Budget Operating Fund I	65 177 000	4 500 600	6,9	1 898 400	2,9	6 399 000	9,8	71 576 000	80 996 000
	1 285 000	165 000	12,8	(80 000)	(6,2)	85 000	6,5	1 370 000	1 600 000
	66 462 000	4 665 600	7,0	1 818 400	2,7	6 484 000	9,7	72 946 000	82 596 000
T. Adjustment of programme cost estimates	-	9 067 000	-	-	-	9 067 000	-	9 067 000	10 260 000
TOTAL: Regular Budget and Operating Fund I	66 462 000	13 732 600	20,7	1 818 400	2,7	15 551 000	23,4	82 013 000	92 856 000
<u>Source of funds</u>									
Regular Budget:									
Programme budget	65 177 000	4 500 600	6,9	1 898 400	2,9	6 399 000	9,8	71 576 000	80 996 000
Adjustment of programme cost estimates	-	9 067 000	-	-	-	9 067 000	-	9 067 000	10 260 000
Total Regular Budget	65 177 000	13 567 600	20,8	1 898 400	2,9	15 466 000	23,7	80 643 000	91 256 000
Operating Fund I	1 285 000	165 000	12,8	(80 000)	(6,2)	85 000	6,6	1 370 000	1 600 000
	66 462 000	13 732 600	20,7	1 818 400	2,7	15 551 000	23,4	82 013 000	92 856 000
Regular Budget	65 177 000	13 567 600	20,8	1 898 400	2,9	15 466 000	23,7	80 643 000	91 256 000
Less: Miscellaneous income									
Income from work for others	780 000	13 000	1,7	915 000	117,3	928 000	119,0	1 708 000	1 970 000
Other	2 875 000	-	-	140 000	4,9	140 000	4,9	3 015 000	3 075 000
Transfer of cash surplus	-	-	-	1 000 000	-	1 000 000	-	1 000 000	-
Assessment on Member States	61 522 000	13 554 600	22,0	(156 600)	(0,2)	13 398 000	21,8	74 920 000	86 211 000

THE REGULAR BUDGET

By item of expenditure

Table 4

Item of expenditure	1978 Actual obligations	1978 Adjusted budget	Increase or(decrease) from 1979			1980 Estimate	1981 Preliminary estimate
			Price	Programme	Total		
Salaries and wages							
Established posts	28 535 803	34 000 000	2 862 000	505 000	3 167 000	37 167 000	41 244 000
Consultants	582 819	772 300	31 800	(87 000)	(55 200)	717 100	822 300
Overtime	195 239	174 000	8 800	(12 300)	(3 500)	170 500	213 500
Temporary assistance	1 013 036	1 134 100	144 500	(386 600)	(242 100)	692 000	1 440 200
Sub-total	31 326 897	36 080 400	2 847 100	19 100	2 866 200	38 946 600	43 720 000
Common staff costs	8 409 035	9 514 800	1 126 800	151 800	1 272 600	10 787 400	11 957 900
Travel	1 208 252	1 388 200	110 800	317 500	428 300	1 816 500	2 506 200
Meetings							
Conferences, symposia, seminars	1 025 972	1 128 000	73 400	(27 400)	46 000	1 174 000	1 753 500
Technical committees, advisory groups	1 032 241	1 595 500	102 800	(403 600)	(301 000)	1 294 500	1 949 100
Representation and hospitality	107 051	108 800	4 300	(4 800)	(500)	108 100	133 800
Scientific and technical contracts	1 636 347	2 336 900	90 100	(75 500)	14 600	2 345 500	3 257 000
Scientific supplies and equipment	747 225	1 387 500	137 800	3 700	141 300	1 528 800	1 766 500
Common services, supplies and equipment	7 296 758	10 517 600	50 900	(3 383 400)	(3 332 500)	7 185 100	8 013 000
Permanent Headquarters operating costs	-	2 120 000	210 000	4 170 000	4 380 000	6 500 000	6 500 000
Other items of expenditure	484 956	618 500	27 700	(197 700)	(170 000)	448 500	552 000
Transfer of costs:							
Linguistic services	(527 359)	(962 000)	(117 700)	262 700	145 000	(817 000)	(1 398 000)
Printing and publishing services	(62 089)	(146 000)	(5 000)	71 000	66 000	(80 000)	(85 000)
Cost of work for others	-	780 000	13 000	915 000	928 000	1 708 000	1 970 000
Adjustment of programme cost estimates	-	-	9 067 000	-	9 067 000	9 067 000	10 260 000
TOTAL: Regular Budget and Operating Fund I	52 866 284	66 462 000	13 732 600	1 818 400	15 551 000	62 013 000	92 850 000
Source of funds:							
Regular Budget	51 368 388	65 177 000	13 567 600	1 898 400	15 466 000	60 343 000	81 258 000
Operating Fund I	1 298 896	1 285 000	165 000	(80 000)	85 000	1 670 000	1 592 000
TOTAL	52 667 284	66 462 000	13 732 600	1 818 400	15 551 000	62 013 000	92 850 000

Summary of income

Table 5

Item	1978 Actual	1979 Adjusted budget	Increase or (decrease) over 1979	1980 Estimate	1981 Preliminary estimate
Assessed contributions on Member States	48 793 083	61 522 000	13 398 000	74 920 000	88 211 000
Transfer of cash surplus	-	-	1 000 000	1 000 000	-
Miscellaneous income					
(a) Income from work for others					
Data processing services	508 580	535 000	88 000	623 000	783 000
Printing services	112 281	125 000	175 000	300 000	320 000
Medical services	180 947	120 000	130 000	250 000	290 000
Library services	-	-	535 000	535 000	595 000
Sub-total	801 808	780 000	928 000	1 708 000	1 970 000
(b) Attributable to specific programmes					
Publications of the Agency	531 161	545 000	55 000	600 000	620 000
INIS publications including microfiches	283 345	275 000	40 000	315 000	355 000
CINDA publications	14 084	15 000	15 000	30 000	20 000
Advertising	30 221	20 000	10 000	30 000	30 000
Laboratory income	44 119	20 000	80 000	100 000	110 000
Sale of surplus property	21 590	50 000	(30 000)	20 000	20 000
Amounts recoverable under safeguards agreements from non-member States	93 735	60 000	30 000	90 000	90 000
UNDP programme support cost	853 184	400 000	410 000	810 000	810 000
SIDA programme support cost	22 219	30 000	20 000	50 000	50 000
Other programme support costs	2 941	-	-	-	-
Sub-total	1 898 609	1 415 000	630 000	2 045 000	2 105 000
(c) Not attributable to specific programmes					
Investment and interest income	1 231 023	705 000	55 000	760 000	760 000
Refund from the United Nations Joint Staff Pension Fund	194 480	75 000	5 000	80 000	80 000
Refund of Value Added Tax	725 512	550 000	(550 000)	-	-
Other: Gain on exchange	236 241	-	-	-	-
Other	232 587	130 000	-	130 000	130 000
Sub-total	2 020 245	1 460 000	(400 000)	970 000	970 000
Total miscellaneous income	5 318 862	3 655 000	1 068 000	4 723 000	5 045 000
TOTAL	51 111 725	65 177 000	15 486 000	80 643 000	91 256 000

T. ADJUSTMENT OF PROGRAMME
 COST ESTIMATES

Table T.1

Item of expenditure	1978 Actual obligations	1979 Adjusted budget	Increase or (decrease) from 1979			1980 Estimate	1981 Preliminary estimate
			Price	Programme	Total		
Adjustment of programme cost estimates	-	-	9 067 000	-	9 067 000	9 067 000	10 260 000
TOTAL	-	-	9 067 000	-	9 067 000	9 067 000	10 260 000

CHANGES IN COSTS

T.1. The cost estimates in the earlier part of this programme budget are based on an exchange rate of 15.05 Austrian schillings to the United States dollar. However, in the light of current uncertainty about the exchange rate and with a view to avoiding a supplementary budgetary appropriation, an amount of \$9 067 000 is provided under this heading. The amount will cover expenditure increases calculated on the basis of an exchange rate of 12.90 schillings to the dollar.

T.2. As provided in paragraph 3 of draft resolution A, Regular Budget appropriations for 1980, contained in Annex VII, funds appropriated for the adjustment of programme cost estimates shall be used only with the prior approval of the Board of Governors.

A N N E X VII

Draft resolutions

A. REGULAR BUDGET APPROPRIATIONS FOR 1980

The General Conference,

Accepting the recommendations of the Board of Governors relating to the Regular Budget of the Agency for 1980^{1/},

1. Appropriates an amount of \$80 643 000 for the Regular Budget expenses of the Agency in 1980 as follows:

<u>Section</u>	<u>United States dollars</u>
1. Technical assistance and training	3 197 000
2. Technical operations ^{2/}	12 745 000
3. Research and isotopes ^{3/}	11 554 000
4. Operational facilities ^{4/}	1 816 000
5. Safeguards	19 396 000
6. Policy-making organs	2 284 000
7. Executive management and administration ^{5/}	8 277 000
8. General services	10 599 000
9. Cost of work for others	1 708 000
10. Adjustment of programme cost estimates	9 067 000
TOTAL	<u><u>80 643 000</u></u>

2. Decides that the foregoing appropriation shall be financed as follows:
- (a) \$1 708 000 from income from work for others;
 - (b) \$3 015 000 from other miscellaneous income;
 - (c) \$500 000 from the cash surplus in respect of 1978;
 - (d) \$500 000 from miscellaneous income for 1979 in excess of that already taken into account in the Regular Budget; and
 - (e) \$74 920 000 from contributions by Member States on the basis of the scale of assessment fixed by the General Conference in Resolution GC(XXIII)/RES/.....;

3. Decides further that in respect of sub-paragraphs 2(c) and 2(d) above such further amounts as may become available under either sub-paragraph may be used as do not produce a total of more than \$1 000 000;
4. Decides further that the funds appropriated for Section 10 in paragraph 1 above shall be used only with the prior approval of the Board of Governors; and
5. Authorizes the Director General:
 - (a) To incur expenditures additional to those for which provision is made in the Regular Budget for 1980, 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 and Operational Budgets for 1980; and
 - (b) With the prior approval of the Board of Governors, to make transfers between any of the Sections listed in paragraph 1 above.

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- 1/ See document GC(XXIII)/612/Mod.1, Table 5.
 - 2/ For the financing of Nuclear power and reactors, Nuclear safety and environmental protection, Information and technical services and Nuclear explosions for peaceful purposes.
 - 3/ For the financing of Food and agriculture, Life sciences and Physical sciences.
 - 4/ For the financing of the International Centre for Theoretical Physics (in part) and the International Laboratory of Marine Radioactivity (in part).
 - 5/ For the financing of Executive management and technical programme planning and Administration.