

The Agency's Budget Update for 2021



IAEA

International Atomic Energy Agency

Atoms for Peace and Development

GC(64)/2

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Introduction

The Agency's programme for the 2020–2021 biennium, adopted by the Board of Governors, was presented to the General Conference in September 2019 in *The Agency's Programme and Budget 2020–2021* (document GC(63)/2). The document included budget estimates for both 2020 and 2021. However, until biennial budgeting is introduced,¹ the Board of Governors is required by the Statute to submit to the General Conference annual budget estimates for approval; the estimates presented for 2021 were therefore only preliminary.

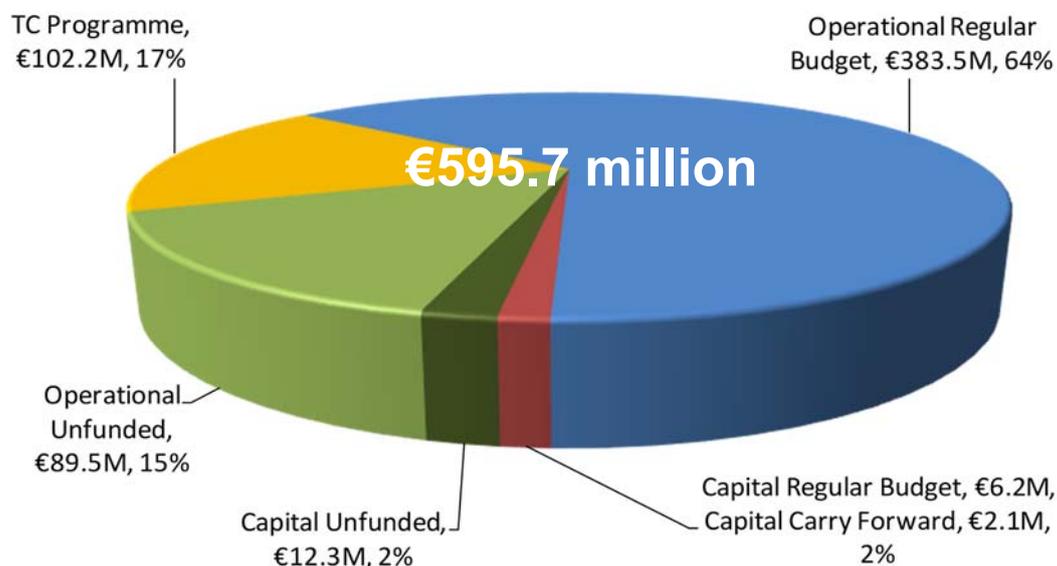
In line with the procedures adopted for biennial programming (document GOV/1999/23), the budget estimates for the second year of the biennium are contained in a concise summary document — *The Agency's Budget Update*. This document introduces the applicable price adjustment for the second year of the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

As per previous decisions made by the Board of Governors, *The Agency's Budget Update for 2021* reflects the Regular Budget for 2021 amounting to the same level as the Regular Budget for 2020, with the addition of the price adjustment for 2021.²

¹ As of June 2020, the Agency had been informed by the depositary Government that 60 of the Agency's 171 Member States had accepted the amendment to Article XIV.A of the Statute. Acceptance by two thirds of Member States is necessary for the amendment to enter into force.

² See document GOV/2019/25.

2021 Total Resources at a Glance (at 2021 prices)³



<i>Zero real growth</i>	<i>2021 Regular Budget over 2020</i>
€389.7 million	<i>2021 Regular Budget</i>
€383.5 million	<i>Operational Regular Budget</i>
€6.2 million	<i>Capital Regular Budget (excluding capital Carry Forward)</i>
1.6%	<i>Price adjustment for 2021</i>
€6.7 million	<i>Savings and efficiencies in the 2021 Regular Budget, of which:</i>
	€5.2 million <i>Savings and efficiencies other than travel</i>
	€1.5 million <i>Savings related to travel</i>
€0.7 million	<i>Additional savings of 0.2%, incorporated in the price adjustment</i>

³ All figures in this document are presented in euros at 2021 prices, unless otherwise indicated. Figures in tables might not add up to corresponding sums owing to rounding.

1. Overview

The Agency's Budget Update for 2021

Overview

1. In the preparation of *The Agency's Budget Update for 2021*, the Director General has carefully considered the proposal by the Co-Chairs of the Working Group on the Regular Budget and the Technical Cooperation Fund Targets for 2020–2021.⁴

2. *The Agency's Budget Update for 2021* includes:

- The applicable price adjustment of 1.6%;
- As requested by Member States, an annex outlining cost savings and efficiencies, including those of a cross-cutting nature, identified by the Secretariat during the preparation of *The Agency's Programme and Budget 2020–2021* (document GC(63)/2), as well as a list of cost saving measures to absorb the impact of the higher than anticipated increase in the Agency's Professional staff costs.

3. For 2021, the Director General proposes a total Regular Budget of €389.7 million, which represents an overall increase of €6.1 million, or 1.6%, over 2020.

4. Both the operational Regular Budget (€383.5 million – an increase of €6.0 million) and the capital Regular Budget (€6.2 million – an increase of €0.1 million), are proposed at zero real growth and include the 1.6% price adjustment.

5. No significant changes to the Agency's programme for the 2020–2021 biennium, as presented in *The Agency's Programme and Budget 2020–2021*, are proposed.

Efficiencies

6. In June 2018, the Board of Governors requested the Secretariat to “strengthen efforts to further identify and implement cross-cutting savings and efficiencies to be outlined in an annex to *The Agency's Programme and Budget 2020–2021*”.⁵ In this context, the Secretariat was “also requested to conduct a holistic review of the Agency's travel policy, taking into account recommendations from the Office of Internal Oversight Services and the best practices of other United Nations-system organizations, carefully evaluating their potential financial and programmatic impact and bearing in mind the importance of avoiding a negative impact on the participation of experts from Member States in the Agency's activities”.⁵ Cost savings and efficiencies of €6.7 million per annum, including those of a cross-cutting nature, identified and reported in *The Agency's Programme and Budget 2020–2021*, remain to be equally applicable to the second year of the biennium and will continue to be implemented in 2021. Details are highlighted in Annex II.

7. In addition, Annex II contains a list of cost saving measures identified by the Secretariat to absorb the impact of the higher-than-anticipated increase in the Agency's Professional staff costs, following the International Civil Service Commission (ICSC) review of the post adjustment classification for Professional staff effective as of 1 February 2019. These measures account for additional cost savings of €0.7 million, or 0.2% of the total Regular Budget for 2021, as requested by the Board of Governors and documented in GOV/2019/25, para. 12.

⁴ Summarized in documents GOV/2019/25, GOV/OR.1514.

⁵ See document GOV/2018/30, para. 11.

2. Financial Overview

Total Resources

8. The Agency's total resources consist of the Regular Budget, extrabudgetary resources and resources for the technical cooperation programme. For 2021, the Agency's total resources amount to €595.7 million at 2021 prices, including unfunded requirements for which extrabudgetary resources will be sought.

2021 Total Resources at a Glance
(in € millions)

Funding Source	2021
Operational Regular Budget	383.5
Capital Regular Budget, including Carry Forward	8.3
Operational Unfunded	89.5
Capital Unfunded	12.3
TC Programme	102.2
TOTAL	595.7

9. The Regular Budget consists of an operational portion and a capital portion used to fund major infrastructure investments in line with the Major Capital Investment Plan (MCIP). Regular Budget estimates are presented in six Major Programmes (MP1 to MP6), in accordance with the structure of the Agency's programme of work.

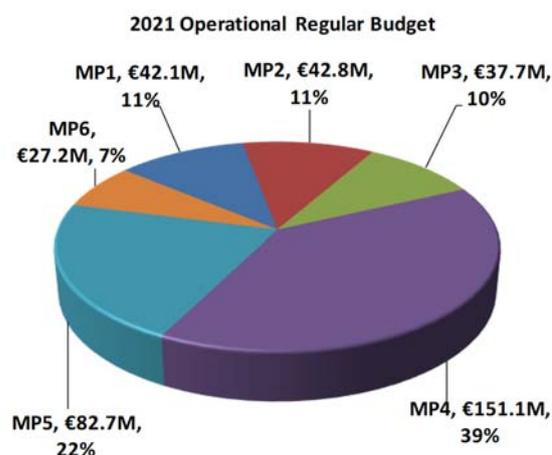
10. The Agency continues to rely on extrabudgetary funds to carry out some of its activities for which funding is not foreseen in the Regular Budget. As reported in *The Agency's Programme and Budget 2020–2021*, activities currently unfunded in the Regular Budget for which extrabudgetary resources would be required for 2021 amount to €89.5 million. The categories shown as 'unfunded'⁶ in the budget tables of this document represent all extrabudgetary and unfunded financial needs.

⁶ Programme Support Costs are included in the 'unfunded' category as an integral part of the estimate for activities funded through extrabudgetary contributions.

11. For the technical cooperation programme, €102.2 million is expected to be available for 2021 — €84.2 million for estimated core project funding, supplemented by €1.0 million in National Participation Costs and €17.0 million in estimated extrabudgetary funds.

Operational Regular Budget Resources

12. The chart and the table below depict the operational Regular Budget.



2021 Operational Regular Budget
(in € millions)

Major Programme	2021
1 Nuclear Power, Fuel Cycle and Nuclear Science	42.1
2 Nuclear Techniques for Development and Environmental Protection	42.8
3 Nuclear Safety and Security	37.7
4 Nuclear Verification	151.1
5 Policy, Management and Administration Services	82.7
6 Management of Technical Cooperation for Development	27.2
TOTAL	383.5

Capital Resources

13. The capital resources for 2021 have been allocated with a view to addressing the continuing capital priorities of the Agency while minimizing the overall growth of the Regular Budget. The Director General is therefore proposing to maintain the allocation of the Major Capital Investment Fund (MCIF) at the level set out in *The Agency's Programme and Budget 2020–2021* to finance major infrastructure investments in line with the MCIF. Out of the MCIF allocation of €8.3 million for 2021 (after price adjustment), €6.2 million is proposed to be funded from the capital Regular Budget to be assessed to Member States and €2.1 million is proposed to be offset by the Carry Forward from the unspent balances of operational Regular Budget appropriations from prior years previously transferred to the MCIF.

14. The table below depicts the 2021 capital investments.

2021 Capital Investments (in € millions)	
Capital Project	2021
ReNuAL+	2.1
Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED)	0.3
Develop and Implement a Safeguards Approach for J-MOX	1.0
Provision for IT Infrastructure and Information Security Investment	3.8
Seibersdorf Infrastructure and Common Facilities	1.0
Total	8.3
Financing	
From Member State Assessments	6.2
From Capital Carry Forward	2.1
Total	8.3

Other Financial Considerations

Price Adjustment

15. The price adjustment applied for 2021 is 1.6% and is in line with the Board of Governors' request documented in GOV/2019/25, para 12. This percentage is based on the Harmonised Index of Consumer Prices forecast of 1.4% for the euro area for 2021, as provided in the fourth quarter report of the European Central Bank Survey of Professional Forecasters, issued in October 2019, plus a correction of 0.2% to the 2019 price adjustment to partially offset the impact of the higher than anticipated increase in the Agency's Professional staff costs, following the ICSC review of the post adjustment classification for Professional staff in 2019.

After Service Health Insurance Liabilities

16. The Agency fulfils its obligations in respect of the financing of health insurance for former staff from the Regular Budget, on a pay-as-you-go basis. It does not currently set aside any funds to meet this long-term financial liability, which amounts to €222 million⁷ (as of 31 December 2018). Most United Nations system organizations are facing the issue of funding after service staff liabilities. A recommendation from the External Auditors to the Agency to consider the implementation of a long term funding strategy for After Service Health Insurance (ASHI) was first made in 2013 and was reiterated by the External Auditors in their reports of 2014 and 2017.

17. Following the proposal to establish an ASHI liability funding mechanism, presented to the Board of Governors in document GOV/2019/7, the Secretariat was requested to keep Member States abreast of relevant processes and discussions in the United Nations General Assembly. The Secretariat was also requested to present more options for addressing the important issue of ASHI, taking into account good practices from United Nations system organizations and other

⁷ As contained in *The Agency's Financial Statements for 2018* (document GC(63)6).

international organizations and considering cost containment measures that would mitigate ASHI liabilities. The requested additional information was presented to Member States in document GOV/INF/2020/1.

Working Capital Fund

18. The main purpose of the Working Capital Fund (WCF) is to make temporary advances to the Regular Budget Fund, which are then reimbursed to the WCF as soon as possible and to the extent that money in the Regular Budget Fund is available for that purpose. In 2018 and 2019, the Agency used the WCF in the last months of the year, owing to late receipt of assessed contributions from Member States. The Secretariat has consistently held the opinion that a WCF level equivalent to one month's expenditure would be appropriate. Currently, the average monthly expenditure from the Regular Budget exceeds the level of the WCF, which constitutes a significant risk to the Agency.

19. During its 63rd regular session, the General Conference approved a continuation of the WCF at the level of €15 210 000 for 2020. No change in this level is proposed for 2021.

However, Member States are hereby informed of the risk insufficient funds in the WCF pose to the Agency. Furthermore, the External Auditors made a recommendation in 2018 to consider a change to the level of the WCF to meet the Agency's needs. The Secretariat will consult Member States to find a solution to this situation.

Budget Currency and Exchange Rate

20. 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 US \$1.00 to €1.00. 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. Approximately 88% of the Agency's expenditure is in euros. The split assessment protects the Agency in the event of currency fluctuations between the euro and the US dollar.

21. The Secretariat monitors any changes in the proportion of the currency of expenditures and will report to Member States if required.

3. Budgetary Requirements by Major Programme

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

Programme/Major Programme	2020 Budget	2021 Estimates at 2020 Prices	Variance over 2020		Price Adjustment	2021 Estimates at 2021 Prices
			EUR	%		
1. Nuclear Power, Fuel Cycle and Nuclear Science						
Overall Management, Coordination and Common Activities	3 307 427	3 307 432	5	0.0%	1.6%	3 360 351
Nuclear Power	9 093 995	9 094 118	123	0.0%	1.6%	9 239 624
Nuclear Fuel Cycle and Waste Management	7 801 710	7 789 578	(12 132)	-0.2%	1.6%	7 914 211
Capacity Building and Nuclear Knowledge for Sustainable Energy Development	10 759 795	10 753 024	(6 771)	-0.1%	1.6%	10 925 073
Nuclear Science	10 449 764	10 468 544	18 780	0.2%	1.6%	10 636 041
Major Programme 1	41 412 691	41 412 696	4	0.0%	1.6%	42 075 299
2. Nuclear Techniques for Development and Environmental Protection						
Overall Management, Coordination and Common Activities	8 280 760	8 281 368	608	0.0%	1.6%	8 413 870
Food and Agriculture	12 065 295	12 065 295	(0)	0.0%	1.6%	12 258 340
Human Health	8 848 499	8 847 803	(696)	0.0%	1.6%	8 989 368
Water Resources	3 753 133	3 753 129	(4)	0.0%	1.6%	3 813 179
Environment	6 692 542	6 692 670	128	0.0%	1.6%	6 799 753
Radioisotope Production and Radiation Technology	2 473 852	2 473 822	(31)	0.0%	1.6%	2 513 403
Major Programme 2	42 114 082	42 114 086	4	0.0%	1.6%	42 787 912
3. Nuclear Safety and Security						
Overall Management, Coordination and Common Activities	4 081 889	4 081 894	5	0.0%	1.6%	4 147 204
Incident and Emergency Preparedness and Response	4 468 227	4 468 227	1	0.0%	1.6%	4 539 719
Safety of Nuclear Installations	10 702 937	10 702 937	(1)	0.0%	1.6%	10 874 184
Radiation and Transport Safety	7 664 880	7 664 878	(3)	0.0%	1.6%	7 787 516
Radioactive Waste Management and Environmental Safety	3 865 473	3 865 473	(0)	0.0%	1.6%	3 927 320
Nuclear Security	6 305 773	6 305 773	0	0.0%	1.6%	6 406 666
Major Programme 3	37 089 180	37 089 182	2	0.0%	1.6%	37 682 609
4. Nuclear Verification						
Overall Management, Coordination and Common Activities	14 125 413	14 125 429	16	0.0%	1.6%	14 351 436
Safeguards Implementation	131 398 051	131 398 051	0	0.0%	1.6%	133 500 420
Other Verification Activities	3 185 925	3 185 925	-	0.0%	1.6%	3 236 900
Major Programme 4	148 709 390	148 709 406	16	0.0%	1.6%	151 088 756
5. Policy, Management and Administration Services						
Policy, Management and Administration Services	81 376 955	81 376 968	12	0.0%	1.6%	82 678 999
Major Programme 5	81 376 955	81 376 968	12	0.0%	1.6%	82 678 999
6. Management of Technical Cooperation for Development						
Management of Technical Cooperation for Development	26 731 414	26 731 414	0	0.0%	1.6%	27 159 116
Major Programme 6	26 731 414	26 731 414	0	0.0%	1.6%	27 159 116
Operational Regular Budget	377 433 712	377 433 751	39	0.0%	1.6%	383 472 691
Major Capital Investment Funding Requirements						
Capital Regular Budget	6 102 000	6 102 000	0	0.0%	1.6%	6 199 632
Total Agency Programmes	383 535 712	383 535 751	39	0.0%	1.6%	389 672 323
Reimbursable Work for Others	3 129 353	3 129 353	-	0.0%	1.6%	3 179 422
Total Regular Budget	386 665 065	386 665 104	39	0.0%	1.6%	392 851 746
Less Miscellaneous Income	3 679 353	3 679 353	-	0.0%	1.6%	3 729 422
Assessment on Member States	382 985 712	382 985 751	39	0.0%	1.6%	389 122 323

Table 2. The Regular Budget — Summary of Income

	2020 Budget at 2020 Prices	2021 Estimates at 2020 Prices	Variance 2021 over 2020	2021 Estimates at 2021 Prices
Operational Regular Budget ^a	376 883 712	376 883 751	39	382 922 691
Capital Regular Budget	6 102 000	6 102 000	0	6 199 632
Assessed Contributions on Member States	382 985 712	382 985 751	39	389 122 323
Miscellaneous Income				
Reimbursable Work for Others				
Printing Services	422 055	422 055	-	428 808
Medical Services	850 185	850 185	-	863 787
Nuclear Fusion Journal	399 332	399 332	-	405 721
Publications of the Agency – Other	40 680	40 680	-	41 331
Laboratory Income	254 250	254 250	-	258 318
Amounts Recoverable Under Safeguards Agreements	1 162 851	1 162 851	-	1 181 457
Subtotal Reimbursable Work for Others	3 129 353	3 129 353	-	3 179 422
Other				
Travel Rebates	200 000	200 000	-	200 000
Investment and Interest Income	350 000	350 000	-	350 000
Subtotal Other	550 000	550 000	-	550 000
Total Miscellaneous Income	3 679 353	3 679 353	-	3 729 422
Total Regular Budget Income	386 665 065	386 665 104	39	392 851 746

^aDoes not include estimates for Other Miscellaneous Income.

4. Major Capital Investment Plan for 2021–2029
and
Major Capital Investment Fund for 2021

Major Capital Investment Plan

22. The MCIP presented below includes the Agency's major capital projects for the period 2021–2029. The MCIP is updated annually and is derived from the needs of the Agency to maintain an adequate, up to date and well functioning infrastructure. An overview of the plan with annual projections is presented in Table 10.

23. For 2021, major capital investment requirements total €20.6 million. The breakdown is shown in the table below.

Major Programme/Major Capital Item (in € millions)	2021
1. Nuclear Power, Fuel Cycle and Nuclear Science	
Integrated Information Management Systems Upgrade	1.1
Neutron Science Facility based on DD and DT Neutron Generators	0.2
Major Programme 1	1.3
2. Nuclear Techniques for Development and Environmental Protection	
ReNuAL+	4.1
Major Programme 2	4.1
3. Nuclear Safety and Security	
Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED)	0.4
Major Programme 3	0.4
4. Nuclear Verification	
Develop and Implement a Safeguards Approach for J-MOX	3.1
Develop and Implement SG Approaches for a SF EPGR	1.6
Major Programme 4	4.7
5. Policy, Management and Administration Services	
Provision for IT Infrastructure and Information Security Investment	6.7
Seibersdorf Infrastructure and Common Facilities	3.5
Major Programme 5	10.1
Total Major Capital Investment Plan	20.6

24. The MCIF is a reserve fund established in accordance with Financial Regulation 4.06 (document INFCIRC/8/Rev.4) to help to provide for the Agency's major infrastructure requirements that are included in the MCIP. It provides an opportunity to fund capital requirements that might otherwise face continued deferral or require substantial increases in Member States' annual

contributions. The MCIF is reviewed by the Board of Governors in the framework of the established Programme and Budget approval process.

25. In accordance with document GC(53)/5, the MCIF is funded by the entire amount appropriated for the capital portion of the Regular Budget, unspent budgetary balances from the operational Regular Budget in prior years, if any, and any other source as the Board of Governors may determine.

26. Since the inception of the MCIF in 2009,⁸ unspent balances from past operational Regular Budget appropriations have been transferred to the MCIF and reported in the respective financial statements in accordance with Financial Regulation 7.02(b)(4). In the same manner, unspent budgetary balances from the operational Regular Budget for 2018–2019 will be transferred to the MCIF.

Capital Investments

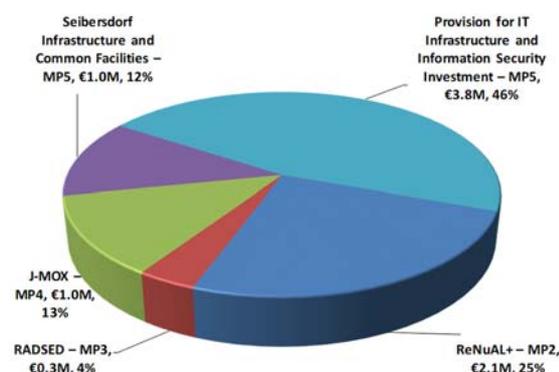
27. The Director General is proposing, as in the 2020 Budget, to fund €2.1 million of the capital Regular Budget for 2021 from the unspent balances of past operational Regular Budget appropriations previously transferred to the MCIF.

28. A total of €8.3 million of MCIF funding (€6.2 million from the capital Regular Budget and €2.1 million from the capital Carry Forward) will be distributed to the following projects:

- Renovation of the Nuclear Applications Laboratories (ReNuAL+) — Major Programme 2 — €2.1 million;
- Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED) — Major Programme 3 — €0.3 million;
- Develop and Implement a Safeguards Approach for J-MOX — Major Programme 4 — €1.0 million;
- Provision for IT Infrastructure and Information Security Investment — Major Programme 5 — €3.8 million;

⁸ See documents GOV/2009/1 and GOV/2009/52/Rev.1.

- Seibersdorf Infrastructure and Common Facilities — Major Programme 5 — €1.0 million.



29. While the present document presents the MCIP for the period 2021–2029, a significant amount of capital investment proposed in 2020 remains unfunded. Currently, a total of €16.2 million of capital requirements remain unfunded for 2020, while investments unfunded for 2021 amount to €12.3 million. It is hoped that these requirements will be funded through extrabudgetary contributions. The unfunded requirements for 2020 and 2021 are presented in Table 12.

Overview by Major Programme

30. A programmatic overview of major capital investments that are part of the MCIP for 2021–2029 has been included in *The Agency's Programme and Budget 2020–2021* (document GC(63)/2). The following paragraphs provide an overview of funding requirements for 2021 at 2021 prices as well as project updates. No changes in funding are proposed compared with *The Agency's Programme and Budget 2020–2021*, other than the 2021 price adjustment.

Major Programme 1 — Nuclear Power, Fuel Cycle and Nuclear Science

Integrated Information Management Systems Upgrade

31. Major Programme 1 maintains a set of information systems for the collection and timely dissemination of validated, authoritative nuclear data, information and knowledge resources on peaceful uses of nuclear energy.

However, these systems are currently at the end of their life cycle and need to be updated to ensure the integrity of the information and their access by Member States. The objective of this project is to update and secure these information systems, and to ensure their continuity.

32. The overall project needs for 2021 of €1.1 million are currently unfunded.

Neutron Science Facility based on DD and DT Neutron Generators

33. The Nuclear Science and Instrumentation Laboratory helps Member States to establish, operate and maintain various nuclear instrumentation and spectrometry techniques in support of a wide range of applications in areas such as health care, food, agriculture, the environment, forensics, cultural heritage and materials science. The in-house laboratory's facilities are currently limited to X-ray based analytical techniques and gamma spectrometry. These will be expanded to neutron based techniques based on deuterium–deuterium (DD) and deuterium–tritium (DT) neutron generators.

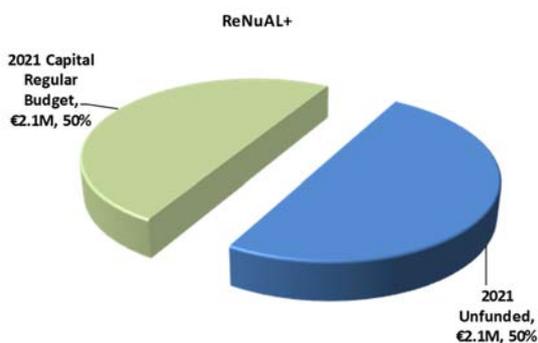
34. The overall project needs for 2021 of €0.2 million are currently unfunded.

Major Programme 2 — Nuclear Techniques for Development and Environmental Protection

Renovation of the Nuclear Applications Laboratories (ReNuAL+)

35. In 2021, the follow-up to ReNuAL (referred to as ReNuAL+) project will focus on completing the furnishing and equipment of buildings already built under the project, transitioning laboratories into these buildings and carrying out capacity enhancement activities in existing laboratory space. These activities will represent the completion of the overall ReNuAL initiative and will result in significantly enhanced capabilities to ensure that the Agency's laboratories in Seibersdorf can continue to meet the needs of Member States.

36. The overall project needs for 2021 are estimated at €4.1 million, €2.1 million of which will be offset from the capital Regular Budget.

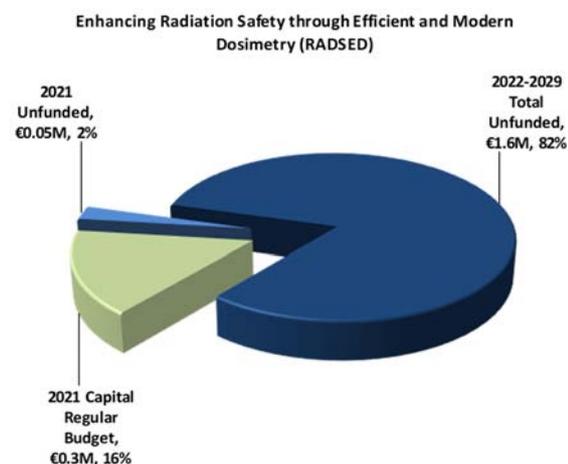


Major Programme 3 — Nuclear Safety and Security

Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED)

37. This project, to be carried out over ten years, aims at implementing the best dose assessment technologies in order to compare their efficiencies with regard to the end point of biodosimetry.

38. The overall project needs for 2021 are €0.4 million, of which €0.3 million is funded from the capital Regular Budget. An amount of €0.05 million remains unfunded in 2021.

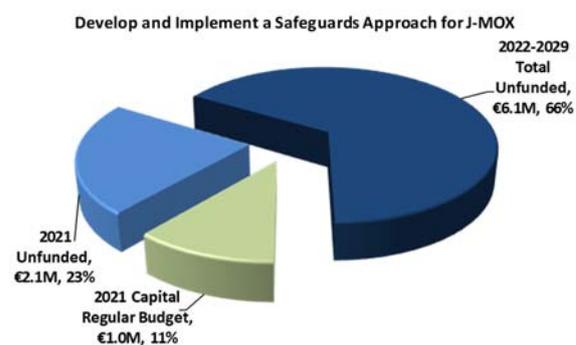


Major Programme 4 — Nuclear Verification

Develop and Implement a Safeguards Approach for J-MOX

39. Japan Nuclear Fuel Limited is building a large scale plant to produce mixed uranium and plutonium oxide fuel for light water reactors at its site in Rokkasho-mura.

40. The capital requirements in 2021 total €3.1 million, of which €1.0 million is funded from the capital Regular Budget. An amount of €2.1 million remains unfunded in 2021.



Develop and Implement Safeguards Approaches for a Spent Fuel EPGR

41. Finland and Sweden are each planning to construct an encapsulation plant and geological repository (EPGR) to store their spent fuel permanently.

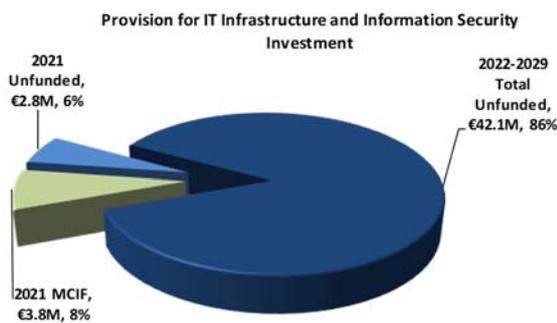
42. The overall project needs of €1.6 million for 2021 remain unfunded.

Major Programme 5 — Policy, Management and Administration Services

Provision for IT Infrastructure and Information Security Investment

43. This project covers costs associated with maintaining up to date the information and communication technology (ICT) infrastructure and services. It includes four components: equipment replacement; disaster recovery infrastructure; the future upgrade of the Oracle eBusiness Suite (the platform for the Agency-wide Information System for Programme Support, AIPS); and a new data integration network.

44. The needs of €6.7 million for 2021 are offset by €1.8 million from the capital Regular Budget and €2.1 million from the capital Carry Forward, while an amount of €2.8 million remains unfunded.



Seibersdorf Infrastructure and Common Facilities

45. The objective of this project is to ensure the safety and security of the Seibersdorf site through fitting and upgrading the physical safety and security measures, and integrating the surveillance and other security systems.

46. The 2021 funding requirement for the project is €3.5 million, of which €1.0 million is funded from the capital Regular Budget. An amount of €2.4 million remains unfunded in 2021.

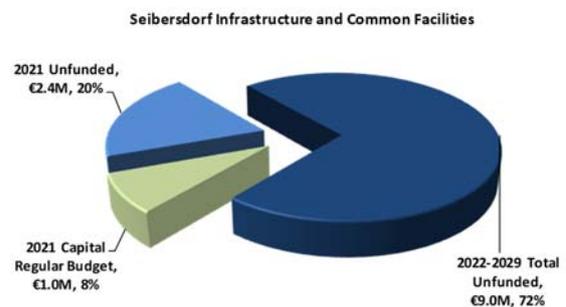


Table 10. Major Capital Investment Plan 2021–2029

Major Programme/Major Capital Item	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
1. Nuclear Power, Fuel Cycle and Nuclear Science										
Integrated Information Management Systems Upgrade	1 126 482	346 146	-	-	-	-	-	1 587 204	1 587 204	4 647 036
Neutron Science Facility based on DD and DT Neutron Generators	165 324	123 993	-	-	-	-	-	-	-	289 316
Major Programme 1	1 291 806	470 139	-	-	-	-	-	1 587 204	1 587 204	4 936 353
2. Nuclear Techniques for Development and Environmental Protection										
ReNuAL+	4 133 088	-	-	-	-	-	-	-	-	4 133 088
Calibration and Auditing Services for the Dosimetry Laboratory (Seibersdorf)	-	-	-	-	206 654	-	258 318	3 099 816	-	3 564 788
Major Programme 2	4 133 088	-	-	-	206 654	-	258 318	3 099 816	-	7 697 876
3. Nuclear Safety and Security										
Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED)	359 226	463 276	368 600	394 483	378 703	-	-	-	-	1 964 288
Radiation Safety Technical Services	-	-	270 800	-	-	310 380	-	-	-	581 180
Major Programme 3	359 226	463 276	639 400	394 483	378 703	310 380	-	-	-	2 545 469
4. Nuclear Verification										
Develop and Implement a Safeguards Approach for J-MOX	3 099 816	3 099 816	2 996 489	-	-	-	-	-	-	9 196 121
Develop and Implement SG Approaches for a SF EPGR	1 555 016	1 206 101	-	-	867 601	1 555 016	1 555 016	1 206 101	-	7 944 853
Major Programme 4	4 654 832	4 305 917	2 996 489	-	867 601	1 555 016	1 555 016	1 206 101	-	17 140 974
5. Policy, Management and Administration Services										
Provision for IT Infrastructure and Information Security Investment	6 666 671	3 688 781	6 282 294	5 331 684	7 728 875	3 854 105	5 042 367	5 228 356	4 939 040	48 762 172
Seibersdorf Infrastructure and Common Facilities	3 461 461	1 730 731	1 369 085	1 162 431	1 007 440	929 945	929 945	929 945	929 945	12 450 928
Major Programme 5	10 128 132	5 419 512	7 651 379	6 494 115	8 736 315	4 784 049	5 972 312	6 158 301	5 868 985	61 213 100
Total Major Capital Investment Plan	20 567 085	10 658 843	11 287 268	6 888 597	10 189 274	6 649 446	7 785 647	12 051 422	7 456 189	93 533 772

Table 11. Capital Regular Budget Details 2021

Major Programme / Major Capital Item	2020 Budget at 2020 Prices	2021 Estimates at 2020 Prices	2021 Estimates at 2021 Prices
2. Nuclear Techniques for Development and Environmental Protection			
ReNuAL+	2 034 000	2 034 000	2 066 544
Major Programme 2	2 034 000	2 034 000	2 066 544
3. Nuclear Safety and Security			
Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED)	305 100	305 100	309 982
Major Programme 3	305 100	305 100	309 982
4. Nuclear Verification			
Develop and Implement a Safeguards Approach for J-MOX	1 017 000	1 017 000	1 033 272
Major Programme 4	1 017 000	1 017 000	1 033 272
5. Policy, Management and Administration Services			
Provision for IT Infrastructure and Information Security Investment	3 762 900	3 762 900	3 823 106
Seibersdorf Infrastructure and Common Facilities	1 017 000	1 017 000	1 033 272
Major Programme 5	4 779 900	4 779 900	4 856 378
Major Capital Investment Fund	8 136 000	8 136 000	8 266 176
Capital Carry Forward	(2 034 000)	(2 034 000)	(2 066 544)
Capital Regular Budget	6 102 000	6 102 000	6 199 632

47. The table below lists capital needs for 2020 and 2021 that will not be funded from the MCIF. It is expected that these needs will attract extrabudgetary pledges from Member States.

Table 12. Unfunded 2020–2021 Capital Needs

Major Programme / Major Capital Item	2020	2021
1. Nuclear Power, Fuel Cycle and Nuclear Science		
Integrated Information Management Systems Upgrade	1 052 299	1 126 482
Neutron Science Facility based on DD and DT Neutron Generators	193 230	165 324
Major Programme 1	1 245 529	1 291 806
2. Nuclear Techniques for Development and Environmental Protection		
ReNuAL+	2 034 000	2 066 544
Calibration and Auditing Services for the Dosimetry Laboratory (Seibersdorf)	203 400	-
Major Programme 2	2 237 400	2 066 544
3. Nuclear Safety and Security		
Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED)	176 765	49 245
Seibersdorf Infrastructure and Common Facilities*	1 728 900	-
Major Programme 3	1 905 665	49 245
4. Nuclear Verification		
Develop and Implement a Safeguards Approach for J-MOX	2 034 000	2 066 544
Develop and Implement Safeguards Approaches for a SF EPGR	2 384 466	1 555 016
Major Programme 4	4 418 466	3 621 560
5. Policy, Management and Administration Services		
Provision for IT Infrastructure and Information Security Investment	4 667 013	2 843 565
Seibersdorf Infrastructure and Common Facilities*	1 718 730	2 428 189
Major Programme 5	6 385 743	5 271 754
Total Unfunded Capital Needs	16 192 803	12 300 909

* Jointly financed by Major Programmes 3 and 5 in 2020.

Annex I. Draft Resolutions for 2021

48. This section presents the draft resolutions for 2021, including the appropriations for the Regular Budget for 2021, the allocation for the Technical Cooperation Fund (TCF) in 2021 and the Working Capital Fund (WCF) in 2021.

A. The Regular Budget

49. Regular Budget appropriations for 2021 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 3–5 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. The total amount of appropriations for the capital Regular Budget will be transferred to the Major Capital Investment Fund.

50. 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 2020.

B. Technical Cooperation Programme

51. The technical cooperation activities of the Agency are financed from the TCF and extrabudgetary contributions. The TCF mainly comprises 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 Governors amounts to €89 558 000 for 2021.

52. The forecast of the resources for the technical cooperation programme for 2021 amounts to €102 184 520, comprising €84 184 520 for estimated core project funding, €1 000 000 for National Participation Costs (to be added to the estimated core funding) and €17 000 000 for the estimated implementation levels of extrabudgetary activities.

53. These amounts do not constitute a target for, or limitation on, funds and do not in any way prejudice the technical cooperation programme for 2021.

C. Working Capital Fund

54. During its 63rd regular session, the General Conference approved a continuation of the WCF at the level of €15 210 000 for 2020. No change in this level is proposed for 2021, 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.

A. REGULAR BUDGET APPROPRIATIONS FOR 2021

The General Conference,

Accepting the recommendations of the Board of Governors relating to the Regular Budget of the Agency for 2021,¹

1. Appropriates, on the basis of an exchange rate of US \$1.00 to €1.00, an amount of €386 652 113 for the operational portion of the Regular Budget expenses of the Agency in 2021 as follows:²

	€
1. Nuclear Power, Fuel Cycle and Nuclear Science	42 075 299
2. Nuclear Techniques for Development and Environmental Protection	42 787 912
3. Nuclear Safety and Security	37 682 609
4. Nuclear Verification	151 088 756
5. Policy, Management and Administration Services	82 678 999
6. Management of Technical Cooperation for Development	27 159 116
Subtotal of Major Programmes	<hr/> 383 472 691
7. Reimbursable work for others	3 179 422
TOTAL	<hr/> 386 652 113 <hr/>

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 €550 000;

from contributions by Member States amounting, at an exchange rate of US \$1.00 to €1.00, to €382 922 691 (€328 661 712 plus US \$54 260 979), in accordance with the scale of assessment fixed by the General Conference in resolution GC(64)/RES/ ;

¹ Document GC(64)/2.

² Appropriation Sections 1–6 represent the Agency's Major Programmes.

3. Appropriates, on the basis of an exchange rate of US \$1.00 to €1.00, an amount of €6 199 632 for the capital portion of the Regular Budget expenses of the Agency in 2021 as follows:³

	€
1. Nuclear Power, Fuel Cycle and Nuclear Science	-
2. Nuclear Techniques for Development and Environmental Protection	2 066 544
3. Nuclear Safety and Security	309 982
4. Nuclear Verification	1 033 272
5. Policy, Management and Administration Services	2 789 834
6. Management of Technical Cooperation for Development	-
TOTAL	6 199 632

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, at an exchange rate of US \$1.00 to €1.00, to €6 199 632 (€6 179 654 plus US \$19 978), in accordance with the scale of assessment fixed by the General Conference in resolution GC(64)/RES/ ;

5. Authorizes the transfer of the capital portion of the Regular Budget to the Major Capital Investment Fund; and

6. Authorizes the Director General:

- a. To incur expenditures additional to those for which provision is made in the Regular Budget for 2021, 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 2021; and
- b. With the approval of the Board of Governors, to make transfers between any of the Sections listed in paras 1 and 3 above.

³ See footnote 2.

ATTACHMENT

A.1. APPROPRIATIONS FOR THE OPERATIONAL PORTION OF THE REGULAR BUDGET IN 2021

ADJUSTMENT FORMULA IN EUROS

	€	US\$
1. Nuclear Power, Fuel Cycle and Nuclear Science	35 718 706 + (	6 356 593 /R)
2. Nuclear Techniques for Development and Environmental Protection	37 942 246 + (	4 845 666 /R)
3. Nuclear Safety and Security	30 861 467 + (	6 821 142 /R)
4. Nuclear Verification	127 315 286 + (	23 773 470 /R)
5. Policy, Management and Administration Services	74 220 661 + (	8 458 338 /R)
6. Management of Technical Cooperation for Development	23 153 346 + (	4 005 770 /R)
Subtotal of Major Programmes	329 211 712 + (	54 260 979 /R)
7. Reimbursable work for others	3 179 422 + (	- /R)
TOTAL	332 391 134 + (	54 260 979 /R)

Note: R is the average United Nations dollar to euro exchange rate which will be experienced during 2021.

ATTACHMENT**A.2. APPROPRIATIONS FOR THE CAPITAL PORTION OF THE
REGULAR BUDGET IN 2021**

ADJUSTMENT FORMULA IN EUROS

	€	US\$
1. Nuclear Power, Fuel Cycle and Nuclear Science	- + (	- /R)
2. Nuclear Techniques for Development and Environmental Protection	2 046 566 + (	19 978 /R)
3. Nuclear Safety and Security	309 982 + (	- /R)
4. Nuclear Verification	1 033 272 + (	- /R)
5. Policy, Management and Administration Services	2 789 834 + (	- /R)
6. Management of Technical Cooperation for Development	- + (	- /R)
TOTAL	<u>6 179 654 + (</u>	<u>19 978 /R)</u>

Note: R is the average United Nations dollar to euro exchange rate which will be experienced during 2021.

B. TECHNICAL COOPERATION FUND ALLOCATION FOR 2021

The General Conference,

- (a) Noting the decision of the Board of Governors of June 2019 to recommend the Technical Cooperation Fund target of €89 558 000 for voluntary contributions to the Agency's Technical Cooperation Fund for 2021; and
 - (b) Accepting the foregoing recommendation of the Board;
1. Decides that for 2021 the target figure for voluntary contributions to the Technical Cooperation Fund shall be €89 558 000;
 2. Allocates, in euros, contributions of €89 558 000 for the Agency's technical cooperation programme for 2021; and
 3. Urges all Member States to make voluntary contributions for 2021 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. WORKING CAPITAL FUND FOR 2021

The General Conference,

Accepting the recommendations of the Board of Governors relating to the Agency's Working Capital Fund for 2021,

1. Approves a level of €15 210 000 for the Agency's Working Capital Fund for 2021;
2. Decides that the Fund shall be financed, administered and used in 2021 in accordance with the relevant provisions of the Financial Regulations of the Agency;⁴
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 of Governors statements of advances made from the Fund under the authority given in para. 3 above.

⁴ Document INFCIRC/8/Rev.4.

Annex II. Cost Savings and Efficiencies

1. In June 2018, the Board of Governors requested the Secretariat to “strengthen efforts to further identify and implement cross-cutting savings and efficiencies to be outlined in an annex to *The Agency’s Programme and Budget 2020–2021*”.¹ In this context, the Secretariat was “also requested to conduct a holistic review of the Agency’s travel policy, taking into account recommendations from the Office of Internal Oversight Services and the best practices of other United Nations-system organizations, carefully evaluating their potential financial and programmatic impact and bearing in mind the importance of avoiding a negative impact on the participation of experts from Member States in the Agency’s activities.”

2. This Annex highlights cost savings and efficiencies of €6.7 million per annum, including those of a cross-cutting nature, identified and reported in *The Agency’s Programme and Budget 2020–2021*. These cost savings and efficiencies, of which €1.5 million relate to travel and €5.2 million relate to other areas, remain to be equally applicable to the second year of the biennium and will continue to be implemented in 2021.

3. In addition, this Annex contains a list of cost saving measures identified by the Secretariat to absorb the impact of the higher than anticipated increase in the Agency’s Professional staff costs, following the International Civil Service Commission (ICSC) review of the post adjustment classification for Professional staff effective as of 1 February 2019. These measures account for additional cost savings of €0.7 million, or 0.2% of the total Regular Budget for 2021, as requested by the Board of Governors and documented in GOV/2019/25, para. 12.

Travel policy and rationalization of travel

4. The travel related cost savings and efficiencies of €1.5 million comprise:

- €0.3 million from the holistic review of, and adjustments made to, the travel policy and procedure; and
- €1.2 million from the rationalization of travel.

Travel policy

5. A holistic review of travel was conducted with the goal of identifying the potential for efficiencies and cost savings. Travel patterns were analysed, and alignment to UN system organizations’ best practices were also considered.

6. Both policy and procedure were changed to reflect:

- Increasing the threshold for business class travel from flights longer than seven hours to flights longer than nine hours for staff members at or below the D-2 level;
- Eliminating the business class entitlement for short haul flights (less than four hours) for staff members at the DDG level;
- Eliminating higher daily subsistence allowance entitlements for staff members at or above the D-1 level;
- Strengthening accountability for managing travel and related expenditures, including implementing tools to facilitate periodic monitoring.

Travel rationalization

7. The Secretariat has also reduced the proposed travel budget in absolute terms for 2021 compared with 2019 through the rationalization of the number and length of trips as well as the number of staff travelling to attend events.

¹ See document GOV/2018/30, para. 11.

Examples include:

- Combining meetings and hosting counterparts at the Agency's Headquarters;
- Rationalizing the number of staff travelling to the same event or mission without negatively affecting the delivery of mandated activities;
- Increasing the use of web and video conferencing for technical meetings, workshops and training activities;
- Optimizing the number of duty travel missions, team size or duration of expert missions and maximising use of video conferencing, home based assignments, self-study packages and grouping of expert missions.

Other cost savings and efficiencies

8. The following cost savings and efficiencies of €5.2 million have been identified in areas other than travel.

HR costs and consultancy

9. Streamlining and automation of business processes, including through AIPS, allowing for the redistribution of tasks and downgrading or reduction of a number of staff positions.

10. Optimization of consultancy costs through extensive use of web and video conferencing for consultancy meetings, as well as reducing reliance on consultants through greater use of internal expertise.

Examples include:

- Combining missions, for example for preparing self-evaluation reports and main review missions into one back to back mission to reduce costs relating to staff and external experts;
- More effective use of consultants as senior instructors, for example in the Nuclear Energy Management and Nuclear Knowledge Management School programmes, resulting in the reduction of the internal costs to support these schools;

- Development of the Nuclear Knowledge Management Digital Hub, resulting in reduced reliance on consultants;
- Mobilizing cost free expert services from non-traditional partners;
- Increased utilization of in-house expertise, for example to accelerate the drafting process of safety standards documents;
- Improved management of consultancy work through enhanced interaction using web conference and home based assignments, and through regional experts and partnerships with other organizations;
- Competitive procurement of IT consulting services at a rate lower than previously available.

Meetings, events and training

11. Optimized planning, where possible, of technical and consultancy meetings, resulting in reduced duration of events.

12. Combining of Agency meetings with non-Agency meetings to allow for participation of those experts attending the non-Agency meeting.

13. Enhanced intra- and inter-Departmental coordination, including the organization of joint technical and consultancy meetings, workshops and training on activities relevant to both nuclear energy and nuclear safety and security, such as the development of a tool for planning and decision making on remediation of post-accident sites.

14. Increased use of distance learning tools, based on web and video conferencing for education and training activities.

15. Increased use of online conferencing for meetings and workshops, for example for training on the features of the Unified System for Information Exchange in Incidents and Emergencies and the display of the monitoring data on the International Radiation Monitoring Information System, and Member States using Agency tools for assessment of the situation during a nuclear or radiological emergency.

16. Use of video teleconferences for preparing international exercises as well as to take part in national exercises and to conduct Inter-Agency Committee on Radiological and Nuclear Emergencies meetings.

Printing, distribution and subscriptions

17. Increased use of electronic reporting, including newsletters, instead of hardcopy and DVD distribution.

18. Improved inter-Departmental coordination on new publications.

19. Sharing of subscriptions.

Cost saving measures to absorb the impact of the higher than anticipated increase in the Agency's Professional staff costs

20. In early 2019, the ICSC promulgated an increase in Professional staff costs which resulted in an increase to the Agency's total Regular Budget of 0.8% compared to the estimate in the approved price adjustment for 2019. In response to this, the Secretariat proposed a correction of 0.4% to be included in the price adjustment for both 2020 and 2021. The Board of Governors approved a correction of 0.2% in both 2020 and 2021 and requested the Secretariat to find further cost savings and efficiencies of 0.2% in the 2020 and 2021 budgets.

21. The following cost saving measures, of a temporary nature, will be implemented by the Secretariat in 2021 to absorb 0.2% of the higher than anticipated increase in Professional staff costs, which otherwise would have been included in the 2021 price adjustment. These measures account for additional cost savings of €0.7 million and will be implemented in a way to ensure that the overall Agency's programme for the 2020–2021 biennium will not be negatively impacted.

22. These additional cost savings will be implemented in 2021 through a number of measures, such as:

- Enhanced scrutiny of travel plans;
- Optimization of recruitments, consultancies and the amounts of Research Contracts and Coordinated Research Projects;
- Extended use of virtual meetings and livestreaming of conferences;
- Increased issuance of digital publications instead of printed versions;
- Reduction in general operating expenditure (e.g., communication costs, maintenance of equipment and software), considering operational needs.



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