



International Atomic Energy Agency

TC FINANCE

by

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Main Financial Features of the TC Programme

- **Biennial Programme** (Exceptional triennial for 2009-11)
 - **Yearly updates**
 - **No-year funds**
 - **Multi-year projects**
- **Core approvals – will be funded by TCF**
- **Footnote-a/ Approvals**
 - **May be funded by Extrabudgetary or TCF**
 - **May not be funded at all**
- **Miscellaneous Provision (TCF)**



TC Programme Funding Sources

TCF (Technical Cooperation Fund)

- **Funded by voluntary contributions from all Member States, National Participation Costs and (formerly) Assessed Programme Costs**

- **Extrabudgetary**

- **Donors are Member States, other international organizations, NGOs and the recipient governments themselves (Government Cost Sharing)**

- **UNDP**

- **only available to projects designed and approved by UNDP. IAEA is designated the “executing Agency”**

- **In-Kind**

- **Money does not pass through the Agency’s accounts**



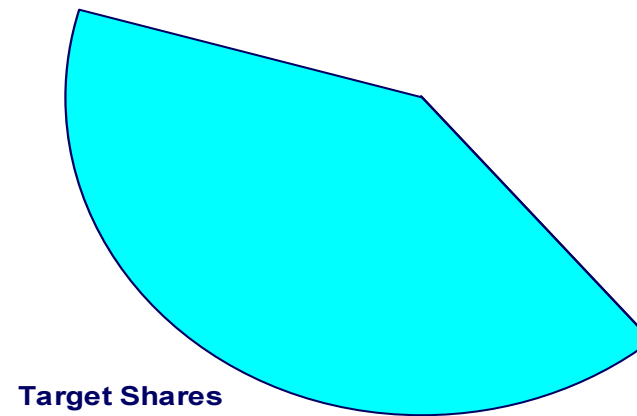
Resources for the TC Programme

- **Technical Cooperation Fund (TCF) resources consist of**
 - **Unused balance from previous year**
 - **Member State pledges**
 - **Expected pledges based on past 3 years**
 - **Estimated Miscellaneous income**
 - **Income from NPCs (APCs)**



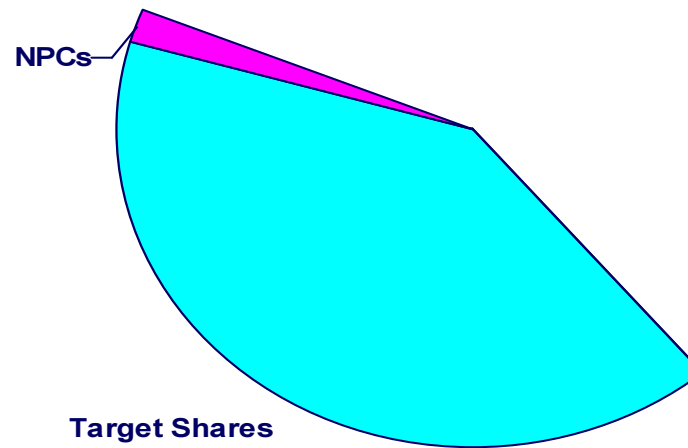
Resources for the TC Programme

- **Technical Cooperation Fund**
 - **Target Share**



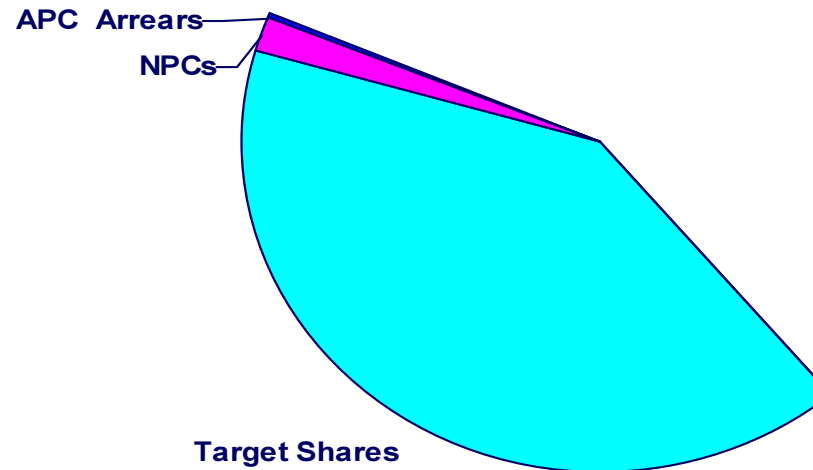
Resources for the TC Programme

- **Technical Cooperation Fund**
 - Target Share
 - NPCs



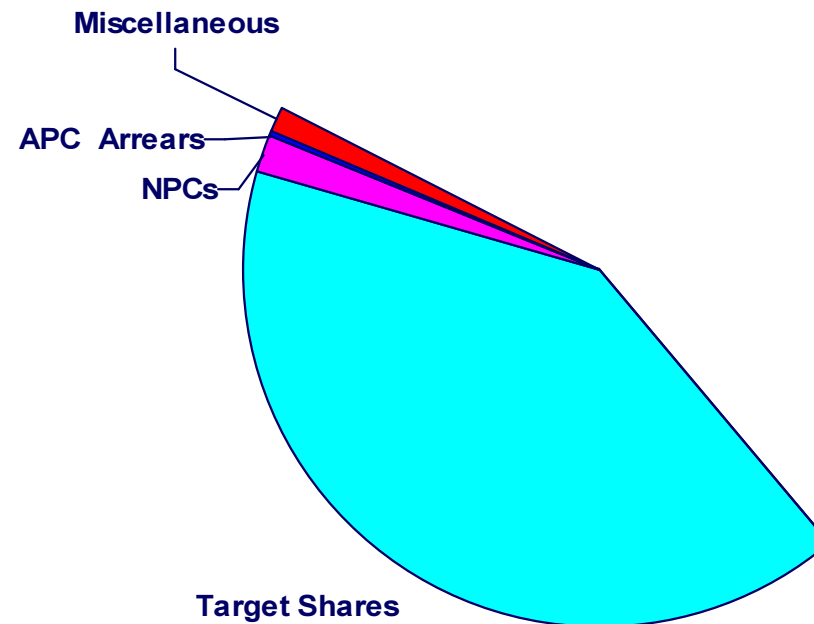
Resources for the TC Programme

- **Technical Cooperation Fund**
 - Target Share
 - NPCs
 - APC Arrears



Resources for the TC Programme

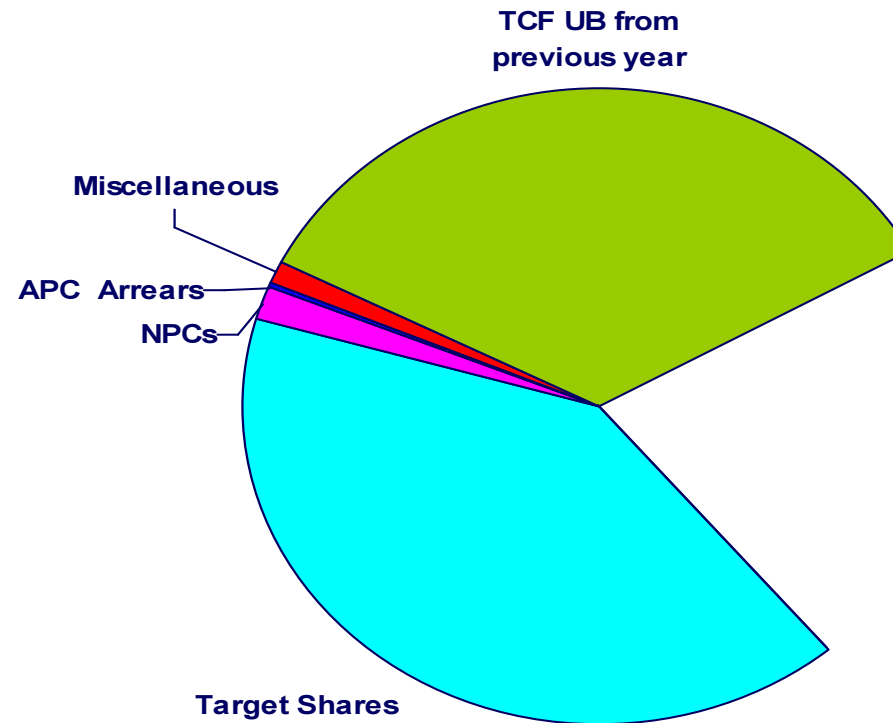
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 - Target Share
 - NPCs
 - APC Arrears
 - Miscellaneous Income



Resources for the TC Programme

- **Technical Cooperation Fund**

- Target Share
- NPCs
- APC Arrears
- Miscellaneous Income
- Unspent Balance



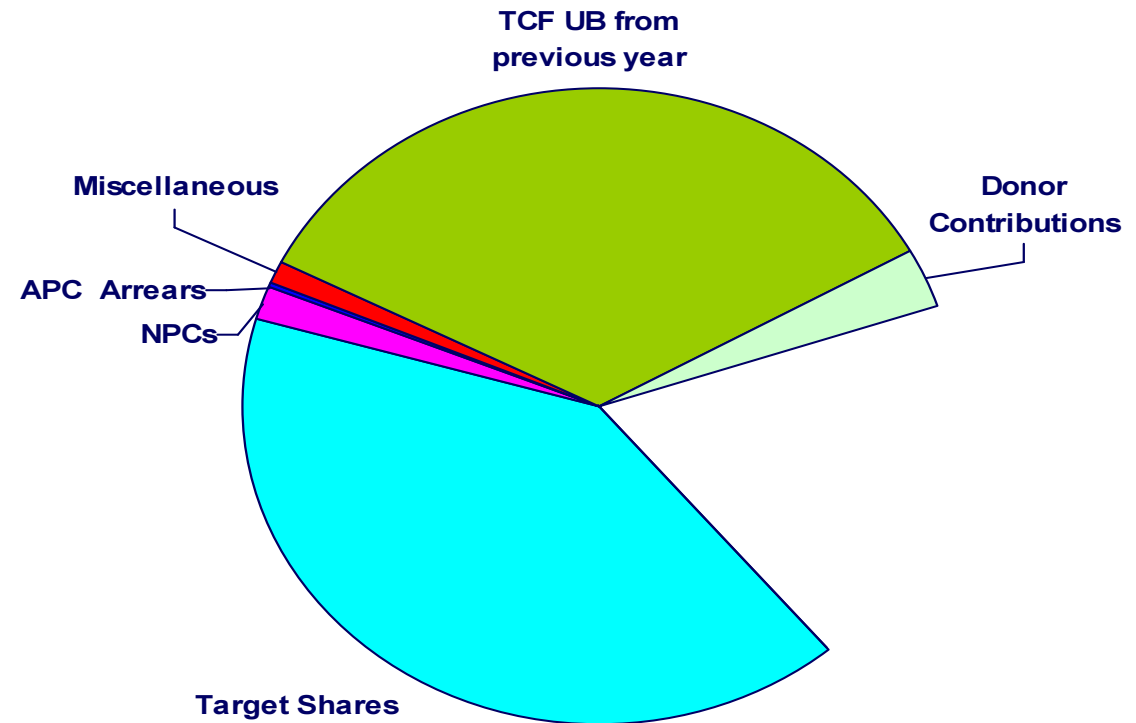
Resources for the TC Programme

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- **Extrabudgetary**

- Donor contributions



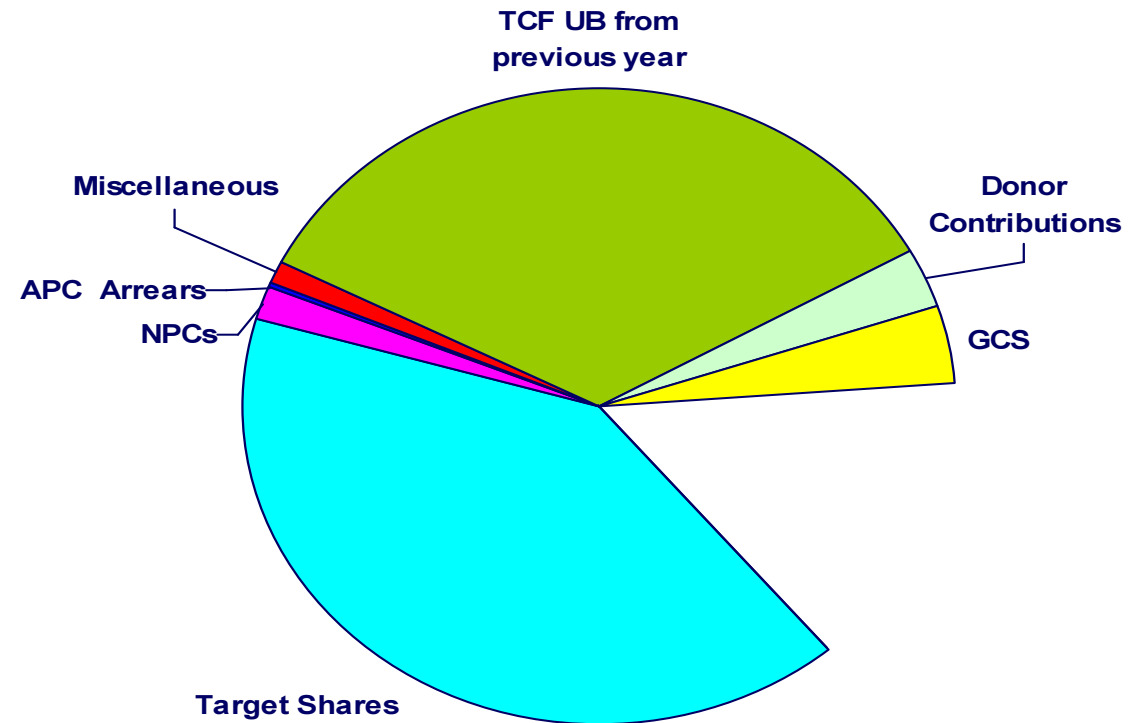
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- **Extrabudgetary**

- Donor contributions
- Government Cost Sharing



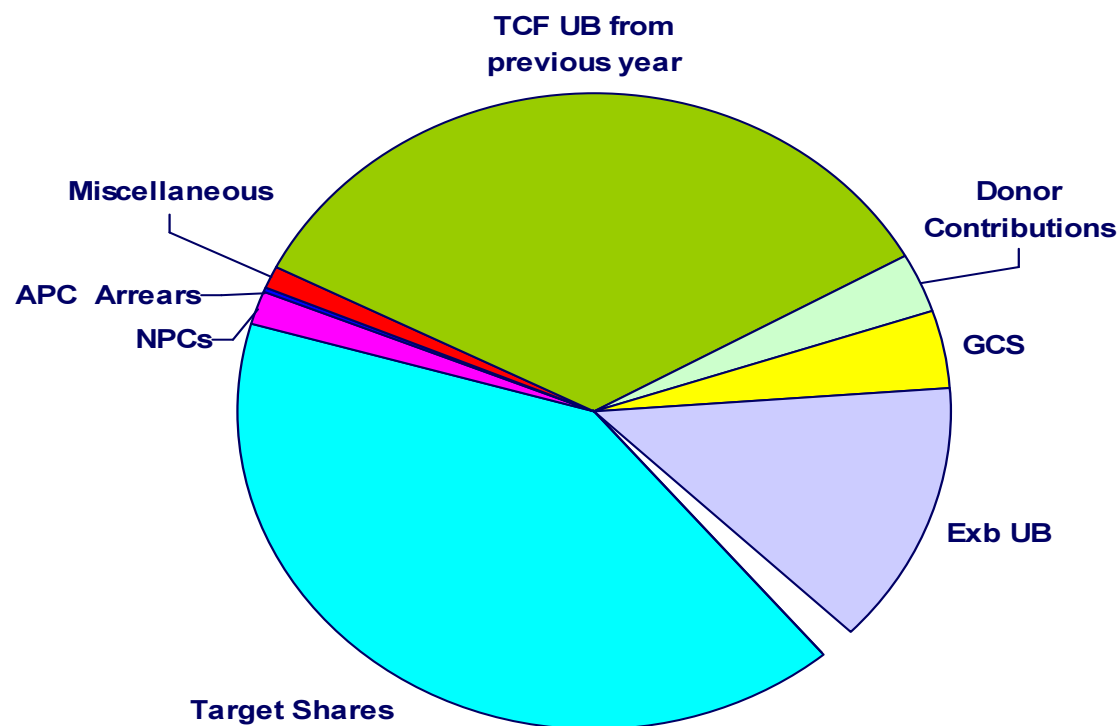
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Resources for the TC Programme

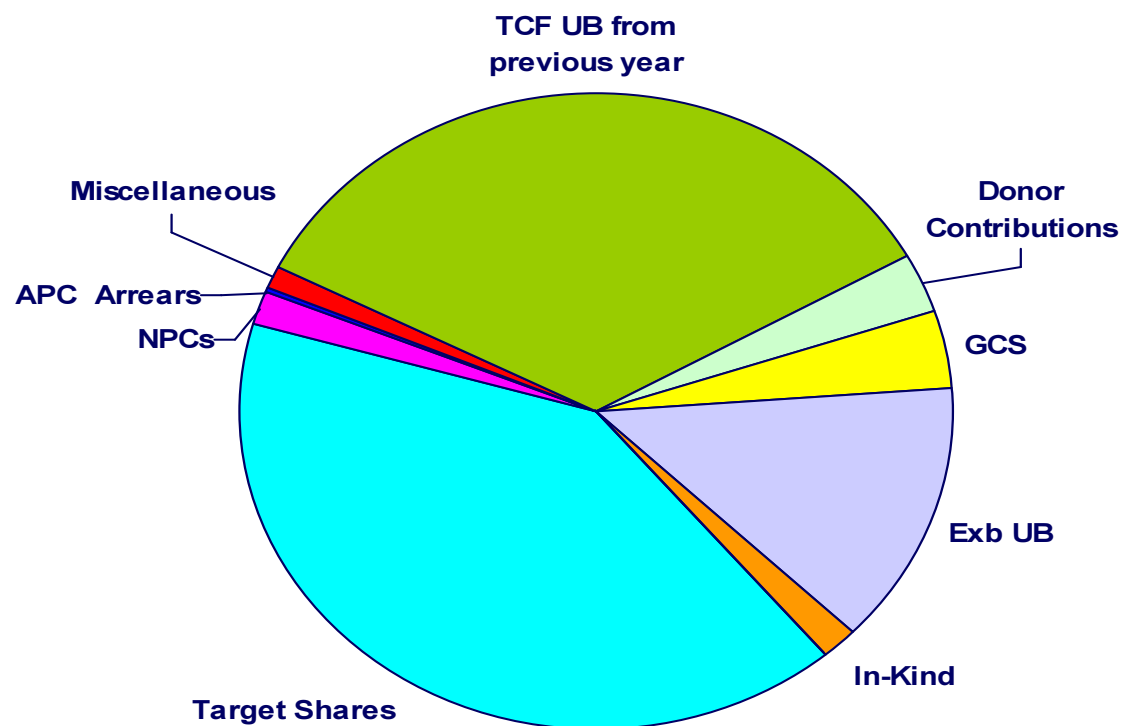
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- **In-Kind**



Resources for the TC Programme

- **Technical Cooperation Fund**

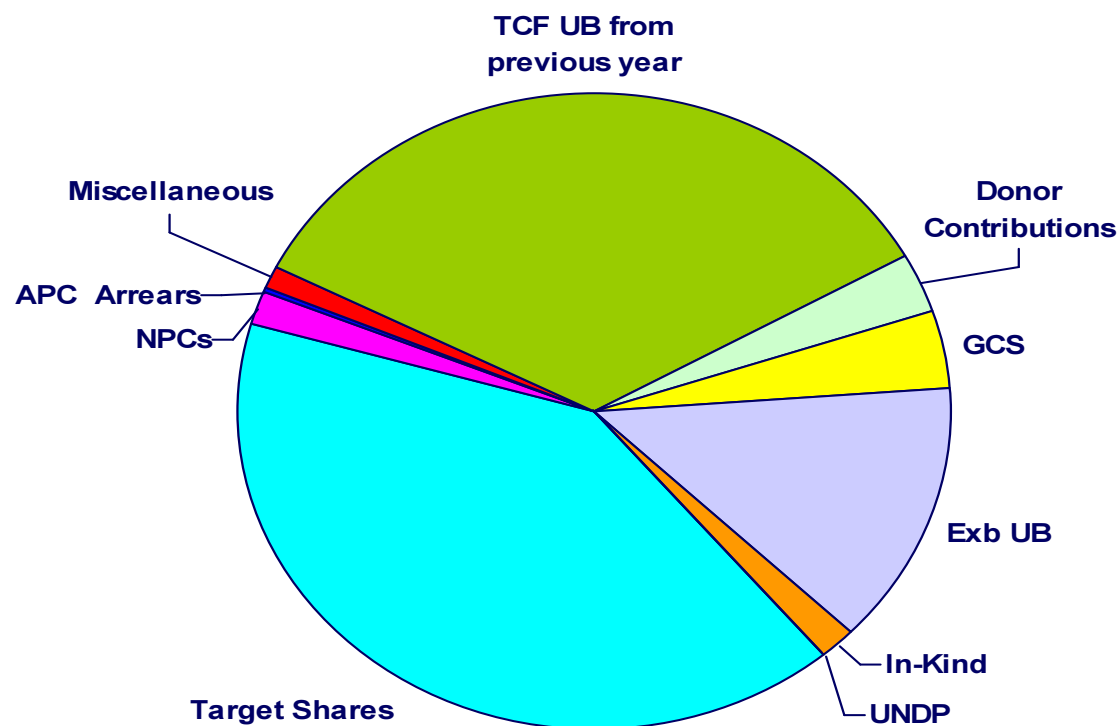
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- **In-Kind**

- **UNDP**



Financial Life of a TC Project

1. Project concept reviewed and formulated into a project with a workplan and a budget based on estimated costs

- **Project budgets grouped by sub-components:**
 - **Expert services**
 - **Meetings**
 - **Fellowships**
 - **Scientific Visitors**
 - **Training Courses**
 - **Equipment and Supplies**
 - **Subcontracts**



2. Projects combined by region and funding to form the Proposed Programme

- **Expected resources for the coming two (three) programme years are agreed with MTBF**
- **In order to serve all Member States, an approximate programme value is assigned to each region**
- **Fine-tuning between programme years, core and footnote-a/ results in final budgetary split**
- **Due account applied**



Due Account

- **Established by decision of the General Conference in 1995**
- **Established to encourage full funding of the TCF**
- **Instructs the Agency to “take due account of the extent to which Member States have paid their TCF target shares when determining the allocation of resources for TC projects and for the procurement of equipment and expert services for TC activities.”**



Formula for calculation of Due Account Category

(as applied in 2008 to TC Programme for 2009-2011)

For each Member State calculate the

Sum of
TCF payments for 2003–2007

As a percent of their:
TCF assessed share for the same period

Consideration given to outstanding APC arrears for some Member States



Due Account Categories

Based on the previous formulas and guidelines set in consultation with the Director General, Member States are grouped into one of the following categories:

- **Excellent** – Has paid at least 90%
- **Moderate** – Has paid from 50% to 89%
- **Poor** – Has paid less than 50%
- **New** – Has established a payment plan to eliminate APC arrears OR has begun and continues paying the full TCF share and APCs



Availability of TCF Resources

- **TCF Target 2009/2010 = \$85.0 million**
- **TCF Target 2011 = \$86.0 million**
- **2008 Target neither pledged nor paid = \$4.1 million**



PSC Policy - Applicability

- **PROJECT SUPPORT COSTS:**
- **Will NOT apply to TCF contributions**
- **Applies to extrabudgetary contributions**



PSC Policy - Rates

- **Cost Measurement Study (2005-2006) and comparison with other UN agencies**
- **PSC Rates**
 - **7% - standard**
 - **3% - GCS to TCP-EB for Procurement comp.**
 - **0% - Other GCS to TCP-EB (HR comp.)**



PSC Policy - Utilization

- **Allocated to support service units based on relative work efforts**
- **Generally used for personnel to augment support capacity for EB activities**



3. Proposed Programme Approved

- **Submitted to Technical Assistance and Cooperation Committee (TACC)**
- **Recommendations as to changes and/or approval are made to the Board (meeting in November)**
- **Board approves the final Programme**



4. Implementation Begins

- **Introduction of NPCs adds a new step**
 - **NPCs are 5% of core funding, to be paid before projects commence**
 - **Option to pay minimum of 2.5% of core funding of new projects, with remainder to be paid later**
 - **Government Cost Sharing amounts not liable to NPCs**
- **1 January implementation continues for on-going projects**
- **1 January implementation begins for new national programme only if NPCs (min. 2.5%) have been received**



5. Finances during life of project

- **During project implementation, funds are reflected in one of three categories**
 - **Funds available (planned activities for which no contracts have been issued)**
 - **Unliquidated obligations (financial amounts for existing contracts which have not been fully disbursed)**
 - **Disbursements (actual payments in accordance with established contracts or other financial authorizations)**

Two other terms:

- **Current Year Implementation (sometimes called Net New Obligations)**
- **Adjusted Budget**

Contracts may be issued utilizing future-year provisions, but NO payments may be made until that financial year



6. Budget modifications

- **Budgets are the best estimate, at the time the project is formulated, of the cost of reaching the objectives**
- **Workplan may change, and that may impact the budget**
- **Items may be more (or less) expensive**
- **Depending on the availability of resources, funds may be added or rephased**



7. Each Project is a unique entity

- **Review each project periodically for adequate or excessive funds and adjust accordingly**
- **Adjustments need not be balanced**
- **Need realistic budgets for all projects to allow clear picture of resource utilisation and overall financial situation**



Use of Overprogramming (TCF only)

- **TCF Resources remain unassured and unpredictable**
- **Impossible to implement 100% of the planned programme in a given year – 70% to 75% is normal**
- **In order to utilise available resources as fully as possible, we plan a programme in excess of the expected resources**
- **Board and DG have authorized a limit of 15% overprogramming**



Overprogramming and Resource Utilisation

Resources	Budgeted Programme	Implementation Rate	Resources Used
\$1,000,000	\$1,000,000	70%	\$700,000
\$1,000,000	\$1,150,000	70%	\$805,000
\$1,000,000	\$1,300,000	70%	\$910,000



Financial Data Available

- **Direct on-line data or**
- **Historical data at a specific period end (usually year-end)**
- **TC-PRIDE**
 - **Project Selection List**
 - **Per project (Current Year Status, Future Year Status, Disbursement Summaries)**
- **Financial Terms:**
 - **TC Website / TC Glossary**

