

The Agency's Budget Update for 2015



IAEA

International Atomic Energy Agency

GC(58)/2

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Introduction

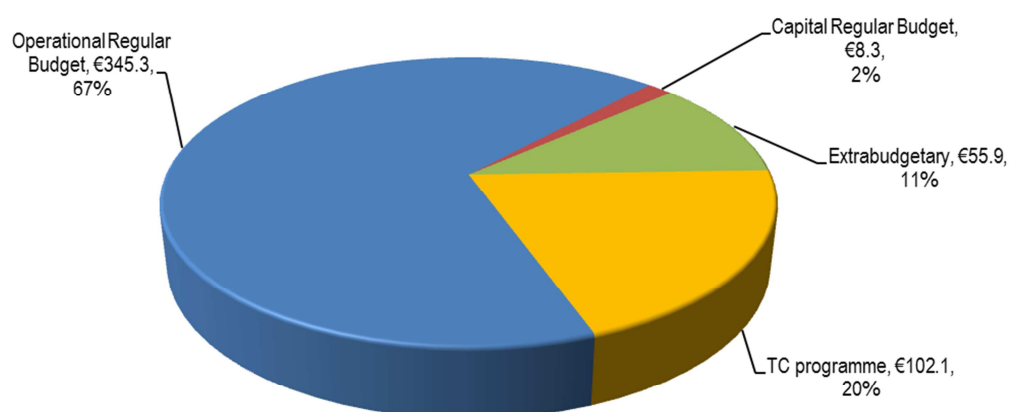
The Agency's regular programme for the biennium 2014–2015, adopted by the Board of Governors, was presented to the General Conference in September 2013 in document GC(57)/2, "The Agency's Programme and Budget 2014–2015". Although that document included budget estimates for both 2014 and 2015, the Board of Governors is required by the Statute to submit to the General Conference annual budget estimates for approval and, thus, the estimates for 2015 were only preliminary.

In line with the procedures adopted for biennial programming (GOV/1999/23), the budget estimates for the second year of the biennium (2015) are to be contained in a concise summary document — "The Agency's Budget Update". This document focuses on 2015 and highlights any significant changes to preliminary budget estimates, introduces the applicable price adjustment for the second year of the biennium, and sets out the draft appropriations and other resolutions.

In compliance with GC(57)/2, "The Agency's Programme and Budget 2014–2015", para. 85, the updated estimates for 2015 reflect zero real growth compared to 2014.

Technical cooperation, the IAEA Action Plan on Nuclear Safety, nuclear security, the enhancement of laboratories and cancer control remain the Agency's top priorities for the 2014–2015 biennium. The Agency's laboratory facilities in Seibersdorf will be modernized over the following years to ensure that the best services can be provided to Member States.

2015 Total Resources at a Glance (in millions at 2015 prices)



€353.6 million

Regular budget zero real growth over 2014

€345.3 million

2015 Operational Regular Budget

€8.3 million

2015 Capital Regular Budget

1.1%

Overall average price adjustment for 2015

€40.6 million

Technical cooperation (TC) support in the 2015 regular budget

€5.7 million

2015 regular budget for the IAEA Action Plan on Nuclear Safety

€2.7 million

2015 capital regular budget for Renovation of the Nuclear Applications Laboratories (ReNuAL)

€2.2 million

Funds for the Programme of Action for Cancer Therapy (PACT) in the 2015 regular budget

€5.2 million

Nuclear Security in the 2015 regular budget

The Agency's Budget Update for 2015

Overview

1. This document focuses on 2015 and highlights any significant changes to preliminary budget estimates, introduces the price adjustment for 2015, and sets out the draft appropriations and other resolutions.

2. Following intensive consultations among Member States in the context of the Informal Open Ended Working Group on the Programme and Budget and the Technical Cooperation Fund (TCF) Targets for 2014–2015, the revised Programme and Budget 2014–2015 was recommended by the Board of Governors for submission to the General Conference for approval. The Board recommended an operational regular budget for 2014 of €337.0 million and a capital regular budget of €8.0 million (prior to a 1.4% price increase) as outlined in GOV/2013/30/Rev.1. This represented an increase of €1.5 million, or 0.4% above the 2013 level for the operational portion, and a decrease of 4.1% for the capital portion of the budget. The total net increase proposed in the regular budget as compared with 2013 was 0.3%.

3. Once a price adjustment of 1.4% was added to bring the proposal to 2014 prices, the operational regular budget for 2014 resulted in €341.6 million (1.7% over 2013), and the capital regular budget in €8.2 million. The budget for 2015 remained at zero growth as compared to 2014 prior to applying the price adjustment to be submitted by the Secretariat in this Budget Update.

4. For 2015, the Secretariat is proposing an operational regular budget of €341.6 million and a capital regular budget of €8.2 million (prior to price increase). This represents zero real growth over 2014 for both the operational and capital regular budgets.

5. Once a price adjustment of 1.1% is applied to bring the proposal to 2015 prices, the operational regular budget for 2015 results in €345.3 million (for a total of 1.1%) and the capital regular budget in €8.3 million. All tables in the document are presented in euros, unless otherwise specified. Tables 3–9 were only presented in GC(57)/2, The Agency's Programme and Budget 2014–2015, and do not form part of this document.

Prioritization

6. As the global financial situation continues to affect the ability of Member States to fund the Agency's activities, the preparation of the 2015 budget continues to focus on prioritization and identification of suitable efficiencies.

PRIORITIES

7. The 2015 budget supports the priorities identified by the Director General for the 2014–2015 biennium:

- Technical cooperation and the Programme of Action for Cancer Therapy (PACT) — €2.2 million for the PACT and €21.6 million for the TC programme in the 2015 regular budget.
- The Action Plan on Nuclear Safety — €5.7 million in the 2015 regular budget.
- Nuclear Security — €5.2 million in the 2015 regular budget.
- Laboratory renovation in Seibersdorf — €2.7 million in the 2015 capital regular budget.

8. In line with the statutory mandate “to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world”, Nuclear Energy continues to be an Agency priority within the biennium 2014–2015.

9. In January 2014, the Board of Governors endorsed the Agency undertaking monitoring and verification in relation to the nuclear-related measures set out in the Joint Plan of Action (JPA), in response to a request by China, France, Germany, the Russian Federation, the United Kingdom and the United States of America (the E3+3), and the Islamic Republic of Iran, subject to the availability of funds.

10. While the Agency has commenced with activities requested under the JPA in 2014, which are limited to a duration of six months, the financial implications for 2015 are yet unknown at this stage. In the event of agreement between the E3+3 and Iran on subsequent steps under the JPA, the Director General will reassess the resource implications and report to the Board of Governors as necessary.

Efficiencies

11. The 2015 budget continues to be based on realizing efficiencies, where low priority projects and areas where efficiencies can be realized were identified, so that only those activities deemed a priority are incorporated into the budget.

12. To accomplish the current proposal with minimal adverse impact on the results of the proposed programme, while preserving the balance and the priorities proposed in the Agency's Programme and Budget 2014–2015, the Secretariat continues to pursue further efficiency improvement initiatives and austerity measures, with a view to achieving the proposed reductions. The following areas for additional efficiency savings continue to be addressed, mainly in the context of the "Partnership for Continuous Improvement":

- Review travel rules and procedures with a view to reducing overall travel expenditures;

- Rationalize the use of consultants, only when the required expertise is not available within the Secretariat, for specific time limited services and through a transparent hiring process, in line with the recommendations made by the Office of Internal Oversight Services;
- Optimize the use of technical and office supplies;
- Introduce a paper smart environment;
- Continue to streamline programmatic structure;
- Further rationalize workload, leveraging the use of the Agency-wide Information System for Programme Support (AIPS);
- Continue to optimize use of information technology (IT) and related policies;
- Review business processes to improve their efficiency, while maintaining robust internal controls;
- Review the arrangements for meetings, including their length;
- Reduce the number of steps and signatures of administrative processes.

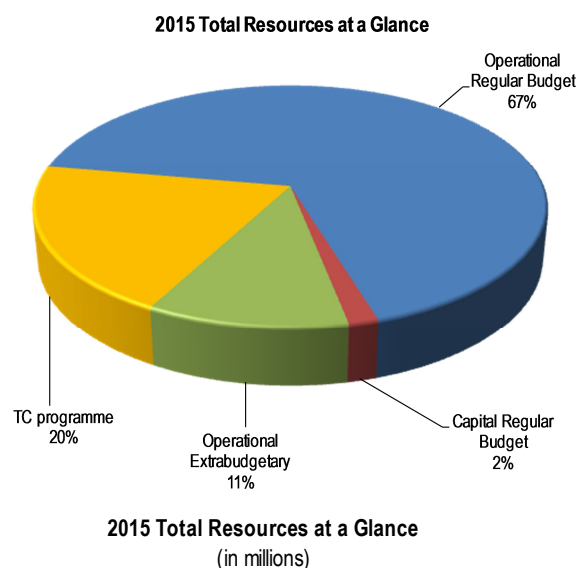
13. Efficiency efforts have already been put in motion and further detail on efficiencies will be reported to Member States in the course of 2014, while a full scale report on efficiencies achieved in the biennium will be released after the end of the biennium 2014–2015.

14. AIPS will have entered its last stage in 2015 and the full benefits will be realized after the completion of all project plateaus, at which time an assessment study on the impact of AIPS on staffing will be carried out.

Financial Overview

Total Resources

15. The Agency's total resources consist of the regular budget, extrabudgetary resources and resources for the TC programme. For 2015, the Agency's total resources amount to €511.6 million at 2015 prices.



Funding Source	2015
Operational Regular Budget	345.3
Capital Regular Budget	8.3
Operational Extrabudgetary	55.9
TC programme	102.1
Total	511.6

16. The regular budget consists of an operational and a capital component, the latter to fund major infrastructure investments. Regular budget estimates, in accordance with the structure of the Agency's programme of work, are presented in six major programmes.

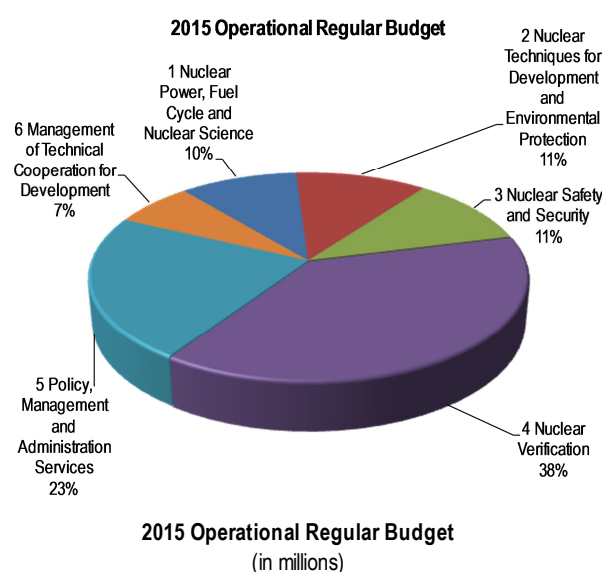
17. The Agency continues to rely on extrabudgetary funds, mostly from Member States, to carry out some of its activities. For 2015, €55.9 million are expected to be received.

18. For the TC programme, \$80.1 million for 2015 are expected to be available for estimated core project funding. It is estimated that this amount will be supplemented by

€2.0 million of National Participation Costs and €20.0 million of extrabudgetary activities.

Operational Regular Budget Resources

19. Both the operational and capital regular budgets for 2015 have been prepared with a view to maintaining the balance between the major programmes. No change is proposed in 2015 as compared with 2014 in either the funding envelope for the total regular budget or the relative share of funding by major programme. The following chart and table depict the operational regular budget at 2015 prices.



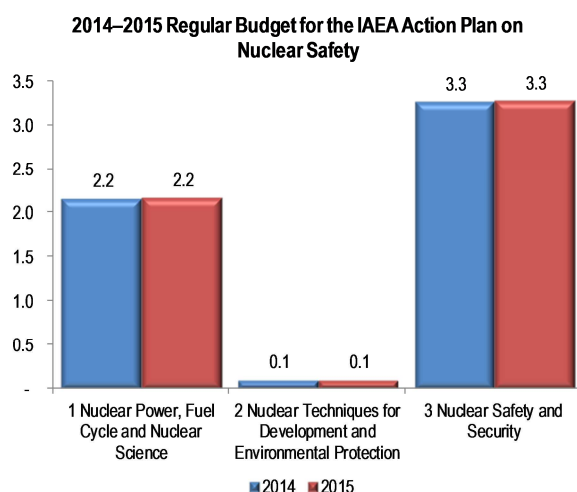
Major Programme	2015
1 Nuclear Power, Fuel Cycle and Nuclear Science	34.9
2 Nuclear Techniques for Development and Environmental Protection	38.9
3 Nuclear Safety and Security	37.6
4 Nuclear Verification	132.5
5 Policy, Management and Administration Services	77.7
6 Management of Technical Cooperation for Development	23.8
Total	345.3

20. The proposed budget also includes Agency-wide support to the TC programme, including support from other major programmes, from the regular budget of €40.2 million for 2015. This is the same level as in 2014.

2015 Support to the Technical Cooperation Programme from the Operational Regular Budget
(in millions)

Major Programme	2015
1 Nuclear Power, Fuel Cycle and Nuclear Science	2.6
2 Nuclear Techniques for Development and Environmental Protection	6.6
3 Nuclear Safety and Security	4.7
4 Nuclear Verification	-
5 Policy, Management and Administration Services	2.7
6 Management of Technical Cooperation for Development	23.6
Total	40.2

21. The 2015 regular budget includes a provision of €5.6 million for the IAEA Action Plan on Nuclear Safety, distributed among three major programmes.



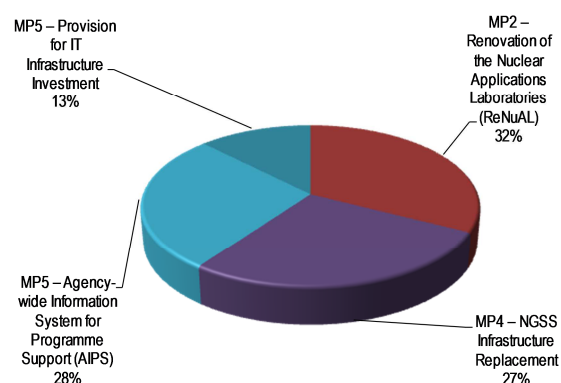
Capital Regular Budget Resources

22. The capital regular budget for 2015 has been prepared with a view to addressing the highest capital priorities of the Agency. No change is proposed in 2015 as compared with 2014 in either the funding envelope for the capital regular budget or the relative share of funding by major programme. The following chart and table depict the 2015 capital regular budget at 2015 prices.

2015 Capital Regular Budget
(in millions)

Capital Investment	2015
MP2 – Renovation of the Nuclear Applications Laboratories (ReNuAL)	2.7
MP4 – NGSS Infrastructure Replacement	2.3
MP5 – Agency-wide Information System for Programme Support (AIPS)	2.3
MP5 – Provision for IT Infrastructure Investment	1.0
Total	8.3

2015 Capital Regular Budget



Other Financial Considerations

Price Adjustment

23. The overall average price adjustment for 2015 is 1.1%. This is based on a number of factors, including:

- Increase for Professional staff costs and consultants of 1.5%;
- Increase for General Service staff costs of 0.1%;
- Increase for all other items of expenditure of 1.0%.

24. Trends and expectations for staff costs are based on forecasts provided by the International Civil Service Commission (ICSC) and the Austrian Tariflohn index, while for all other items of expenditure, the Agency uses the most recent statistical data on Harmonized Indices of Consumer Prices (HICP) for the European Union.

25. This price adjustment compares favourably to international indices for 2015, including 1.4% for the euro area as per the International Monetary Fund (IMF) World Economic Outlook (October 2013), 1.5% for the euro area as per the Price Waterhouse

Coopers global economic watch projections (January 2014) and 1.3% as per the European Central Bank inflation forecast (December 2013).

Budget Currency and Exchange Rate

26. 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 €1 to US \$1. 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.

Report on the Budget to the United Nations General Assembly

27. 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.

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

Programme/Major Programme	2014 Budget	2015 Estimates at 2014 Prices	Variance over 2014		Price Adjustment	2015 Estimates at 2015 Prices
			EUR	%		
1. Nuclear Power, Fuel Cycle and Nuclear Science						
Overall Management, Coordination and Common Activities	2 641 891	2 636 143	(5 748)	(0.2%)	1.1%	2 663 938
Nuclear Power	7 929 763	7 928 930	(833)	(0.0%)	1.2%	8 024 737
Nuclear Fuel Cycle and Materials Technologies	3 491 867	3 491 622	(245)	(0.0%)	1.2%	3 533 982
Capacity Building and Nuclear Knowledge	10 326 485	10 322 264	(4 221)	(0.0%)	1.1%	10 436 076
Maintenance for Sustainable Energy Development						
Nuclear Science	10 088 797	10 088 964	167	0.0%	1.1%	10 203 238
Major Programme 1	34 478 803	34 467 923	(10 880)	(0.0%)	1.1%	34 861 971
2. Nuclear Techniques for Development and Environmental Protection						
Overall Management, Coordination and Common Activities	7 148 972	7 148 473	(499)	(0.0%)	1.0%	7 217 681
Food and Agriculture	11 295 034	11 294 468	(566)	(0.0%)	1.1%	11 417 394
Human Health (<i>excluding PACT in 2014–2015</i>)	8 176 873	8 176 887	14	0.0%	1.1%	8 270 472
Water Resources	3 437 018	3 437 158	140	0.0%	1.0%	3 471 543
Environment	6 201 177	6 201 031	(146)	(0.0%)	1.0%	6 262 348
Radioisotope Production and Radiation Technology	2 223 928	2 223 900	(28)	(0.0%)	1.1%	2 249 194
Major Programme 2	38 483 002	38 481 917	(1 085)	(0.0%)	1.1%	38 888 632
3. Nuclear Safety and Security						
Overall Management, Coordination and Common Activities	4 368 243	4 365 562	(2 681)	(0.1%)	1.2%	4 417 163
Incident and Emergency Preparedness and Response	3 772 821	3 771 831	(990)	(0.0%)	1.2%	3 817 461
Safety of Nuclear Installations	9 915 952	9 916 596	644	0.0%	1.2%	10 040 192
Radiation and Transport Safety (Including Radiation Protection Services in 2014–2015)	6 997 627	6 996 624	(1 003)	(0.0%)	1.1%	7 075 966
Management of Radioactive Waste	6 969 365	6 969 933	568	0.0%	1.2%	7 054 576
Nuclear Security	5 089 980	5 090 100	120	0.0%	1.2%	5 150 343
Major Programme 3	37 113 988	37 110 646	(3 342)	(0.0%)	1.2%	37 555 701
4. Nuclear Verification						
Overall Management, Coordination and Common Activities	13 288 489	12 822 818	(465 671)	(3.5%)	1.1%	12 962 211
Safeguards Implementation	108 512 207	112 232 194	3 719 987	3.4%	1.1%	113 520 441
Other Verification Activities	530 249	530 249	-	-	1.3%	537 002
Development	8 697 933	5 452 099	(3 245 834)	(37.3%)	1.3%	5 520 438
Major Programme 4	131 028 878	131 037 360	8 482	0.0%	1.1%	132 540 092
5. Policy, Management and Administration Services						
Policy, Management and Administration Services	76 943 995	76 945 863	1 868	0.0%	1.0%	77 687 366
Major Programme 5	76 943 995	76 945 863	1 868	0.0%	1.0%	77 687 366
6. Management of Technical Cooperation for Development						
Management of Technical Cooperation for Development	23 561 013	23 561 983	970	0.0%	1.0%	23 797 704
Major Programme 6	23 561 013	23 561 983	970	0.0%	1.0%	23 797 704
Operational Regular Budget	341 609 679	341 605 692	(3 987)	(0.0%)	1.1%	345 331 466
Major Capital Investment Funding Requirements						
Nuclear Techniques for Development and Environmental Protection	2 672 800	2 672 800	-	-	1.0%	2 699 528
Nuclear Verification	2 261 600	2 261 600	-	-	1.0%	2 284 216
Policy, Management and Administration Services	3 289 600	3 289 600	-	-	1.0%	3 322 496
Capital Regular Budget	8 224 000	8 224 000	-	-	1.0%	8 306 240
Total Agency Programmes	349 833 679	349 829 692	(3 987)	(0.0%)	1.1%	353 637 706
Reimbursable Work for Others	2 840 339	2 817 419	(22 920)	(0.8%)	1.0%	2 845 593
Total Regular Budget	352 674 018	352 647 111	(26 907)	(0.0%)	1.1%	356 483 299
Less Miscellaneous Income						
Reimbursable Work for Others	2 840 339	2 817 419	(22 920)	(0.8%)	1.0%	2 845 593
Other Miscellaneous Income	655 000	655 000	-	-	-	655 000
Assessment on Member States	349 178 679	349 174 692	(3 987)	(0.0%)	1.1%	352 982 706

Table 2. The Regular Budget — Summary of Income

	2014 Budget at 2014 Prices	2015 Estimates at 2014 Prices	Variance 2015 over 2014	2015 Estimates at 2015 Prices
Operational Regular Budget	340 954 679	340 950 692	(3 987)	344 676 466
Capital Regular Budget	8 224 000	8 224 000	-	8 306 240
Assessed Contributions on Member States	349 178 679	349 174 692	(3 987)	352 982 706
Miscellaneous Income				
Reimbursable Work for Others				
Printing Services	411 200	411 200	-	415 312
Medical Services	887 615	887 615	-	896 491
Nuclear Fusion Journal	199 958	199 166	(792)	201 158
Other Financial Services	157 284	157 284	-	158 857
General Services	59 624	60 138	514	60 739
Laboratory Services	238 522	215 880	(22 642)	218 039
Amounts Recoverable Under Safeguards Agreements	886 136	886 136	-	894 997
Subtotal Reimbursable Work for Others	2 840 339	2 817 419	(22 920)	2 845 593
Other				
INIS Products	5 000	5 000	-	5 000
Publications of the Agency – Other	250 000	250 000	-	250 000
Laboratory Income	200 000	200 000	-	200 000
Investment and Interest Income	200 000	200 000	-	200 000
Subtotal Other	655 000	655 000	-	655 000
Total Miscellaneous Income	3 495 339	3 472 419	(22 920)	3 500 593
Total Regular Budget Income	352 674 018	352 647 111	(26 907)	356 483 299

Major Capital Investment Plan (MCIP) for 2015–2023
and
Major Capital Investment Fund (MCIF) for 2015

Major Capital Investment Plan

28. The Major Capital Investment Plan (MCIP) outlines the Agency's major capital projects for the biennium as well as the 'outer' biennium years (up to eight additional years). The MCIP is updated annually and is derived from the needs of the Agency to maintain an updated, well functioning and adequate infrastructure. An overview of the plan is presented in the table below, with details by year provided in Table 10.

Major Programme/Major Capital Item	Total 2015–2023
2. Nuclear Techniques for Development and Environmental Protection	
Renovation of the Nuclear Applications Laboratories (ReNuAL) – former project Enhancing Capabilities of NA Laboratories at Seibersdorf	23 039 759
Major Programme 2	23 039 759
3. Nuclear Safety and Security	
Radiation Safety Technical Services	518 864
Major Programme 3	518 864
4. Nuclear Verification	
NGSS Infrastructure Replacement	8 225 568
Safeguards Information System	2 056 000
Develop and Implement SG Approaches for the Chernobyl NPP	1 200 000
Enhancing Capabilities of the Safeguards Analytical Services (ECAS)	2 182 153
Develop and Implement SG Approaches for a SF EPGR in Finland/Sweden	7 230 952
Major Programme 4	20 894 673
5. Policy, Management and Administration Services	
Agency-wide Information System for Programme Support (AIPS)	3 081 600
Provision for IT Infrastructure Investment	19 018 000
Major Programme 5	22 099 600
Major Capital Investment Plan Total	66 552 896

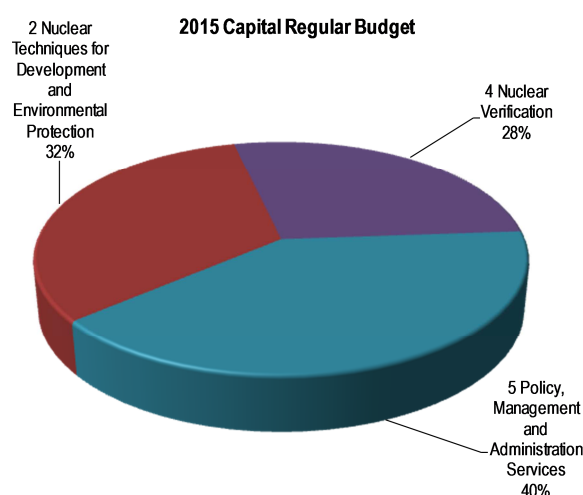
29. The Major Capital Investment Fund (MCIF) is a reserve fund established in accordance with Financial Regulation 4.06 to help provide for the Agency's major infrastructure requirements which are included in the MCIP. It provides an opportunity to meet such capital requirements that could otherwise face continued deferral or could require substantial increases in annual contributions. The MCIP is funded from

capital regular budget assessments, unspent budgetary balances, extrabudgetary contributions and any other source as the Board of Governors may determine. The MCIF is reviewed by the Board in the framework of the established programme and budget approval process.

30. For 2015, major capital investment requirements total €21.3 million at 2014 prices.

Capital Regular Budget

31. The Director General has capped the capital regular budget funding at €8.3 million for 2015 (after price adjustment). The capital regular budget funding will be distributed between projects in Major Programme 2 — Nuclear Techniques for Development and Environmental Protection (32%), Major Programme 4 — Nuclear Verification (28%) and Major Programme 5 — Policy, Management and Administration Services (40%).



32. While this document presents the MCIP for the period 2015–2023, a significant amount of capital investments proposed in 2014 still remain unfunded to date. Currently, a total of €23.5 million of capital requirements remain unfunded for 2014, while investments unfunded for 2015 amount to €13.0 million. It is hoped that these requirements will attract extrabudgetary pledges by Member States. Details of these requirements for both 2014 and 2015 are presented in Table 12.

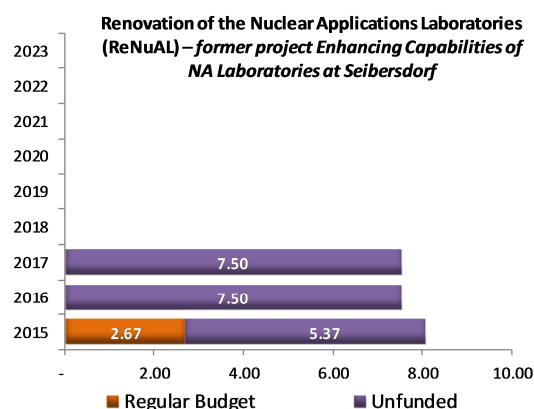
Overview by Major Programme

33. A programmatic overview of major capital investments that are part of the MCIP for 2015–2023 has been included in GC(57)/2 “The Agency’s Programme and Budget 2014–2015”. The following paragraphs provide an overview of funding requirements for 2015 and beyond at 2014 prices.

Major Programme 2 — Nuclear Techniques for Development and Environmental Protection

Renovation of the Nuclear Applications (ReNuAL) — former project Enhancing capabilities of NA Laboratories at Seibersdorf

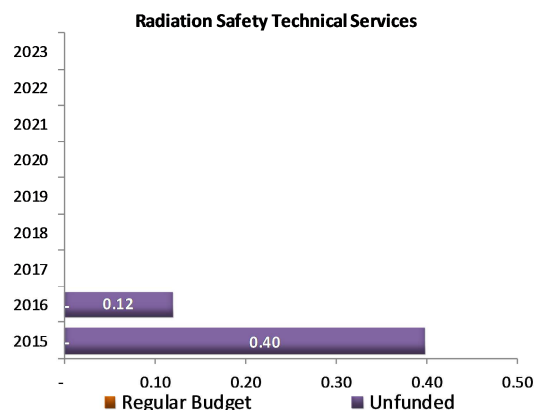
34. The initial estimates for this project which commences in 2014 are €31.0 million, of which €23.0 million are for 2015–2017. The project received €2.7 million from the capital regular budget in 2014. In 2015, the same amount of €2.7 million is proposed for funding from the capital regular budget. Needs of at least €5.4 million still remain unfunded in both 2014 and 2015.



Major Programme 3 — Nuclear Safety and Security

Radiation safety technical services

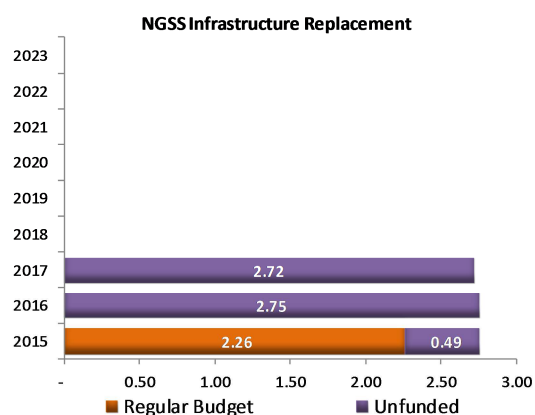
35. The total estimate for this project, which should commence in 2014 subject to receipt of extrabudgetary funds, is €0.9 million. Out of the total estimate, €0.5 million is required for the period 2015–2016.



Major Programme 4 — Nuclear Verification

Replacement of current infrastructure with the new Next Generation Surveillance System (NGSS)

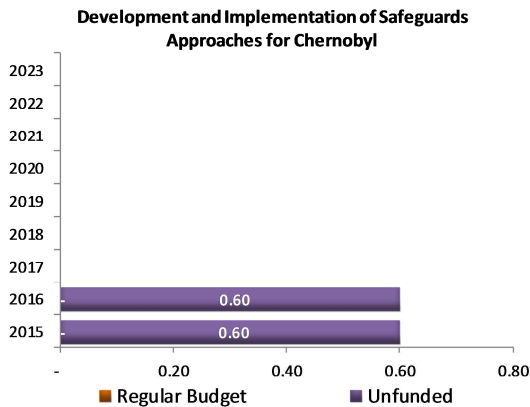
36. The overall needs for this project from 2015 onwards are €8.2 million, of which €2.3 million will be funded from the capital regular budget in 2015, while €0.5 million in 2015 remains unfunded.



Development and implementation of safeguards approaches for Chernobyl

37. Owing to delays in the completion of the conditioning facility, the project has been extended to 2016. In addition, as a result of a new safeguards approach, the total funding requirements have been revised downwards from the €4.2 million reported previously in GC(57/2) “The Agency’s Programme and Budget 2014–2015”. The revised funding requirements are now €2.2 million, of which €1.0 million are required in 2014 and €1.20 million are required in the period 2015–2016.

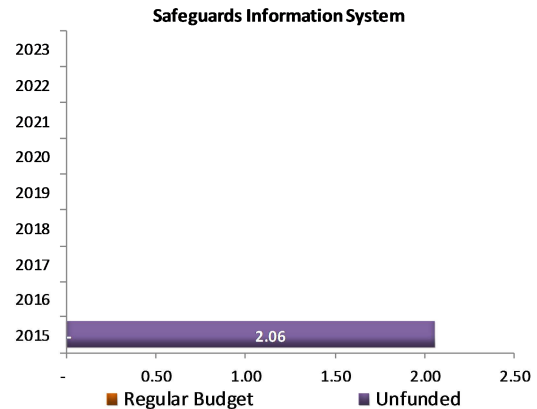
Currently, all requirements for this project remain unfunded.



Safeguards information system

38. The collection, storage and analysis of safeguards-relevant information are central features of the Agency's safeguards system. This information includes, inter alia, State declarations, inspection results, satellite imagery, environmental samples and open source information. The Agency's ability to store, analyse and use all safeguards-relevant data in support of drawing of credible safeguards conclusions requires a reliable IT system. The current IT system used in the Department of Safeguards is increasingly unable to meet that requirement: development of the IT system started in the 1970s on a mainframe, which is now obsolete and is facing challenges in handling the volume and variety of data that need to be processed. Owing to the outdated technology, the system cannot be maintained and is increasingly difficult to enhance. Consequently, over time, the protection and security of information will also increasingly be placed at risk. The necessary know-how to maintain and improve the existing, obsolete software and hardware is no longer commercially available. To address these limitations and strengthen its capability to protect confidential information, the Agency has established a new project to develop a modern information system that makes use of available safeguards-relevant information, optimized for security, accessibility and usability.

39. This capital project received €2.2 million from the capital regular budget in 2014, while needs of €10.0 million in 2014 and €2.1 million in 2015 remain unfunded.

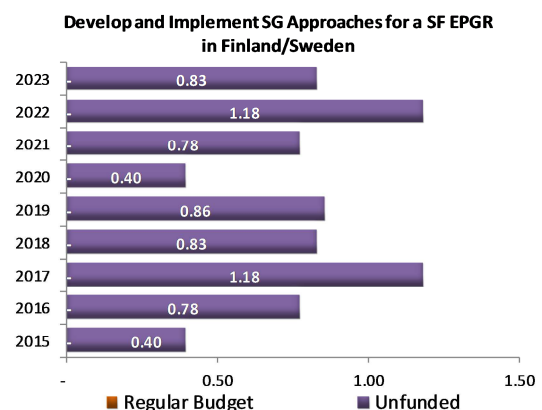


40. The Safeguards information system project is being incorporated into a new established project referred to as the Modernization of the Safeguards Information Technology (MoSaIc) project. At the time of the preparation of this document, the costs were still being assessed and are, therefore, not available here. The MoSaIc plans and cost estimates will be communicated to Member States in due course.

Develop and implement SG approaches for a SF EPGR in Finland/Sweden

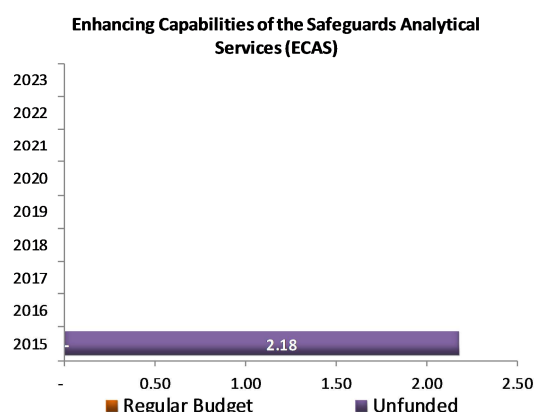
41. In addition to the total of €7.2 million proposed for the period 2015–2023, it is estimated that an additional €1.0 million will be required in 2024.

42. The following chart summarizes the funding plan for this project, all of which remains unfunded.



Enhancing Capabilities of the Safeguards Analytical Services (ECAS)

43. The total cost for the project is €80.8 million as communicated to Member States in GOV/INF/2012/15. While the majority of the requirements have been funded, a total of €8.9 million still remain unfunded, of which €6.7 would be required prior to 2015 and €2.2 million would be required in 2015. The project has been mostly completed and is expected to conclude in 2015.



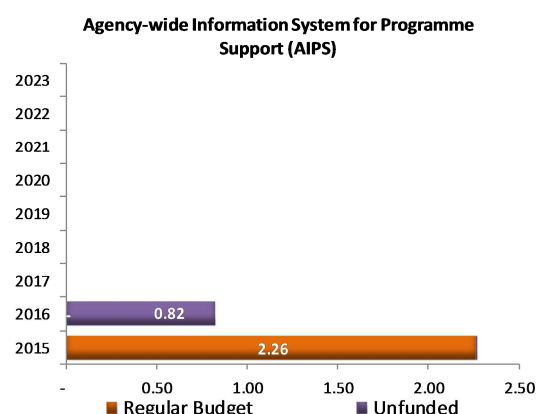
Major Programme 5 — Policy, Management and Administration Services

Agency-wide Information System for Programme Support (AIPS)

44. Plateaus 1 and 2 of AIPS have been successfully completed and are fully operational. Plateau 3 (Human Resources and Payroll) had been scheduled to be completed in 2014. In the interim, a new functionality for recruitment became available, which offers several additional features that will markedly improve the Agency's recruitment capacity. This will cause an increase in the scope of Plateau 3 and a slight delay in the completion of Plateaus 3 and 4. Plateau 3 is expected to be completed in the final quarter of 2014 and Plateau 4 (Travel and Meetings) in

2016. This will extend the closure of the project into 2016 and result in additional requirements of €0.8 million in 2016.

45. The total estimated cost of AIPS from inception to completion will increase from €33.9 million to approximately €34.7 million. Of the total funding requirement, €2.3 million will be funded in 2015 from the capital regular budget, while €0.8 million will be proposed to be funded in 2016, as indicated in the following chart.



Provision for IT infrastructure

46. €1.0 million will be funded from the capital regular budget in 2015, while €1.5 million remains unfunded.

47. The funding requirements for the project are shown in the following chart:

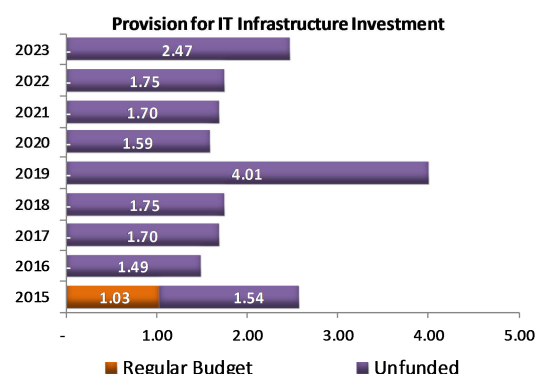


Table 10. Major Capital Investment Plan 2015–2023 (at 2014 Prices)

Major Programme/Major Capital Item	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
2. Nuclear Techniques for Development and Environmental Protection										
Renovation of the Nuclear Applications Laboratories (ReNuAL) – former project Enhancing Capabilities of NA Laboratories at Seibersdorf	8 039 759	7 500 000	7 500 000	-	-	-	-	-	-	23 039 759
Major Programme 2	8 039 759	7 500 000	7 500 000	-	-	-	-	-	-	23 039 759
3. Nuclear Safety and Security										
Radiation Safety Technical Services	398 864	120 000	-	-	-	-	-	-	-	518 864
Major Programme 3	398 864	120 000	-	-	-	-	-	-	-	518 864
4. Nuclear Verification										
NGSS Infrastructure Replacement	2 753 549	2 753 549	2 718 469	-	-	-	-	-	-	8 225 568
Safeguards Information System	2 056 000	-	-	-	-	-	-	-	-	2 056 000
Develop and Implement SG Approaches for the Chernobyl NPP	600 000	600 000	-	-	-	-	-	-	-	1 200 000
Enhancing Capabilities of the Safeguards Analytical Services (ECAS)	2 182 153	-	-	-	-	-	-	-	-	2 182 153
Develop and Implement SG Approaches for a SF EPGR in Finland/Sweden	397 836	775 112	1 182 200	831 652	857 352	397 836	775 112	1 182 200	831 652	7 230 952
Major Programme 4	7 989 538	4 128 661	3 900 669	831 652	857 352	397 836	775 112	1 182 200	831 652	20 894 673
5. Policy, Management and Administration Services										
Agency-wide Information System for Programme Support (AIPS)	2 261 600	820 000	-	-	-	-	-	-	-	3 081 600
Provision for IT Infrastructure Investment	2 570 000	1 490 600	1 696 200	1 747 600	4 009 200	1 593 400	1 696 200	1 747 600	2 467 200	19 018 000
Major Programme 5	4 831 600	2 310 600	1 696 200	1 747 600	4 009 200	1 593 400	1 696 200	1 747 600	2 467 200	22 099 600
Major Capital Investment Plan Total	21 259 762	14 059 261	13 096 869	2 579 252	4 866 552	1 991 236	2 471 312	2 929 800	3 298 852	66 552 896

Table 11. Capital Regular Budget Details 2014–2015

Major Programme/Major Capital Item	2014 Budget at 2014 Prices	2015 Estimates at 2014 Prices	Variance 2015 over 2014 EUR	%	Price Adjustment	2015 Estimates at 2015 Prices
2. Nuclear Techniques for Development and Environmental Protection						
Renovation of the Nuclear Applications Laboratories (ReNuAL) – former project Enhancing Capabilities of NA Laboratories at Seibersdorf	2 672 800	2 672 800	-		1.0%	2 699 528
Major Programme 2	2 672 800	2 672 800	-	-	-	2 699 528
4. Nuclear Verification						
NGSS Infrastructure Replacement	-	2 261 600	2 261 600		1.0%	2 284 216
Safeguards Information System	2 261 600	-	(2 261 600)		-	-
Major Programme 4	2 261 600	2 261 600	-	-	-	2 284 216
5. Policy, Management and Administration Services						
Agency-wide Information System for Programme Support (AIPS)	1 542 000	2 261 600	719 600		1.0%	2 284 216
Provision for IT Infrastructure Investment	1 747 600	1 028 000	(719 600)		1.0%	1 038 280
Major Programme 5	3 289 600	3 289 600	-	-	-	3 322 496
Capital Regular Budget	8 224 000	8 224 000	-	-	-	8 306 240

Table 12. Unfunded 2014–2015 Capital Needs

48. The table below lists 2014–2015 capital needs that will not be funded within the capital regular budget limit set by the Director General and for which no extrabudgetary funding has been pledged or received. It is expected that these requirements will attract extrabudgetary pledges by Member States.

Major Programme/Major Capital Item	2014	2015
2. Nuclear Techniques for Development and Environmental Protection		
Renovation of the Nuclear Applications Laboratories (ReNuAL) – former project Enhancing Capabilities of NA Laboratories at Seibersdorf	5 315 365	5 366 959
Major Programme 2	5 315 365	5 366 959
3. Nuclear Safety and Security		
Radiation Safety Technical Services	390 434	398 864
Major Programme 3	390 434	398 864
4. Nuclear Verification		
NGSS Infrastructure Replacement	93 183	491 949
Safeguards Information System	10 007 793	2 056 000
Develop and Implement SG Approaches for the Chernobyl NPP	1 000 000	600 000
Enhancing Capabilities of the Safeguards Analytical Services (ECAS)	6 700 000	2 182 153
Develop and Implement SG approaches for a SF EPGR in Finland/Sweden	-	397 836
Major Programme 4	17 800 976	5 727 938
5. Policy, Management and Administration Services		
Provision for IT Infrastructure Investment	-	1 542 000
Major Programme 5	-	1 542 000
Major Capital Investment Plan Unfunded	23 506 776	13 035 762

Annex. Draft Resolutions for 2015

49. This section presents the Agency's draft resolutions for 2015, including the appropriations for the 2015 regular budget, the allocation for the Technical Cooperation Fund (TCF) in 2015, and the Working Capital Fund (WCF) in 2015.

A. The Regular Budget

50. Regular budget appropriations for 2015 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 and 4 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.

51. 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 2014.

B. Technical Cooperation Programme

52. The technical cooperation (TC) activities of the Agency are financed from the TCF and extrabudgetary contributions. The TCF is mainly comprised of 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 Governors¹ for 2015 amounts to €69 797 000 (equivalent to \$91 000 000).

53. The forecast of the resources for the technical cooperation programme for 2015 amounts to \$80 080 000² and €22 000 000, and comprises: (i) \$80 080 000 for estimated core project funding; (ii) €2 000 000 for National Participation Costs (to be added to the estimated core funding); and (iii) €20 000 000 for the estimated implementation levels of extrabudgetary activities. These amounts do not constitute a target for or limitation on funds and do not in any way prejudice the TC programme for 2015.

C. Working Capital Fund

54. In its 57th regular session, the General Conference approved a continuation of the WCF at the level of €15 210 000 for 2014. No change in this level is proposed for 2015, 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.

¹ GOV/2013/30/Rev.1.

² Note: This is an indicative amount only. In line with the Secretariat's single currency approach, the actual resource planning for the TC programme 2014–2015 is based on a rate of attainment against the TCF target of €61 421 360 (based on the exchange rate from 1 July 2013).

A. REGULAR BUDGET APPROPRIATIONS FOR 2015

The General Conference,

Accepting the recommendations of the Board of Governors relating to the regular budget of the Agency for 2015³,

1. Appropriates, on the basis of an exchange rate of \$1.00 to €1.00, an amount of €348 177 059 for the operational portion of the regular budget expenses of the Agency in 2015 as follows⁴:

	€
1. Nuclear Power, Fuel Cycle and Nuclear Science	34 861 971
2. Nuclear Techniques for Development and Environmental Protection	38 888 632
3. Nuclear Safety and Security	37 555 701
4. Nuclear Verification	132 540 092
5. Policy, Management and Administration Services	77 687 366
6. Management of Technical Cooperation for Development	23 797 704
Subtotal of Major Programmes	345 331 466
7. Reimbursable work for others	2 845 593
TOTAL	348 177 059

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);
- Other miscellaneous income of €655 000;

from contributions by Member States amounting, for an exchange rate of \$1.00 to €1.00, to €344 676 466 (€300 248 286 plus \$44 428 180), in accordance with the scale of assessment fixed by the General Conference in resolution GC(58)/RES/ ;

³ GC(58)/2.

⁴ Appropriation Sections 1–6 represent the Agency's major programmes.

3. Appropriates, on the basis of an exchange rate of \$1.00 to €1.00, an amount of €8 306 240 for the capital portion of the regular budget expenses of the Agency, in 2015 as follows⁵:

	€
1. Nuclear Power, Fuel Cycle and Nuclear Science	-
2. Nuclear Techniques for Development and Environmental Protection	2 699 528
3. Nuclear Safety and Security	-
4. Nuclear Verification	2 284 216
5. Policy, Management and Administration Services	3 322 496
6. Management of Technical Cooperation for Development	-
TOTAL	8 306 240

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 €8 306 240 (€8 306 240), in accordance with the scale of assessment fixed by the General Conference in resolution GC(58)/RES/ ;

5. Authorizes the Director General:

- a. To incur expenditures additional to those for which provision is made in the regular budget for 2015, 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 2015;
- b. With the approval of the Board of Governors, to make transfers between any of the Sections listed in paras 1 and 3 above.

⁵ Please refer to footnote 4.

ATTACHMENT

A.1 APPROPRIATIONS FOR THE OPERATIONAL PORTION OF THE REGULAR BUDGET IN 2015

ADJUSTMENT FORMULA IN EUROS

	€		US\$
1. Nuclear Power, Fuel Cycle and Nuclear Science	30 401 302	+ (4 460 669 /R)
2. Nuclear Techniques for Development and Environmental Protection	34 687 709	+ (4 200 923 /R)
3. Nuclear Safety and Security	31 524 105	+ (6 031 596 /R)
4. Nuclear Verification	113 561 965	+ (18 978 127 /R)
5. Policy, Management and Administration Services	70 505 008	+ (7 182 358 /R)
6. Management of Technical Cooperation for Development	20 223 197	+ (3 574 507 /R)
Subtotal of Major Programmes	<hr/> 300 903 286	+ (<hr/> 44 428 180 /R)
7. Reimbursable work for others	2 845 593	+ (- /R)
TOTAL	<hr/> 303 748 879	+ (<hr/> 44 428 180 /R

Note: R is the average United Nations dollar to euro exchange rate which will be experienced during 2015.

ATTACHMENT

A.2 APPROPRIATIONS FOR THE CAPITAL PORTION OF THE REGULAR BUDGET IN 2015

ADJUSTMENT FORMULA IN EUROS

	€	US\$
1. Nuclear Power, Fuel Cycle and Nuclear Science	-	+ (- /R)
2. Nuclear Techniques for Development and Environmental Protection	2 699 528	+ (- /R)
3. Nuclear Safety and Security	-	+ (- /R)
4. Nuclear Verification	2 284 216	+ (- /R)
5. Policy, Management and Administration Services	3 322 496	+ (- /R)
6. Management of Technical Cooperation for Development		+ (/R)
TOTAL	8 306 240	+ (- /R)

Note: R is the average United Nations dollar to euro exchange rate which will be experienced during 2015.

B. TECHNICAL COOPERATION FUND ALLOCATION FOR 2015

The General Conference,

(a) Noting the decision of the Board of Governors of July 2013 to recommend the target figure of US \$91 000 000 (equivalent to €69 797 000) for voluntary contributions to the Agency's Technical Cooperation Fund for 2015, and

(b) Accepting the foregoing recommendation of the Board,

1. Decides that for 2015 the target figure for voluntary contributions to the Technical Cooperation Fund shall be €69 797 000;
2. Notes that funds from other sources, estimated at €500 000, are expected to be available for the technical cooperation programme;
3. Allocates, in euros, contributions of €69 797 000 for the Agency's technical cooperation programme for 2015;
4. Urges all Member States to make voluntary contributions for 2015 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. THE WORKING CAPITAL FUND FOR 2015

The General Conference,

Accepting the recommendations of the Board of Governors relating to the Agency's Working Capital Fund for 2015,

1. Approves a level of €15 210 000 for the Agency's Working Capital Fund for 2015;
2. Decides that the Fund shall be financed, administered and used in 2015 in accordance with the relevant provisions of the Agency's Financial Regulations⁶;
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;
4. Requests the Director General to submit to the Board statements of advances made from the Fund under the authority given in para. 3 above.

⁶ INFCIRC/8/Rev.3.



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