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NATO PARLIAMENTARY ASSEMBLY

BUDGET

FOR FINANCIAL YEAR 2005

(in Euros)

adopted by the Plenary Assembly in Venice
50th Annual Session, 16 November 2004

International Secretariat

November 2004

Budget Introduction

The welcome addition of new member countries brings in new contributions to the budget but it also involves some additional costs. I have prepared a budget for 2005 which takes into account these new contributions and expenses, and which will also enable the Assembly to fulfil the specific wishes of the Standing Committee regarding activities and priorities for 2005. The consequence is a budget that would represent an overall increase of 3.71% over 2004. However, because the seven new members will be paying their share of this budget, the contributions of the 19 member countries who funded the 2004 budget would increase by only 1.86% – rather less than the expected rate of inflation for Belgium.

The rise in the different budget chapters is as follows:

In Sessions and Meetings, the February meetings will inevitably entail higher costs than in previous years. Some of this is due to the higher number of participants and some is due to additional expenditure for press relations during the meeting. The costs of the annual session in 2005 are also expected to be higher than those for the 2004 annual session.

The rise in Missions, Seminars and External Relations is due to several factors: the decision to send the Economics and Security Committee to China, the decision to add a meeting for the Mediterranean Special Group in Naples; and the intention to commemorate the 50th anniversary of the NATO PA for which a specific budget article has been created. The specific projects involved in celebrating this anniversary however, will be further discussed in our meetings. I have also included a rise in the committee budgets because with the Assembly's enlarged membership, it is prudent to anticipate that participation in certain visits will increase and in some cases this might well require additional staff participation for the effective support of larger groups.

The chapter for Personnel will increase broadly in line with inflation. Assembly salaries must increase with the Belgian salary index, which is related to inflation. The actual increase projected is slightly higher than that because a realistic figure has been used for recruitment expenditure – usually it has been necessary to supplement this item from the previous year's surplus – and a contribution to staff commuting using public transport is included in the regular budget for the first time.

The rise in Operating costs is in accordance with inflation. Most of the budget articles are not affected due to consistent efforts to cut operating costs and the inclusion of the NAC lunch during the February meetings represents the largest increase.

It should also be noted that a portion of the Assembly's anticipated interest on bank accounts is always allocated to the following year's budget. In the draft 2005 budget, the allocation from the previous year is lower than in the past because interest on bank accounts is very low.

Finally, mention should be made of the practical aspects of incorporating the contributions from the seven new members of the Assembly. NATO has determined their percentage contributions to the civil budget – the key also used by the Assembly. The total contribution of the seven new members has been set at 2.67%, but negotiations on how to adjust the contributions of the other 19 member nations are expected to continue until the end of 2004[1]. In the absence of the new budget "key" and in order to proceed with the preparation of the 2005 budget, I propose an exceptional formula for the division of contributions for the 2005 budget. In line with the NATO civil budget "key" the seven new members will contribute 2.67% to the 2005 budget. The remaining 97.33% - less the contribution from NATO itself and the expected income from interest - will be split among the 19 other members in accordance with the 2004 key.

Naturally, the 2006 budget will be based on the new key for the NATO civil budget.

I believe that this budget will enable the Assembly to meet its political objectives, and respond to the needs of all 26 member countries.

Lothar Ibrügger, MdB, Treasurer

[1] The percentage contributions of the seven new members are shown on page 15 as are 2004 percentage contributions for the then nineteen member nations.

BUDGET FOR 2005

INCOME

	Budget 2004	Budget 2005
Contributions from member countries		
The 19 contributing according to the existing key	3.051.100	3.107.747
The 7 contributing 2,67%		85.253
NATO Subsidy	52.100	53.200
Allocation of income from last financial year *(interest on Investment fund and Assembly term deposit accounts)*	75.000	50.000
	3.178.200	**3.296.200**

EXPENDITURE

	Budget 2004	Budget 2005
CHAPTER 1 - PERSONNEL COSTS	2.173.100	2.238.100
CHAPTER 2 - OPERATING COSTS	368.500	378.000
CHAPTER 3 - SESSIONS	392.000	406.000
CHAPTER 4 - MISSIONS, SEMINARS AND EXTERNAL RELATIONS	244.600	274.100
	3.178.200	**3.296.200**

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
CHAPTER 1 - PERSONNEL COSTS				
Article 1 - Gross Salaries		1.632.000		1.676.000
1.1 Basic salaries	1.182.000		1.235.000	
1.2 Allowances	300.000		310.000	
- Fiscal allowance (income tax)	150.000		131.000	
This article covers salaries proper, as well as allowances (expatriation, head of household, dependent children, education) and the income tax compensation for Belgian employees. *The increase is due to the mandatory allowance for inflation.*				
The grades of the staff are to be found in appendix.				
Article 2 - Additional salary costs		389.000		395.000
2.1 Health insurance	200.000		205.000	
2.2 Provident Fund	189.000		190.000	
This article is for the employer's contribution to the NATO group insurance scheme provided under the law of 14 August 1974 to give staff members of the Assembly insurance coverage for sickness/disability. Two thirds of the premium is paid by the Assembly and one third by the employee.				
The estimate has been made on the basis of a premium of 13 % of the gross salaries.				
The Provident Fund was set up under the law of 14 August 1974 to provide a pension capital reserve for staff members. The Assembly's contribution to this fund is 14% of basic salary.				

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
Article 3 - Recruitment expenses		12.600		17.600
3.1 Travel	1.800		1.800	
3.2 Removals	5.000		10.000	
3.3 Recruitment fees	5.000		5.000	
3.4 Other expenditure (installation costs)	800		800	
This includes standard recruitment costs (advertisements and employment agency charges), travel costs for applicants from abroad, their installation costs in Brussels, and repatriation expenses at the end of their term of employment. Recruitment expenses are difficult to estimate since they depend on unpredictable staff changes. *Each year this budget has had to be augmented by an allocation from the previous year's surplus. The 2005 figure is based on actual expenditure in previous years.*				
Article 4 - Expenditure related to staff		28.000		33.000
4.1 Home leave	4.000		4.000	
4.2 Luncheon vouchers and commuting expenses	20.000		27.000	
4.3 Language courses	4.000		2.000	
This article covers various types of expenditure from which staff benefit, such as luncheon vouchers during a two month period prior to the sessions, a small subsidy for language courses, subsidy for commuting expenses on public transport and travel costs of expatriated staff members going home every two years.				
Article 5 - Temporary staff and consultants		50.000		55.000
This covers costs for temporary staff helping out during peak periods or when staff are on sick leave. Their employment responds to the cyclical nature of the work of the Assembly. Consultants are engaged mainly to provide specialist services such as press and media relations and session conference equipment and services during sessions and other large meetings.				

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
Article 6 - Financial control and advice		0		0
This covers general financial consultations and advice on Belgian employment regulations. *IBAN - The International Board of Auditors of NATO has waived the costs of its audit.*				
Article 7 - Legal advisers		2.500		2.500
For specialized advice on Belgian legislation. *This budget is usually augmented by a provision from the surpluses.*				
Article 8 - Research assistants programme and stagiaires		59.000		59.000
8.1 Travel	6.000		6.000	
8.2 Subsistence Allowance	25.000		25.000	
8.3 Housing	26.000		26.000	
8.4 Miscellaneous	2.000		2.000	
For a number of years, postgraduate students from member and associate nations have been given the opportunity to work at the Assembly's International Secretariat in Brussels and gain valuable work experience. Each year ten to twelve research assistants come to the Assembly for a period of three to six months. The budget for this programme covers transportation and accommodation costs as well as a modest living allowance.				
	TOTAL CHAPTER 1	2.173.100		2.238.100

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
CHAPTER 2 - OPERATING COSTS				
Article 1 - Expenditure on headquarters		57.900		61.200
1.1 General maintenance	15.500		15.800	
1.1.1 Maintenance contracts	8.500		8.670	
1.1.2 General maintenance	4.000		4.080	
1.1.3 Maintenance of office equipment and furniture	1.300		1.300	
1.1.4 Decoration of premises	1.700		1.750	
This article includes electrical work, plumbing and minor repairs to the building; the purchase and upkeep of plants to decorate the interior and exterior façades, and minor internal decoration expenses. It includes repairs to office equipment and a comprehensive maintenance contract for the franking machine.				
It also includes contracts with firms authorized to carry out maintenance of the fixtures (boiler, fire extinguishers, telephone exchange, lift) and official health and safety checks.				
1.2 Utilities	17.400		17.400	
1.2.1 Water	1.300		1.300	
1.2.2 Electricity	11.200		11 200	
1.2.3 Heating	4.900		4.900	
1.3 Cleaning and maintenance of offices	25.000		28.000	
This covers daily office cleaning, including windows, carpets and curtains, and also the purchase of cleaning products.				

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
Article 2 - Insurances		5.400		5.900
2.1 Building and content (fire, theft, flood damage)	2.100		2.100	
2.2 Third party liability	500		500	
2.3 Computer and portable interpretation equipment (fire, theft, flood damage)	1.200		1.500	
2.4 Luggage insurance while on missions	1 100		1.300	
2 5 Freight insurance	500		500	
Article 3 - Contracts concerning security		15.700		15.700
3.1 Surveillance of headquarters	7.700		7.700	
3.2 Security guard service	6.000		6.000	
3.3 Security works, upgrade alarm system	2.000		2.000	
This article covers annual maintenance charges for security equipment already installed at the International Secretariat headquarters, as well as charges for the supervision of the headquarters.				
Article 4 - Postage, facsimile, telephone		35.200		35.200
4.1 Postage	5.400		5.400	
4.2 Special courier services	2.800		2.800	
4.3 Telephone	27.000		27.000	
Article 5 - Administration costs and Office supplies		29.400		29.400
5.1 Office supplies (headquarters and sessions)	16.100		16.100	
5.2 Paper for printers and copiers	7.900		7.900	
5.3 Envelopes for dispatch	2.000		2.000	
5.4 Miscellaneous administrative expenses	3.400		3.400	

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
Article 6 - Small office equipment and furniture		11.500		11.500
6.1 Office equipment	6.500		6.500	
6.2 Replacement of old furniture	5.000		5.000	
Article 7 - Renting and maintenance of photocopiers		36.000		36.000
7.1 Photocopiers	32.000		32.000	
7 2 Copies above rental allowance	4.000		4.000	
Article 8 - Computer equipment		38.700		38.700
8.1 Contracts (Hardware, Software and Internet)	17.500		17.500	
8.2 Purchase Hardware and Software	18.700		18.700	
8.3 Training	2.500		2.500	
Article 9 - Transport		12.600		12.600
9.1 Assembly car	3.400		3.400	
9.2 Local transport Brussels	1.500		1.500	
9.3 Transport to the sessions (equipment and files)	7.700		7.700	
Article 10 - Documents		81.800		83.800
10.1 Publication costs	5.800		5.800	
10.2 Proofreading	12.000		12.000	
10.3 Translation	64.000		66.000	

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
Article 11 - Library		32.000		32.000
11.1 Subscriptions and memberships	23.000		23.000	
11.2 Books and other reference material	3.000		3.000	
11.3 Daily magazines and other periodicals	6.000		6.000	
Article 12 - Representation, hospitality, receptions		12.300		16.000
12.1 Restaurants (Brussels and during missions)	5.000		5.000	
12.2 Refreshments and receptions at headquarters	4.800		6.000	
12.3 Hospitality and memento provided at the International Secretariat	2.500		2.500	
12.4 NATO PA lunch with representatives from the North Atlantic Council	0		2.500	
12.5 Lunch of the Economic Committee at the OECD	0		0	
	TOTAL CHAPTER 2	368.500		378.000

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
CHAPTER 3 - SESSIONS				
(articles include interpretation costs)				
Article 1 - Standing Committee meeting (Reykjavik)		17.000		17.000
1.1 Travel	7.000		7.000	
1.2 Accommodation, per diem and staff expenditure	10.000		10.000	
Article 2 - Spring Session May (Ljubljana)		148.500		142.500
2.1 Travel	35.000		40.000	
2.2 Accommodation, per diem and staff expenditure	100.000		100.000	
2.3 Hospitality expenses for meetings (Bureau meetings and press)	2.500		2.500	
2.4 Provision for the recruitment of Russian Interpreters	11.000		0	
Article 3 - Annual Session November (Copenhagen)		199.500		213.500
3.1 Travel	44.000		44.000	
3.2 Accommodation, per diem and staff expenditure	140.000		150.000	
3.3 Hospitality expenses for meetings (Bureau meetings and press)	2.500		2.500	
3.4 Provision for the recruitment of Russian interpreters	13.000		17.000	
These articles cover the costs of personnel, speakers and interpreters (travel, accommodation, per diem, salaries) and minor hospitality expenses related to the session. A new cost sharing arrangement for Russian interpretation has been agreed between the Treasurer and the Russian delegation. This has reduced the overall cost for the Assembly.				

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
<u>Article 4 - Joint Meeting - Palais d'Egmont (Brussels - February)</u>		10.000		14.000
4.1 Buffet lunch and reception	5.800		5.800	
4.2 Technical costs	1.900		4.000	
4.3 Personnel costs	2.300		2.200	
4.4 Press	0		2.000	
<u>Article 5 - Preparation of future sessions</u>		17.000		19.000
5.1 Spring Sessions	8.000		8.000	
5.2 Annual Sessions	9.000		11.000	
This covers costs allocated in 2005 for preparatory trips for the sessions to be held in France and Canada (2006) and Portugal and Iceland (2007).				
	TOTAL CHAPTER 3	392.000		406.000

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
CHAPTER 4 - MISSIONS, SEMINARS & EXTERNAL RELATIONS				
A - Missions related to Committee Directors (including attendance at conferences and seminars)				
These budgets cover the costs incurred by each Director in carrying out Committee activities such as contacts with Rapporteurs (discussion of the reports), Sub-Committee fact-finding missions (travel, accommodation, per diem allowances) and participation in seminars of special relevance to Committee work. *These figures are based on the projected activities of the committees and include an increase to provide extra staff support for meetings where participation is expected to be greater than in previous years due to the enlargement of the Assembly.*				
Article 1 - Committee on the Civil Dimension of Security		15.000		15.500
Article 2 - Defence and Security Committee		17.500		18.000
Article 3 - Economics and Security Committee		15.000		20.500
Article 4 - Political Committee		17.500		18.000
Article 5 - Science and Technology Committee		11.500		12.000
Article 6 - Annual Study Visit		4.500		4.500
To allow one assistant to accompany the visit.				

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
B - Activities with associate and Non-member countries				
Article 7 - Rose-Roth programme and outreach programme		25.000		25.000
7.1 Rose-Roth programme	10.000		10.000	
7.2 Parliamentary Staff Training	2.500		2.500	
7.3 New Parliamentarians Programme	5.000		5.000	
This item is used for: the costs incurred by the International Secretariat in the organisation of and participation in seminars and the parliamentary staff training programmes under the Rose-Roth Programme; the costs of participation of those associate delegations not covered by other funding; the costs of speakers and additional staff. This is a difficult item to calculate in advance because the costs of seminars vary depending on the contributions of host countries.				
7.4 Russian programme and Ukraine	5.000		5.000	
To enhance relations between the NATO PA and the Russian and Ukrainian parliaments.				
7.5 Co-ordinator for Central and Eastern Europe activities.	2.500		2.500	
This article is usually augmented by provisions from the surpluses.				
Article 8 - Mediterranean Special Group		10.000		17.000
Includes Secretariat and mission costs involved in organizing the work of the Mediterranean Special Group under the responsibility of the Director of the Committee on the Civil Dimension of Security. Covers also the costs of the speakers attending the seminar. An extra annual meeting has been added to the Mediterranean Special Group's programme.				

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
Article 9 - Transatlantic seminar		15.000		15.000
This is a new item as agreed by the Standing Committee at its meeting in Paris in April 2003 to enable the Assembly to hold a Transatlantic Parliamentary Forum. Previous seminars were funded through budgetary surpluses.				
C - Interpretation costs related to A and B				
Article 10 - Interpretation costs for all meetings		70.000		70.000
10.1 Interpretation Committees	30.000		30.000	
10.2 Interpretation Annual Study Visit	4.000		4.000	
10.3 Interpretation Rose-Roth	24.000		24.000	
10.4 Interpretation Mediterranean Special Group and transatlantic seminar	5.000		5.000	
10.5 Interpretation Bureau meeting	1.000		1.000	
10.6 Interpretation Russian and Ukrainian Monitoring	6.000		6.000	
This item covers interpretation costs in the two official languages at meetings of the Assembly, and Russian at Rose-Roth seminars and joint monitoring groups				
D - Missions of the officers of the Assembly				
Article 11 - President		2.500		2.500
Article 12 - Treasurer		0		0
The Bundestag covers the expenses of the Treasurer.				
Article 13 - Secretary General		25.500		25.500
Includes additional expenditure for the mission expenses of the Secretary General on presidential visits.				

	BUDGET 2004		BUDGET 2005	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
Article 14 - Deputy Secretary General		15.600		15.600
Covers the missions of the Deputy Secretary General and where appropriate the Deputy for Policy Co-ordination				
Article 15 - NATO PA 50TH ANNIVERSARY		0		15.000
	TOTAL CHAPTER 4	244.600		274.100
	TOTAL BUDGET 04	3.178.200	TOTAL BUDGET 05	3.296.200

BUDGET OF THE NATO PARLIAMENTARY ASSEMBLY FOR FINANCIAL YEAR 2005

CONTRIBUTIONS FROM MEMBER COUNTRIES

Member countries	Current key %	Contribution
Belgium	2,76%	85.774
Canada	5,35%	166.264
Czech Republic	0,90%	27.970
Denmark	1,47%	45.684
France	15,35%	477.039
Germany	15,54%	482.944
Greece	0,38%	11.809
Hungary	0,65%	20.200
Iceland	0,05%	1.555
Italy	5,75%	178.695
Luxembourg	0,08%	2.487
Netherlands	2,75%	85.463
Norway	1,11%	34.496
Poland	2,48%	77.072
Portugal	0,63%	19.579
Spain	3,50%	108.771
Turkey	1,59%	49.413
United Kingdom	17,25%	536.086
United States	22,41%	696.446
		3.107.747

New Member countries	2005 key %	Contribution
Bulgaria	0,35%	11.176
Estonia	0,11%	3.512
Latvia	0,14%	4.470
Lithuania	0,21%	6.705
Romania	1,14%	36.400
Slovakia	0,46%	14.688
Slovenia	0,26%	8.302
	2,67%	85.253

NATO PARLIAMENTARY ASSEMBLY STAFF GRADES

Number of staff and grades as from October 2004

Support staff		Management staff		Policy staff	
S30		M30		P30	
S29		M29		P29	
S28		M28		P28	1
S27		M27		P27	
S26		M26	1	P26	
S25		M25		P25	
S24		M24	1	P24	
S23	1	M23		P23	
S22		M22		P22	
S21	1	M21	1	P21	
S20	1	M20		P20	
S19		M19		P19	
S18	1	M18		P18	
S17	2	M17	1	P17	
S16	2	M16		P16	
S15		M15		P15	
S14		M14		P14	
S13		M13		P13	1
S12	1	M12	1	P12	
S11	1	M11		P11	
S10		M10		P10	1
S9		M9		P9	
S8	1	M8		P8	1
S7	4	M7		P7	2
S6		M6		P6	
S5		M5		P5	
S4	1	M4		P4	
S3		M3		P3	1
S2		M2		P2	
S1		M1		P1	
Total	16	Total	5	Total	7
Grand total		28			