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SPECIMEN DRAFT RESOLUTION

on the Regular Budget appropriations for 1991
at the September 1990 dollar/schilling exchange rate

Note by the Secretariat

1. Document GC(XXXIV)/917 - "The Agency's programme and budget for 1991 and 1992" - contains, in Annex IV, draft resolution A relating to the Regular Budget appropriations for 1991. Attached to this draft resolution is an adjustment formula, as approved by the Board of Governors, for taking into account fluctuations in the United States dollar/Austrian Schilling exchange rate. With this adjustment formula, the adopted resolution on the Regular Budget becomes self-adjusting. The exchange rate used in document GC(XXXIV)/917 for presenting the 1991 budget estimates is AS 12.70 to US\$1.00.

2. In order to illustrate how the adjustment formula operates and to give the General Conference the Regular Budget appropriation figures on the basis of the most up-to-date dollar/schilling exchange rate, draft resolution A is reproduced in the Annex hereto on the basis of a rate of AS 10.90 to US\$1.00, the United Nations operational rate for September 1990.^{1/}

^{1/} The United Nations operational rates of exchange are determined by the United Nations in New York every month and are available on the first day of the month in which they apply.

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3. The adjustment formula has two components the sum of which gives the appropriations in United States dollars. One component is fixed in terms of United States dollars and the other varies according to the value of R. R corresponds to the average of the United Nations operational dollar/schilling exchange rates that will be experienced during 1991. This average exchange rate will determine the final dollar figures for the appropriation sections.

4. The attached SPECIMEN draft resolution gives the amounts by appropriation section on the assumption that the average of the United Nations operational dollar/schilling exchange rates experienced in 1991 will be 10.90 (i.e. 10.90 Austrian schillings for one United States dollar). Dividing by 10.90 the figures in the right-hand column of the adjustment formula (which reflect expenditures budgeted in Austrian schillings) and adding the results to the figures in the other column, one obtains total appropriations for 1991 of \$ 204 598 000, as shown in paragraph 1 of the SPECIMEN draft resolution.

5. As regards the financing of expenditure under the split appropriation and assessment system first approved in 1986, revenues from Reimbursable Work for Others, other miscellaneous income and assessments on Member States are all adjusted on the basis of the respective dollar and schilling components when the dollar/schilling exchange rate changes. The special appropriation for the acquisition of major safeguards and computer mainframe equipment is also subject to changes in the dollar/schilling exchange rate but, as the amount of cash surplus to be made available for these acquisitions is of necessity a fixed United States dollar amount (\$6.7 million), because it has been so determined in the audited accounts, any difference in expenditure due to exchange rate fluctuations will represent currency exchange gains or losses. It is, of course, not possible to foresee the exchange rate situation in 1991. However, the present document shows that, under the assumption of an average of AS 10.90 to

US\$ 1, implementation of the planned acquisitions would cost US\$1 250 000 for safeguards equipment (instead of \$1.2 million at AS 12.70 to US\$ 1) and US\$6 408 000 (instead of \$5.5 million at AS 12.70 to US\$ 1). The difference (US\$ 958 000 under the above-mentioned assumption) would represent an exchange loss.

6. As stated in paragraph 2 above, the purpose of this information paper is illustrative. In submitting to the Conference the budget estimates for 1991 in document GC(XXXIV)/917, the Board of Governors requests - in paragraph 1 of the Introduction to that document - the General Conference to adopt the draft resolutions set forth in Annex IV.

SPECIMEN draft resolution

A. REGULAR BUDGET APPROPRIATIONS FOR 1991

The General Conference,

Accepting the recommendations of the Board of Governors relating to the Regular Budget of the Agency for 1991 [1],

1. Appropriates on the basis of an exchange rate of AS 10.90 to \$1.00, an amount of \$204 598 000 for the Regular Budget expenses of the Agency in 1991 as follows:

	United States dollars
1. Technical Assistance and Co-operation	11 774 000
2. Nuclear Energy and Safety [2]	34 467 000
3. Research and Isotopes [3]	26 000 000
4. Operational Facilities [4]	3 609 000
5. Safeguards	65 542 000
6. Policy-making Organs	7 524 000
7. Executive Management and Administration	21 772 000
8. General Services	21 438 000
	192 126 000
9. Reimbursable Work for Others	4 814 000
	196 940 000
- Special Appropriation for the Acquisition of Major Equipment:	
Safeguards equipment	1 250 000
Computer mainframe equipment [5]	6 408 000
	204 598 000
TOTAL	204 598 000

the amounts in the Appropriation Sections to be adjusted in accordance with the adjustment formula presented in the Attachment 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 9);
 - other miscellaneous income of \$3 754 000 (representing \$2 083 000 plus AS 18 212 000);
 - and part of the 1988 cash surplus (for the Special Appropriation for the Acquisition of Major Equipment), with any adjustment for exchange gains or losses; */from contributions by Member States amounting, for an exchange rate of AS 10.90 to \$1.00, to \$188 372 000 (\$19 699 000 plus the equivalent in US dollars of AS 1 838 541 000), in accordance with the scale of assessment fixed by the General Conference in resolution GC(XXXIV)/RES/ , each contribution to be adjusted in the light of the rate applicable at the date of payment; and
3. Authorizes the Director General:
 - (a) To incur expenditures in respect of the amount of \$6 408 000 for computer mainframe equipment only with the prior approval of the Board of Governors following its consideration of a report by an open ended group of experts from Member States;
 - (b) To incur expenditures additional to those for which provision is made in the Regular Budget for 1991, 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 1991 [6]; and
 - (c) With the prior approval of the Board of Governors, to make transfers between any of the Sections listed in paragraph 1 above.

[1] See document GC(XXXIV)/917.

[2] For the financing of Nuclear Power, Nuclear Fuel Cycle and Waste Management, Nuclear Safety and Scientific and Technical Information.

[3] For the financing of Food and Agriculture, Life Sciences and Physical and Chemical Sciences.

[4] For the financing of the International Centre for Theoretical Physics (in part) and the International Laboratory of Marine Radioactivity (in part).

[5] See paragraph 3(a).

[6] At present additional income of \$85 000 (at 1991 prices) is expected to be received in respect of UNDP programme support. If received, this income will be used for the TC programme in Appropriation Section 1 (see also footnotes to Tables 46 and 57).

*/ The cash surplus being a fixed US dollar amount (\$6.7 million), any difference in required funding due to exchange rate changes will represent exchange gains or losses.

ATTACHMENT

ADJUSTMENT FORMULA IN US \$

1. Technical Assistance and Co-operation	874 000	+	(118 809 000 / R)
2. Nuclear Energy and Safety [2]	4 245 000	+	(329 425 000 / R)
3. Research and Isotopes [3]	3 844 000	+	(241 503 000 / R)
4. Operational Facilities [4]	1 593 000	+	(21 971 000 / R)
5. Safeguards	8 213 000	+	(624 891 000 / R)
6. Policy-making Organs	598 000	+	(75 489 000 / R)
7. Executive Management and Administration	1 775 000	+	(217 970 000 / R)
8. General Services	640 000	+	(226 695 000 / R)
Sub-Total Agency Programme	21 782 000	+	(1 856 753 000 / R)
9. Reimbursable Work for Others	448 000	+	(47 587 000 / R)
Sub-Total	22 230 000	+	(1 904 340 000 / R)
- Special Appropriation for the Acquisition of Major Equipment:			
Safeguards equipment	900 000	+	(3 810 000 / R)
Computer mainframe equipment	-	+	(69 850 000 / R)
TOTAL	23 130 000	+	(1 978 000 000 / R)

Note: R is the average United Nations schilling-to-dollar exchange rate which will be experienced during 1991.

[2-4] See footnotes on preceding page.

