



**REGIONAL COOPERATIVE AGREEMENT  
INTERNATIONAL ATOMIC ENERGY AGENCY**



**The First Meeting of  
RCA Working Group on Financial Gap Analysis and Resource Mobilization**

*13-16 February 2017  
Room M0E13, M Building  
IAEA Headquarters, Vienna, Austria*

**Report**

**Purpose:**

The main purposes of the meeting were to:

- *conduct a comprehensive financial gap analysis that incorporates an overview of the past/current financial status of the RCA programme;*
- *conduct an assessment of funding needs in order to identify funding gaps;*
- *assess the importance and potential of extra-budgetary contributions from the Government Parties to the RCA programme;*
- *explore and identify strategic directions for increasing and managing extra-budgetary contributions in support of the RCA programme;*
- *explore ways to mobilize national/regional resources such as high quality of technical and logistical support of the Government Parties in implementing RCA projects; and*
- *identify and develop approaches for expanding partnerships.*

**The Gap Analysis**

The Group noted that, under current budgetary conditions and absent extra funding, only four new projects would be able to commence in 2018, with a further two able to commence in 2019. This was despite the fact that nine projects had been through the Project Design process, only one of which was fully externally funded. The Working Group recalled that the report of the 45<sup>th</sup> RCA General Conference Meeting had stated:

The Meeting agreed that NRs would encourage LCCs to review project designs based on the recommendations made by the RCA PAC, with the aim of improving project designs and identifying cost reductions prior to the RCA PDM, 31 October – 4 November 2016.

Savings should be sought with the objective of fully funding six projects to commence in 2018/19. The Meeting suggested that savings could be made through reductions in the number of planning meetings, conducting meetings electronically, or combining planning meetings with technical meetings

However, the October-November 2016 Project Design Meeting had seen little change in project budgets. The Working Group encouraged project designers for future bienniums to look at innovative ways of scheduling and holding meetings in order to achieve savings and allow more projects to go forward. The NRM should consider whether it would be appropriate for the PAC to take such savings into account in making their assessments of project proposals.

Australia had informally advised that in order to address budgetary pressures, the commencement of RAS2016011 could be deferred by one year. Taking that account, the budgetary position for RCA over the coming six years if all nine projects were to proceed was as follows. The table assumes that full extra-budgetary funding for RAS2016015 can be secured; this is not yet the case.

Project Number	Proposed TC Fund Allocation (€) (according to the current design)				
	2018	2019	2020	2021	2022
RAS2016008 Food Authentication, NZE	289 000	51 000	144 900	255 250	#
RAS2016009 Oncology, JPN	258 300	219 450	135 450	235 200	#
RAS2016010 Soils, AUL	213 175	180 100	15 750	120 750	#
RAS2016011 Coastal & Marine, AUL	-	171 150	86 150	211 150	105 000
RAS2016014 NDT/E, MAL	147 000	189 000	178 500	162 750	#
RAS2016015 Radiotracers, PAK	<i>F/a</i>	<i>F/a</i>	<i>F/a</i>	<i>F/a</i>	#
RAS2016023 Non-communicable diseases, ROK	107 150	176 400	76 650	176 400	#
RAS2016025 Medical Physics, AUL	152 700	176 950	128 500	139 150	#
RAS2016067 RCA Management, ROK	<i>F/a</i>	<i>F/a</i>	#	#	#

<b>Sum</b>	<b>1,167,325</b>	<b>1,164,050</b>	<b>765,900</b>	<b>1,300,650</b>	<b>105,000</b>
<b>Projects carried over from earlier cycles</b>	<b>790,000</b>	<b>684,000</b>	<b>388,000</b>	<b>0</b>	<b>0</b>
<b>TCF Funding</b>	<b>1,650,000</b>	<b>1,650,000</b>	<b>1,650,000</b>	<b>1,650,000</b>	<b>1,650,000</b>
<b>Difference</b>	<b>-307,275</b>	<b>-198,050</b>	<b>496,100</b>	<b>349,350</b>	<b>1,545,000</b>

Given the high quality of the project designs and the needs of the region (which included 22 Government Parties of varying levels of development, a large proportion of the global population and dynamic economic growth), the Working Group requested that the IAEA Secretariat provide sufficient funding to allow all project proposals to proceed in 2018-19.

If it is not possible to provide further funding from the TCF, in order to bring the program into a rough approximation with available funds only the six highest-ranked technical projects (plus the fully funded Management Project) could commence in 2018-19. But two of those technical projects (ranked 5 and 6) could only commence in 2019.

<b>Project Number</b>	<b>Proposed TC Fund Allocation (€) (according to the current design)</b>				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
RAS2016008 Food Authentication, NZE	289 000	51 000	144 900	255 250	#
RAS2016009 Oncology, JPN	258 300	219 450	135 450	235 200	#
RAS2016010 Soils, AUL	213 175	180 100	15 750	120 750	#
RAS2016011 Coastal & Marine, AUL	-	171 150	86 150	211 150	105 000
RAS2016023 Non-communicable diseases, ROK	-	107 150	176 400	76 650	176 400
RAS2016025 Medical Physics, AUL	152 700	176 950	128 500	139 150	#

<i>RAS2016067</i> <i>RCA Management, ROK</i>	<i>F/a</i>	<i>F/a</i>	<i>#</i>	<i>#</i>	<i>#</i>
<b>Sum</b>	<b>913,175</b>	<b>905,800</b>	<b>687,150</b>	<b>1,038,150</b>	<b>281,400</b>
<b>Projects carried over from earlier cycles</b>	<b>790,000</b>	<b>684,000</b>	<b>388,000</b>	<b>0</b>	<b>0</b>
<b>TCF Funding</b>	<b>1,650,000</b>	<b>1,650,000</b>	<b>1,650,000</b>	<b>1,650,000</b>	<b>1,650,000</b>
<b><i>Difference</i></b>	<b><i>53,175</i></b>	<b><i>60,200</i></b>	<b><i>574,850</i></b>	<b><i>611,850</i></b>	<b><i>1,368,600</i></b>

Beyond that, only three or four new projects could commence in 2020-21, given the commitment of TCF funds to projects which would still be on-going as at that biennium. The Working Group recommended that the NRM should consider ways in which to limit the number of project proposals – a repetition of the 53 first round concept proposals and 36 second round concept proposals for 2018-19 would impose too great a workload on PAC.

Apart from limiting the ability of the RCA to respond to the needs of the Government Parties, this raises issues as to how to balance the thematic sectors identified in the Medium Term Strategy – or whether there is still a need for such a balance. The NRM should consider this issue.

### **Filling the Gap**

#### *Extra-budgetary funding from Government Parties*

It was noted that the time required for domestic budgetary processes made it unlikely that RCA Government Parties would be able to secure additional funds to support projects slated for commencement in 2018/19. However, it was possible that extrabudgetary funds already identified for the TCF under the PUI by some Government Parties could be earmarked for RCA purposes. In that connection, it was noted that there is currently money in the TC Reserve Fund which has been contributed by RCA Government Parties but which has not been tagged for particular projects and therefore cannot be spent.

#### *A Regional Fund?*

The Working Group was advised that the African Regional Cooperative Agreement for Research, Development and Training Related to Nuclear Science and Technology (AFRA) had instituted the AFRA Fund for the purposes of raising funds for supporting the implementation of the AFRA

projects and to be used as a vehicle for collecting the voluntary contributions of donors and AFRA Member States. The Fund, which had been created at a Ministerial-Level meeting, uses the same rate of apportionment as devised for the IAEA, but adjusted for the membership of AFRA. All AFRA members paid their contributions in full and on time. This demonstration of AFRA Government Parties' commitment to the AFRA program had succeeded in encouraging external donors to contribute to AFRA project costs – so much so that the IAEA only pays around 75% of AFRA costs, with other external donors contributing more than the AFRA Government Parties. The Fund was connected to a group of African Ambassadors to the IAEA, who worked together to seek external donations to the Fund.

The Working Group recommended that National Representatives consider the feasibility of the institution of such a fund in the region, and if so how it might best be launched. In that connection, it noted that the AFRA Fund had been launched at a ministerial-level meeting in the region, giving the national commitments to contribute to the fund a political imprimatur.

However, they noted that institution of such a fund would not solve the immediate budgetary challenges for the 2018/19 biennium.

#### *In-kind Contributions from Government Parties*

It was noted that project costs could be defrayed if Government Parties were to take on tasks like sample analysis for particular projects without charge or at a reduced rate. At least three of the project proposals for 2018-19 include such analysis. This could constitute a contribution to TCDC.

#### *Extra-budgetary funding from External Donors*

The Group noted that a number of RCA projects would likely prove attractive for external donors – including multilateral bodies, large PUI donors, private companies and charitable foundations. For example, RAS2016008, the proposed project on food authentication, could be attractive to international organisations such as the Food & Agriculture Organisation (FAO), to national governments of Government Parties which were major food exporters, and to food exporting businesses in the private sector. However, the question was how to best identify and mobilise such potential funding.

The current high quality of project designs would be an important element in seeking funding from the external donors. However, Agency experience was that small projects such as those conducted under the RCA had difficulties in attracting the attention of major donors. For that reason, the Agency is gradually moving non-Agreement regional projects towards a smaller number of large (or “flagship”) projects. National Representatives should watch developments in that regard, with a view to considering whether the RCA should adopt a similar approach.

An overview of the responses of the LCCs to the questionnaire on extra-budgetary funding by the RCA PAC Chair showed that LCCs were in most cases probably not best-placed to identify potential sources of extra-budgetary funding or to pursue such funding, as many work in institutions which do not view the advancement of nuclear science and technology, or aid funding, as an important part of their mission.

The presentations given to the Working Group by the Section Heads of the Strategy and Partnership Section, Division of Programme Support and Coordination and of the Resource Mobilization Section, Division of Programme of Action for Cancer Therapy demonstrated that in recent years the IAEA Secretariat has developed processes to identify the alignment of projects with the UN Sustainable Development Goals, to identify prospective partners and external donors and to approach such partners and donors. Given that, the Working Group felt that there was little to be gained by trying to reinvent the wheel in the RCA context – rather, RCA should draw on the expertise in the Technical Cooperation Department. That would not foreclose the possibility of the involvement of LCCs – and indeed NRs - in identifying and even approaching potential donors if that was identified as desirable in a particular case, particularly if the LCC or NR has links into possible sources of extrabudgetary funding within their country. However, they would not normally have the primary responsibility for seeking and securing extrabudgetary funding. Given the importance of this issue, the NRM should consider instituting a mechanism to identify potential donors, with the involvement of RCARO.

#### *Project design and implementation*

The Group noted the importance of considering possibilities of extra-budgetary funding at all stages of project design, with input from the LCC, the NR and the Secretariat as the design process moves forward. In particular, project designers should be advised of the importance of this aspect from the concept stage forward. PAC should be encouraged to provide comment on this aspect; however, a failure to identify extrabudgetary funding should not automatically disqualify an otherwise high-quality proposal from proceeding.

The Group noted that the nature of extra-budgetary funding is such that it may not be possible to accurately predict the quantum of such funding at the project design stage. In such circumstances, a conservative approach should be taken so that the demands on the TCF could be adequately anticipated. Should further extrabudgetary funding become available during the course of the project, the resulting savings could be reallocated to other RCA projects.

### **Recommendations**

#### *For the 39<sup>th</sup> National Representatives Meeting*

- The NRM should consider whether it would be appropriate for the PAC to take such savings into account in making their assessments of project proposals.
- The NRM should request the IAEA Secretariat to provide sufficient funding to allow all nine project proposals to proceed in 2018-19, noting that one is already fully extra-budgetary funded.
- The NRM should consider ways in which to limit the number of project proposals to a reasonable number, taking into account the workload on PAC.
- If a decision has not been taken by that time, the NRM should request the IAEA Secretariat to provide sufficient funding to allow all nine project proposals to proceed in 2018-19, noting that one is already fully extra-budgetary funded.

- The NRM should consider ways in which to limit the number of project proposals to a reasonable number, taking into account the workload on PAC.
- The NRM should consider whether there is still a need to balance the thematic sectors identified in the Medium Term Strategy, given the number of thematic sectors identified in the 2018-23 Medium Term Strategy and the trend towards fewer but larger projects.
- The NRM should consider the feasibility of the institution of an AFRA-style fund in the region. If the creation of such a fund is supported, the NRM should consider whether it would be possible to launch the fund at an existing Ministerial-level forum in the region, and whether it would be desirable to institute an ongoing group of RCA Ambassadors in Vienna to assist in the search for extrabudgetary funding.
- The NRM should decide whether there is a need for the development of an action plan for the implementation of these recommendations; if so, it should decide what body should be charged with the development of the action plan.

*For the IAEA Secretariat*

- The IAEA Secretariat should provide sufficient funding to allow all nine project proposals to proceed in 2018-19, noting that one is already fully extra-budgetary funded.
- The IAEA Secretariat should each consider possibilities of extra-budgetary funding at all stages of project design
- The presentations given to the Working Group meeting by the Secretariat on sources of extra-budgetary funding should be repeated at the 46<sup>th</sup> RCA General Conference Meeting.

*For RCA Government Parties*

- Government Parties that have identified extrabudgetary funds for technical cooperation purposes under the PUI should consider whether some of those funds could be earmarked for RCA purposes.
- Government Parties should consider whether it would be possible for them to undertake tasks like sample analysis for particular projects without charge or at a reduced rate.
- Government Parties should observe the development and implementation of non-Agreement regional “flagship” projects, with a view to future consideration as to whether the RCA should adopt a similar approach.

*For project designers*

- The LCC, the NR and the IAEA Secretariat should each consider possibilities of extra-budgetary funding at all stages of project design. In particular, project designers should be advised of the importance of this aspect from the concept stage forward.
- Project designers for future biennia should look at innovative ways of scheduling and holding meetings in order to achieve savings and allow more projects to go forward.

*For PAC*

- PAC should be encouraged to provide comment on the possibilities of extra-budgetary funding as part of their assessment of project proposals. However, a failure to identify

extrabudgetary funding should not automatically disqualify an otherwise high-quality proposal from proceeding.

DRAFT