

# The Agency's Budget Update for 2009



**IAEA**

International Atomic Energy Agency

*Atoms for Peace*

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# The Agency's Budget Update for 2009

## A. Introduction

### A.1. Background

1. The Agency's regular programme for the biennium 2008–2009, adopted by the Board of Governors, was presented to the General Conference in document GC(51)/2. The Agency continues to be required by the Statute to submit *annual budget* estimates for approval<sup>1</sup>, and, thus, the budget estimates for 2009 included in that document were preliminary. In line with the procedures adopted for biennial programming (GOV/1999/23), the budget proposals for the second year of the biennium (2009) are to be contained in a concise summary document — The Agency's Budget Update. This document highlights significant changes, if any, to the original biennial programme and budget proposals, introduces the price adjustments for the second year of the biennium and sets out the draft appropriation and other resolutions related to the second year.

### A.2. Programmatic Adjustments for 2009

2. There have been no significant changes in the programme proposals for 2008–2009 outlined in GC(51)/2 which need be brought to the attention of Member States for purposes of the updated budget for 2009. Minor operational changes can, however, be expected in the course of programme implementation. There are also some emerging issues, outlined in the following paragraphs, which could have programmatic and financial resource implications.

#### A.2.1. Food and Agriculture Organization of the United Nations (FAO)

3. In December 2007 the Agency received from the Director General of FAO a letter giving, in line with the existing agreement, the required one year's notice of the termination of the arrangement of cooperation for the Joint FAO/IAEA Division of Nuclear Techniques in Food and Agriculture (hereinafter referred to as "the Joint Division"), whose programme includes the FAO/IAEA Agriculture and Biotechnology Laboratory in Seibersdorf, and technical support to the food and agriculture field projects under the Agency's technical cooperation programme. It is understood that the issue of the future cooperation between the IAEA and FAO will be subject of the deliberations by FAO's Member States participating in the Conference Committee tasked with the review of the Independent External Evaluation recommendations<sup>2</sup>. It is expected that these discussions, which may have an impact on the above mentioned termination notice, will be concluded by July 2008 and the FAO Conference will consider and decide on the recommendations of the Conference Committee in November 2008.

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<sup>1</sup> 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.

<sup>2</sup> The Independent External Evaluation of FAO presented its final evaluation report to its Member States in November 2007, through the FAO Conference ([http://ftp.fao.org/docrep/fao/meeting/012/k0827e\\_rev1.pdf](http://ftp.fao.org/docrep/fao/meeting/012/k0827e_rev1.pdf), for reference).



4. Termination in December 2008 by FAO of the current arrangements, including the continued financing by FAO of its portion of the expenses of the Joint Division (€2.2 million), would result in substantive programmatic, human resources, and financial implications for the food and agriculture programme of the IAEA (further details are provided in GOV/INF/2008/2) and the Agency's food and agriculture programme for 2009 would have to be adjusted significantly, in accordance with Financial Rule 110.07<sup>3</sup>, based on priority ranking and Member State needs.

### **A.2.2. Introduction of common Programme Support Costs on extrabudgetary resources**

5. The Agency's authority to charge Programme Support Costs (PSC) on extrabudgetary programme activities is based on Financial Regulation 6.01<sup>4</sup> and Financial Rule 108.02<sup>5</sup>. General Conference resolution GC(45)/RES/9 as contained in INFCIRC/370/Rev.2 (Part II, paragraph 3.2), specifies that the Director General may accept voluntary contributions provided that acceptance of such contributions "will not involve the Agency in expenditure for which funds are not available" implying that voluntary contributions must fully absorb all costs related to extrabudgetary activities.

6. Notwithstanding the above, the Agency has operated differently from the other United Nations system organizations which routinely apply a certain percentage charge to extrabudgetary activities in order to provide the necessary funds for programme management and support costs in servicing their extrabudgetary programme activities.<sup>6</sup> In the Agency, PSC are charged in limited cases on the activities funded by extrabudgetary resources. In 2007, out of the €43 million in disbursements incurred in extrabudgetary programme activities, only €3.5 million, or 8.1%, were subject to PSC charges.

7. It is recalled that the External Auditor recognized that the burden of administering extrabudgetary activities grew at the expense of Agency's core activities and repeatedly recommended that the Agency adopt a common programme support cost mechanism to clearly separate the actual cost of administering extrabudgetary programmes from the regular budget and enhance the transparency of reporting on the extrabudgetary activities.<sup>7</sup>

8. However, in light of the views expressed at the June 2008 Board of Governors meeting, the Agency will continue to require Programme Support Costs in respect of extrabudgetary contributions on a case-by-case basis. If adequate programme support is not available, extrabudgetary contributions may not be accepted and will instead be referred by the Director General to the Board for decision in

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<sup>3</sup> Financial Rule 110.07 reads "Requests for major changes to approved projects shall be submitted by the Head of the Department concerned through DDG-MT to the Director General for decision, including proposals for funding the change if additional expenditures are involved. Major changes are those that significantly affect the objectives of a project, its cost or the planned output. In case of projects for which special review procedures exist, such as co-ordinated research programmes or publications, the chairperson of the Committee concerned shall also submit the Committee's views to the Director General. If the project change requires approval by the Board, the Head of the Department concerned shall prepare the relevant Board document to be cleared by DDG-MT."

<sup>4</sup> Financial Regulation 6.01 reads "Voluntary contributions may be accepted in accordance with the Rules Regarding the Acceptance of Voluntary Contributions of Money to the Agency approved by the General Conference."

<sup>5</sup> The Financial Rule explicitly provides basis for levying PSC. Rule 108.02 reads: "Costs for programme support and administrative services may be charged for activities funded from other voluntary and extrabudgetary resources, Trust Funds and Special Funds, as agreed with the contributors of such funds and approved by DDG-MT."

<sup>6</sup> Joint Inspection Unit reports in recent years offer comprehensive analysis and insights on the trends, impact, policy implications and management issues with regard to extrabudgetary resources in the UN system organizations. See: "Voluntary contributions in United Nations System Organizations, impact on programme delivery and resource mobilization strategies" (JIU/REP/2007/1); "Support costs related to extrabudgetary activities in organizations of the United Nations System" (JIU/REP/2002/3).

<sup>7</sup> GC(49)/7, paras 31–32, paras 140–147, GC(50)/8, para. 228; GC(51)/13, para. 16, paras 81–84.

accordance with General Conference resolution GC(45)/RES/9 in INFCIRC/370/Rev.2 (Part II, paragraph 4).

### **A.3. Changes in Reimbursable Work for Others**

9. There has been a change in expected income from Reimbursable Work for Others (RWfO), resulting from the extension of the Agreement between UNIDO and the IAEA concerning the provision of Computer Services in 2008–2009. Additional income of €14 000 per year is expected by the Agency. Part of this income will be required to cover the increased cost for Major Programme 5, Policy, Management and Administration, to fund the continuing service to UNIDO, and the remaining income will go to Miscellaneous Income and will eventually become part of any cash surplus calculation for distribution to Member States.

### **A.4. Regular Budget Adjustments for 2009**

10. The total regular budget for 2009 proposed in this document has been reduced by €1.5 million from the 2009 estimates as presented in GC(51)/2. The regular budget proposed for Major Programme 4 — Nuclear Verification — has been reduced by €1.2 million in light of additional voluntary contributions received to perform certain monitoring activities by the Agency. A further reduction of €0.3 million has been identified by reducing printing and distribution services in Major Programme 5 — Policy, Management and Administration. To achieve the latter reduction, consistent with the External Auditor's recommendation, the Secretariat will reduce to one copy per Member State the distribution of IAEA publications, multiple correspondence and documents of the Policy-making Organs. The revised proposed total regular budget for 2009 has also been adjusted to reflect the price levels applicable for 2009 and is estimated at €301 709 333 — see Table 1. Of this total, the regular budget for Agency programmes for the year amount to €299 170 720, while the remaining €2 538 613 is for reimbursable work to be performed for others. The amount shown for reimbursable work for others in Table 1 will, as is usually the case, be offset completely by income derived from the services provided. The forecast of income to finance the budget proposals is set out in Table 2.

### **A.5. Submission to the General Conference**

11. In accordance with Article XIV.A of the Statute, the Agency's budget estimates for the year 2009 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**

12. 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**

13. The budget estimates for 2009 are expressed in terms of the euro — notwithstanding the split appropriation and assessment system — to enable the estimates to be presented in a single currency. The estimates are based on an exchange rate of one US dollar to one euro, the same as used for the budget for 2008 and the preliminary budget estimates for 2009. Presenting the budget estimates at the same euro/US dollar rate of exchange for consecutive years facilitates comparison of estimates with the budgets for previous years. The adjustment formula set out in the attachment to the draft appropriation resolution (Draft Resolution A in the Annex) shows the split in terms of euro and US dollars.

### **B.2. Budgetary Information**

14. 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
- **Table 3:** The Regular Budget — By Item of Expenditure

15. Table 1 compares the financial resources sought for each major programme and programme in 2009 with the corresponding approved resources in the 2008 budget and the price adjustments for 2009.

16. Table 2 is a summary of the income expected in 2009. It includes assessed contributions from Member States, income from reimbursable work for others and other miscellaneous income.

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

18. Table 3 shows the regular budget estimates for 2009 and the price adjustment for 2009 by item of expenditure.

19. The actual expenditure figures for 2007 appear in the Agency's Accounts for 2007 and in the Programme Performance Report (PPR) for 2006–2007. In those documents, in accordance with established procedures, the disbursements are recorded at the United Nations exchange rate for the month in which they occurred, while unliquidated obligations are reported at the exchange rate for 31 December of the year in question.

### **B.3. Technical Cooperation Programme**

20. The provision of technical cooperation by the Agency to Member States is financed from the Technical Cooperation Fund (TCF), which receives its income mainly in the form of voluntary contributions, for which a target is set each year by the General Conference, and National Participation Costs<sup>8</sup> paid by recipient Member States. The indicative planning figure for voluntary contributions to the TCF for 2009, as noted in resolution GC(50)/RES/7 adopted at the 50th General Conference, shall

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<sup>8</sup> Formerly Assessed Programme Costs (APCs).

be approximately, but not less than, \$82 000 000. The actual target for 2009 is expected to be recommended by the Board of Governors at its meeting in September 2008 for adoption at the 52nd General Conference. It will then be reflected in Draft Resolution B set out in the Annex to this document.

21. A tentative forecast of the resources for the technical cooperation programme for 2009 of approximately \$103 000 000 (including funds for extrabudgetary activities) was included in GC(51)/2. The actual technical cooperation programme for 2009–2011 will be developed and submitted to the Technical Assistance and Cooperation Committee late in 2008.

## **B.4. Working Capital Fund**

22. The 51st General Conference approved a Working Capital Fund (WCF) of €15 210 000 in 2008 and no change is proposed for 2009. Bearing in mind that the average monthly budget requirement according to the proposed 2009 budget for Agency programmes with price adjustment would be approximately €25 million, the WCF is inadequate and the Secretariat will keep the level of the WCF under review. The relevant resolution (Draft Resolution C. The Working Capital Fund in 2009) is set out in the Annex to this document.

## **B.5. Cost Developments for 2009**

### **B.5.1. Price Adjustments**

23. The regular budget proposals for 2009 set out in document GC(51)/2 were at 2008 prices. It was indicated in that document (paragraph 46 of the Overview) that separate proposals for 2009 price adjustments would be introduced in the concise summary for 2009. The methodology for determining the price adjustments for the various items of expenditure was also described in the Overview. The price adjustments appropriate for 2009 are indicated in Table 3, The Regular Budget — by Item of Expenditure. As can be seen in this table, the proposed average price adjustment for 2009 is 1.4%. The adjustments, by individual item of expenditure, are applied to the budget proposals for 2009 at 2008 prices set out previously in document GC(51)/2.

### **B.5.2. Staff Costs**

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

#### **Salaries**

25. For year 2009 **Professional** salaries, the price adjustment is based on cost development over a three year time span. An adjustment of 0.4% over the 2009 budget at 2008 prices has been applied based on the net sum of the factors (a) to (c) listed below, which are derived from the UN Common System methodology:

- a. The increase that was assumed for year **2007** in the budget for 2008 was 2.1%, based on a forecast of the International Civil Service Commission (ICSC). The actual increase for 2007 proved to be 0.6%; consequently, a reduction of 1.5% is required in 2009 for what actually occurred in 2007.
- b. Based on the ICSC forecast that was available at the time, an increase of 2.5% was applied in the 2008 budget in respect of **2008**. This increase is still expected to be 2.5% and consequently no adjustment is required for this period in the 2009 budget.
- c. Based on the most recent information supplied by the ICSC, an increase of 1.9% is forecast for **2009**.

26. In the case of **General Service** staff salaries, pay developments/projections for the same three years (2007–2009) are also taken into account but are based on the Austrian Consumer Price Index (CPI) and “Tariflohn” (the Austrian minimum salary scale adjustment factor).

27. An increase of 1.8% over the 2009 budget at 2008 prices has been applied to General Services salaries based on the sum of the factors listed below in (a) to (c).

- a) For **2007**, an increase of 2.7% was assumed in the 2008 budget; the actual increase was 2.0%. Consequently, a decrease of 0.7% is required for that year in 2009.
- b) In the absence of definite data at the time concerning **2008**, an increase of 1.3% in General Service salaries was assumed. Based on present indications, the increase is expected to be 3.5%. Consequently, a net upward adjustment of 2.2% for that year is applied.
- c) For **2009**, no information is yet available and a projected increase of 0.3% (i.e. 2.0% prorated from 1 November 2009) is assumed.

### **Common Staff Costs (CSC)**

28. The estimated budgetary provision for CSC was 45.5% of total salary costs in the 2008 budget. A review of the common staff requirement indicates that the CSC percentage is adequate; therefore, no change in the CSC percentage is proposed and a derived price increase of 0.8% is applied.

### **B.5.3. Other Items of Expenditure**

29. For items of expenditure other than staff costs, the actual increases experienced in 2007 are applied to 2009. The increases which have been so applied are as follows:

#### **Price adjustments**

Items of expenditure	2007 budget adjustment	2008 budget adjustment	2009 budget adjustment
Staff travel	2.0	0.8	2.8
Non staff travel	6.5	2.6	2.3
Interpretation	8.8	–	2.4
Representation and hospitality	2.7	2.0	2.7
Training	0.3	2.5	1.9
Equipment leased	1.4	3.8	2.4
Equipment purchased	0.6	2.4	2.1
Supplies and materials	2.9	4.0	2.7
Research and technical contracts	7.2	3.2	2.5
General operating costs	4.3	3.6	2.8
Contracts	1.7	2.1	2.7
Miscellaneous	2.0	2.0	2.0

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

Programme / Major Programme		2008 budget at 2008 prices	2009 estimates at 2008 prices	Variance 2009 over 2008 € %		Price Increase	2009 estimates at 2009 prices
<b>1. Nuclear Power, Fuel Cycle and Nuclear Science</b>							
1.0 Overall Management, Coordination and Common Activities		901 233	901 229	( 4)	-	1.1%	<b>911 058</b>
1.1 Nuclear Power		5 655 513	5 655 517	4	-	1.2%	<b>5 720 666</b>
1.2 Nuclear Fuel Cycle and Materials Technologies		2 543 593	2 543 474	( 119)	-	1.2%	<b>2 573 302</b>
1.3 Capacity Building and Nuclear Knowledge Maintenance for Sustainable Energy Development		10 278 727	10 279 018	291	-	1.5%	<b>10 432 141</b>
1.4 Nuclear Science		9 057 720	9 058 283	563	-	1.5%	<b>9 192 799</b>
<b>Major Programme 1</b>		<b>28 436 786</b>	<b>28 437 521</b>	<b>735</b>	<b>-</b>	<b>1.4%</b>	<b>28 829 966</b>
<b>2. Nuclear Techniques for Development and Environmental Protection</b>							
2.0 Overall Management, Coordination and Common Activities		903 350	900 629	( 2 721)	(0.3%)	1.2%	<b>911 151</b>
2.1 Food and Agriculture		12 199 485	12 202 453	2 968	-	1.6%	<b>12 403 185</b>
2.2 Human Health		8 630 322	8 632 245	1 923	-	1.4%	<b>8 756 216</b>
2.3 Water Resources		3 386 477	3 386 378	( 99)	-	1.2%	<b>3 427 758</b>
2.4 Environment		5 405 195	5 404 658	( 537)	-	1.4%	<b>5 481 505</b>
2.5 Radioisotope Production and Radiation Technology		1 969 056	1 969 020	( 36)	-	1.6%	<b>2 000 080</b>
<b>Major Programme 2</b>		<b>32 493 885</b>	<b>32 495 383</b>	<b>1 498</b>	<b>-</b>	<b>1.5%</b>	<b>32 979 895</b>
<b>3. Nuclear Safety and Security</b>							
3.0 Overall Management, Coordination and Common Activities		913 158	914 176	1 018	0.1%	1.1%	<b>924 308</b>
3.1 Incident and Emergency Preparedness and Response		1 429 642	1 410 003	( 19 639)	(1.4%)	1.1%	<b>1 425 417</b>
3.2 Safety of Nuclear Installations		8 378 811	8 398 312	19 501	0.2%	0.9%	<b>8 477 571</b>
3.3 Radiation and Transport Safety		5 359 314	5 359 052	( 262)	-	1.0%	<b>5 415 121</b>
3.4 Management of Radioactive Waste		6 327 422	6 327 751	329	-	1.1%	<b>6 399 115</b>
3.5 Nuclear Security		1 107 381	1 107 380	( 1)	-	0.7%	<b>1 114 936</b>
<b>Major Programme 3</b>		<b>23 515 728</b>	<b>23 516 674</b>	<b>946</b>	<b>-</b>	<b>1.0%</b>	<b>23 756 468</b>
<b>4. Nuclear Verification</b>							
4.0 Overall Management, Coordination and Common Activities		1 057 670	1 057 670	-	-	0.7%	<b>1 065 561</b>
4.1 Safeguards		112 614 837	113 651 475	1 036 638	0.9%	1.3%	<b>115 159 185</b>
<b>Major Programme 4</b>		<b>113 672 507</b>	<b>114 709 145</b>	<b>1 036 638</b>	<b>0.9%</b>	<b>1.3%</b>	<b>116 224 746</b>
<b>5. Policy, Management and Administration</b>							
Policy, Management and Administration		74 469 275	74 175 921	( 293 354)	(0.4%)	1.7%	<b>75 426 942</b>
<b>Major Programme 5</b>		<b>74 469 275</b>	<b>74 175 921</b>	<b>( 293 354)</b>	<b>(0.4%)</b>	<b>1.7%</b>	<b>75 426 942</b>
<b>6. Management of Technical Cooperation for Development</b>							
Management of Technical Cooperation for Development		16 241 201	16 241 201	-	-	1.1%	<b>16 418 769</b>
<b>Major Programme 6</b>		<b>16 241 201</b>	<b>16 241 201</b>	<b>-</b>	<b>-</b>	<b>1.1%</b>	<b>16 418 769</b>
<b>Operational and recurrent budget</b>		<b>288 829 382</b>	<b>289 575 845</b>	<b>746 463</b>	<b>0.3%</b>	<b>1.4%</b>	<b>293 636 786</b>
<b>Essential Investments</b>							
1 Nuclear Power, Fuel Cycle and Nuclear Science		50 000	50 000	-	-	2.1%	<b>51 050</b>
2 Nuclear Techniques for Development and Environmental Protection		810 000	190 000	( 620 000)	(76.5%)	2.1%	<b>193 990</b>
3 Nuclear Safety and Security		210 000	110 000	( 100 000)	(47.6%)	2.1%	<b>112 310</b>
4 Nuclear Verification		1 315 000	3 294 000	1 979 000	150.5%	2.2%	<b>3 367 074</b>
5 Policy, Management and Administration		1 314 000	1 464 000	150 000	11.4%	1.8%	<b>1 489 710</b>
6 Management of Technical Cooperation for Development		312 000	312 000	-	-	2.5%	<b>319 800</b>
<b>Total Essential Investments</b>		<b>4 011 000</b>	<b>5 420 000</b>	<b>1 409 000</b>	<b>35.1%</b>	<b>2.1%</b>	<b>5 533 934</b>
<b>Total Agency Programmes</b>		<b>292 840 382</b>	<b>294 995 845</b>	<b>2 155 463</b>	<b>0.7%</b>	<b>1.4%</b>	<b>299 170 720</b>
Reimbursable Work for Others		2 490 805	2 501 135	10 330	0.4%	1.5%	<b>2 538 613</b>
<b>Total Regular Budget</b>		<b>295 331 187</b>	<b>297 496 980</b>	<b>2 165 793</b>	<b>0.7%</b>	<b>1.4%</b>	<b>301 709 333</b>
<b>Less Miscellaneous Income</b>							
Reimbursable Work for Others		2 490 805	2 501 135	10 330	0.4%	1.5%	<b>2 538 613</b>
Other Miscellaneous Income		4 482 000	4 482 000	-	-	-	<b>4 482 000</b>
<b>Assessment on Member States</b>		<b>288 358 382</b>	<b>290 513 845</b>	<b>2 155 463</b>	<b>0.7%</b>	<b>1.4%</b>	<b>294 688 720</b>

**Table 2. The Regular Budget — Summary of Income**

	2008 estimates at 2008 prices	2009 estimates at 2008 prices	Variance 2009 over 2008	2009 estimates at 2009 prices
Operational and recurrent portion of regular budget	284 347 382	285 093 845	746 463	<b>289 154 786</b>
Essential investments	4 011 000	5 420 000	1 409 000	<b>5 533 934</b>
<b>Assessed contributions on Member States</b>	<b>288 358 382</b>	<b>290 513 845</b>	<b>2 155 463</b>	<b>294 688 720</b>
<b>Miscellaneous income</b>				
Reimbursable work for others				
Printing services	795 410	805 740	10 330	<b>823 140</b>
Medical services	793 050	793 050	-	<b>805 176</b>
Radiation protection and monitoring services	106 090	106 090	-	<b>107 631</b>
Translation services	282 700	282 700	-	<b>285 666</b>
Nuclear Fusion Journal	157 306	157 306	-	<b>160 567</b>
Other financial services	46 249	46 249	-	<b>46 433</b>
Laboratory services	250 000	250 000	-	<b>250 000</b>
Marine Environment Laboratory services	60 000	60 000	-	<b>60 000</b>
<b>Subtotal Reimbursable work for others</b>	<b>2 490 805</b>	<b>2 501 135</b>	<b>10 330</b>	<b>2 538 613</b>
Other				
Attributable to specific programmes				
INIS Products	45 000	45 000	-	<b>45 000</b>
Publications of the Agency - other	375 000	375 000	-	<b>375 000</b>
Laboratory income	240 000	240 000	-	<b>240 000</b>
Amounts recoverable under Safeguards agreements	300 000	300 000	-	<b>300 000</b>
Other Service income	2 000	2 000	-	<b>2 000</b>
Subtotal	<b>962 000</b>	<b>962 000</b>	<b>-</b>	<b>962 000</b>
Not attributable to specific programmes				
Investment and interest income	3 000 000	3 000 000	-	<b>3 000 000</b>
Gain (Loss) on exchange of currencies	-	-	-	
Other	520 000	520 000	-	<b>520 000</b>
Subtotal	<b>3 520 000</b>	<b>3 520 000</b>	<b>-</b>	<b>3 520 000</b>
<b>Subtotal Other</b>	<b>4 482 000</b>	<b>4 482 000</b>	<b>-</b>	<b>4 482 000</b>
<b>Total Miscellaneous Income</b>	<b>6 972 805</b>	<b>6 983 135</b>	<b>10 330</b>	<b>7 020 613</b>
<b>Total Regular Budget Income</b>	<b>295 331 187</b>	<b>297 496 980</b>	<b>2 165 793</b>	<b>301 709 333</b>



**Table 3. The Regular Budget — By Item of Expenditure**

Item of Expenditure	2008	2009	Variance		Price Increase	2009 estimates at 2009 prices
	budget at 2008 prices	estimates at 2008 prices	2009 over 2008 €	%		
Salaries - established posts - P	73 609 850	73 660 727	50 877	0.1%	0.4%	73 955 368
Temporary assistance - P/MT	10 050 091	10 167 802	117 711	1.2%	0.4%	10 208 465
Temporary assistance - P/ST	153 430	153 430	-	-	0.4%	154 045
Salaries established posts - GS	34 040 876	34 038 570	( 2 306)	-	1.8%	34 651 265
Temporary assistance - GS/MT	4 518 499	4 506 941	( 11 558)	(0.3%)	1.8%	4 588 069
Temporary assistance - GS/ST	199 817	199 817	-	-	1.8%	203 412
Common staff costs	55 770 511	55 840 916	70 405	0.1%	0.8%	56 311 084
Overtime	363 217	352 947	( 10 270)	(2.8%)	1.8%	359 296
<b>Subtotal Staff costs</b>	<b>178 706 291</b>	<b>178 921 150</b>	<b>214 859</b>	<b>0.1%</b>	<b>0.8%</b>	<b>180 431 004</b>
Travel - staff	12 300 193	12 967 420	667 227	5.4%	2.8%	13 330 274
Travel non-staff	7 936 745	7 661 575	( 275 170)	(3.5%)	2.3%	7 837 795
<b>Subtotal Travel costs</b>	<b>20 236 938</b>	<b>20 628 995</b>	<b>392 057</b>	<b>1.9%</b>	<b>2.6%</b>	<b>21 168 069</b>
Interpretation services	750 800	704 800	( 46 000)	(6.1%)	2.4%	721 715
Representation and hospitality	238 371	240 005	1 634	0.7%	2.7%	246 516
Training	1 142 749	1 009 099	( 133 650)	(11.7%)	1.9%	1 028 273
Equipment leased or rented	468 822	468 822	-	-	2.4%	480 076
Equipment purchased	9 065 265	9 562 997	497 732	5.5%	2.1%	9 764 547
Supplies and materials	5 530 245	5 769 524	239 279	4.3%	2.7%	5 925 205
General operating costs	27 039 830	27 142 100	102 270	0.4%	2.8%	27 892 867
Contracts	7 491 387	6 876 478	( 614 909)	(8.2%)	2.7%	7 060 262
Short-term consultants/experts	-	-	-	-	-	-
Research and technical contracts	4 833 166	5 104 891	271 725	5.6%	2.5%	5 232 518
Miscellaneous	3 373 618	3 363 528	( 10 090)	(0.3%)	2.0%	3 429 493
<b>Subtotal Other direct costs</b>	<b>59 934 253</b>	<b>60 242 244</b>	<b>307 991</b>	<b>0.5%</b>	<b>2.6%</b>	<b>61 781 472</b>
Direct implementation costs	12 130 388	12 234 010	103 622	0.9%	1.4%	12 410 541
Management and operation costs	4 676 146	4 676 146	-	-	2.1%	4 776 676
<b>Subtotal Laboratory activities</b>	<b>16 806 534</b>	<b>16 910 156</b>	<b>103 622</b>	<b>0.6%</b>	<b>1.6%</b>	<b>17 187 217</b>
Translation and records services	5 733 988	5 732 611	( 1 377)	-	1.1%	5 792 901
Printing services	2 120 637	1 847 415	( 273 222)	(12.9%)	2.2%	1 887 158
Data processing application services	902 467	904 967	2 500	0.3%	1.8%	921 694
Contract administration services	664 078	664 074	( 4)	-	1.3%	672 927
Radiation protection and monitoring services	1 237 043	1 237 043	-	-	1.5%	1 255 014
Medical services	1 013 432	1 013 360	( 72)	-	1.5%	1 028 927
Data processing central services for SG	1 473 721	1 473 830	109	-	2.5%	1 510 403
<b>Subtotal Shared costs</b>	<b>13 145 366</b>	<b>12 873 300</b>	<b>( 272 066)</b>	<b>(2.1%)</b>	<b>1.5%</b>	<b>13 069 024</b>
<b>Operational and recurrent budget</b>	<b>288 829 382</b>	<b>289 575 845</b>	<b>746 463</b>	<b>0.3%</b>	<b>1.4%</b>	<b>293 636 786</b>
<b>Essential Investments</b>	<b>4 011 000</b>	<b>5 420 000</b>	<b>1 409 000</b>	<b>35.1%</b>	<b>2.1%</b>	<b>5 533 934</b>
<b>Total Agency Programmes</b>	<b>292 840 382</b>	<b>294 995 845</b>	<b>2 155 463</b>	<b>0.7%</b>	<b>1.4%</b>	<b>299 170 720</b>
Reimbursable Work for Others	2 490 805	2 501 135	10 330	0.4%	1.5%	2 538 613
<b>Total Regular Budget</b>	<b>295 331 187</b>	<b>297 496 980</b>	<b>2 165 793</b>	<b>0.7%</b>	<b>1.4%</b>	<b>301 709 333</b>



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## Annex. Draft Resolutions for 2009

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# Draft Resolutions

## A. REGULAR BUDGET APPROPRIATIONS FOR 2009

### The General Conference,

Accepting the recommendations of the Board of Governors relating to the regular budget of the Agency for 2009<sup>1/</sup>,

1. Appropriates on the basis of an exchange rate of \$1.00 to €1.00,<sup>2/</sup> an amount of €296 175 399 for the operational and recurrent portion of regular budget expenses of the Agency in 2009 as follows<sup>3/</sup>:

	€
1. Nuclear Power, Fuel Cycle and Nuclear Science	28 829 966
2. Nuclear Techniques for Development and Environmental Protection	32 979 895
3. Nuclear Safety and Security	23 756 468
4. Nuclear Verification	116 224 746
5. Policy, Management and Administration	75 426 942
6. Management of Technical Cooperation for Development	16 418 769
	<hr/>
	293 636 786
Subtotal for Major Programmes	
	2 538 613
7. Reimbursable Work for Others	<hr/>
TOTAL	<hr/> <hr/>
	296 175 399

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 €4 482 000 (representing €3 363 600 plus \$1 118 400);

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<sup>1/</sup> See document GC(52)/5.

<sup>2/</sup> Refer to paragraph 33 of the Overview of GC(51)/2.

<sup>3/</sup> Appropriation Sections 1–6 represent the Agency's major programmes.

from contributions by Member States amounting, for an exchange rate of \$1.00 to €1.00, to €289 154 786 (€232 672 345 plus \$56 482 441), in accordance with the scale of assessment fixed by the General Conference in resolution GC(52)/RES/ ;

3. Appropriates on the basis of an exchange rate of \$1.00 to €1.00, an amount of €5 533 934 for the essential investments portion of the regular budget of the Agency in 2009 as follows<sup>4/</sup>:

	€
1. Nuclear Power, Fuel Cycle and Nuclear Science	51 050
2. Nuclear Techniques for Development and Environmental Protection	193 990
3. Nuclear Safety and Security	112 310
4. Nuclear Verification	3 367 074
5. Policy, Management and Administration	1 489 710
6. Management of Technical Cooperation for Development	319 800
<b>TOTAL</b>	<b>5 533 934</b>

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 €5 533 934 (€4 027 473 plus \$1 506 461), in accordance with the scale of assessment fixed by the General Conference in resolution GC(52)/RES/ ; and

5. Authorizes the Director General:

- a. To incur expenditures additional to those for which provision is made in the regular budget for 2009, 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 2009; 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.

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<sup>4/</sup> Appropriation Sections 1–6 represent the Agency's major programmes.

## ATTACHMENT

### A.1 APPROPRIATIONS FOR THE OPERATIONAL AND RECURRENT PORTION OF THE REGULAR BUDGET IN 2009

#### ADJUSTMENT FORMULA IN EURO

	€			US\$	
1. Nuclear Power, Fuel Cycle and Nuclear Science	22 607 787	+	(	6 222 179	/R)
2. Nuclear Techniques for Development and Environmental Protection	26 435 576	+	(	6 544 319	/R)
3. Nuclear Safety and Security	18 326 229	+	(	5 430 239	/R)
4. Nuclear Verification	90 800 617	+	(	25 424 129	/R)
5. Policy, Management and Administration	64 489 168	+	(	10 937 774	/R)
6. Management of Technical Cooperation for Development	13 376 568	+	(	3 042 201	/R)
Subtotal for Major Programmes	236 035 945	+	(	57 600 841	/R)
7. Reimbursable Work for Others	1 961 123	+	(	577 490	/R)
TOTAL	237 997 068	+	(	58 178 331	/R)

Note: R is the average United Nations dollar-to-euro exchange rate which will be experienced during 2009.



## ATTACHMENT

### A.2. APPROPRIATIONS FOR THE ESSENTIAL INVESTMENTS PORTION OF THE REGULAR BUDGET IN 2009

#### ADJUSTMENT FORMULA IN EURO

	€		US\$	
1. Nuclear Power, Fuel Cycle and Nuclear Science	33 744	+ (	17 306	/R)
2. Nuclear Techniques for Development and Environmental Protection	128 227	+ (	65 763	/R)
3. Nuclear Safety and Security	74 237	+ (	38 073	/R)
4. Nuclear Verification	2 300 316	+ (	1 066 758	/R)
5. Policy, Management and Administration	1 316 018	+ (	173 692	/R)
6. Management of Technical Cooperation for Development	174 931	+ (	144 869	/R)
	<hr/>		<hr/>	
TOTAL	<u>4 027 473</u>	+ (	<u>1 506 461</u>	/R)

Note: R is the average United Nations dollar-to-euro exchange rate which will be experienced during 2009.

## **B. TECHNICAL COOPERATION FUND ALLOCATION FOR 2009**

The General Conference,

Recalling the decision of the Board of Governors, which was noted by the General Conference in resolution GC(50)/RES/7, that for 2009, the indicative planning figure for voluntary contributions to the Agency's Technical Cooperation Fund shall be approximately, but not less than, \$82 000 000.

Accepting the recommendation of the Board of Governors relating to the target for voluntary contributions to the Agency's Technical Cooperation Fund for 2009.

1. Decides that for 2009 the target for voluntary contributions to the Technical Cooperation Fund shall be \$xxxxxxx\*,
2. Notes that funds from other sources, estimated at \$1 000 000, are expected to be available for that programme,
3. Allocates the amount of \$xxxxxxx\* for the Agency's Technical Cooperation programme for 2009, and
4. Urges all Member States to make voluntary contributions for 2009 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 2009**

The General Conference,

Accepting the recommendations of the Board of Governors relating to the Agency's Working Capital Fund in 2009,

1. Approves a level of €15 210 000 for the Agency's Working Capital Fund in 2009;
2. Decides that the Fund shall be financed, administered and used in 2009 in accordance with the relevant provisions of the Agency's Financial Regulations<sup>5/</sup>.
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.

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\* Decision on the target for recommendation to the General Conference to be taken by the Board of Governors at its meeting in September 2008.

<sup>5/</sup> INFCIRC/8/Rev.2.