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NATO PARLIAMENTARY ASSEMBLY

DRAFT BUDGET

FOR FINANCIAL YEAR 2006

For approval by the Standing Committee

International Secretariat

October 2005

Budget introduction

The budget for the year 2006 will be the first Assembly budget to be divided among the now 26 members according to the new NATO civil budget key. However in my budget introduction of last June, I announced that the key used in the budget and adopted by NATO only last year could still be changed as negotiations were still proceeding.

Over the summer the NATO Council agreed upon a new budget key and agreed to make adjustments to better reflect the gross national product of each member country. Further adjustments will be phased in over a 10-year period.

This brings me to the contribution table attached to the 2006 draft budget. This table reflects the new key adopted over the summer, which will be valid for 2006 and 2007. The overall increase in national contributions is only 1.44%, compared to a total budget increase of 1.9%. These are very reasonable increases. However, the percentage increases for each individual contribution vary widely. This is partly due to the change in key adopted over the summer and explained in document 182 SC 05. The variation also occurs because the budget is now divided among the 26 members, as last year the contribution key was implemented differently in two separate groups: the 19 member nations and the seven new members. The implementation of the new budget key results in the uneven changes in member nations' contributions and comparisons with former contributions are effectively obsolete.

I have made great efforts to minimize increases or even diminish certain budget articles (mostly in the operating costs). Even so, the cost of the session chapter is higher (both Paris and Quebec are more expensive than the locations for the equivalent sessions in 2005) and I have called upon the provision for transatlantic sessions. The budget for the year 2006 reflects the actual planning of all Assembly activities - as far as is possible a year ahead - consistent with the Standing Committee's priorities.

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.

I believe that this budget will enable the Assembly to meet its political objectives, and respond to the needs of all 26 member countries. This would not be the case with a smaller budget. The simple fact is that the Assembly maintains an extraordinary and ever increasing level of activity for its size and budget. I would stress for those nations facing increases in their national contributions above the level of inflation that in absolute terms the sums involved are relatively modest, and the Assembly gives extremely good value for taxpayers' money.

Lothar Ibrügger, MdB, Treasurer

BUDGET FOR 2006

INCOME

	Budget 2005	Budget 2006
Contributions from member countries The 26 contributing according to the new key	3,193,000	3,238,850
NATO Subsidy	53,200	54,300
Allocation of income from last financial year *(interest on Investment fund and Assembly term deposit accounts)*	50,000	40,000
Provision for transatlantic sessions *(to finance the additional costs for the annual session)*	0	25,000
	3,296,200	**3,358,150**

EXPENDITURE

	Budget 2005	Budget 2006
CHAPTER 1 - PERSONNEL COSTS	2,238,100	2,313,100
CHAPTER 2 - OPERATING COSTS	378,000	360,950
CHAPTER 3 - SESSIONS	406,000	427,500
CHAPTER 4 - MISSIONS, SEMINARS AND EXTERNAL RELATIONS	274,100	256,600
	3,296,200	**3,358,150**

	BUDGET 2005		BUDGET 2006	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
CHAPTER 1 - PERSONNEL COSTS				
Article 1 - Gross Salaries		1,676,000		1,745,000
1.1 Basic salaries	1,235,000		1,300,000	
1.2 Allowances	310,000		320,000	
- Fiscal allowance (income tax)	131,000		125,000	
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 and the additional Science and Technology director.*				
The grades of the staff are to be found on page 15.				
Article 2 - Additional salary costs		395,000		413,000
2.1 Health insurance	205,000		213,000	
2.2 Provident Fund	190,000		200,000	
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 2005		BUDGET 2006	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
Article 3 - Recruitment expenses		17,600		17,600
3.1 Travel	1,800		1,800	
3.2 Removals	10,000		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.*				
Article 4 - Expenditure related to staff		33,000		33,000
4.1 Home leave	4,000		4,000	
4.2 Luncheon vouchers and commuting expenses	27,000		27,000	
4.3 Language and training courses	2,000		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		55,000		40,000
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 2005		BUDGET 2006	
	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		62,000
8.1 Travel	6,000		6,000	
8.2 Subsistence Allowance	25,000		28,000	
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.				
		2,238,100		2,313,100

	BUDGET 2005			BUDGET 2006		
	ITEMS WITHIN ARTICLE		TOTAL ARTICLE	ITEMS WITHIN ARTICLE		TOTAL ARTICLE
CHAPTER 2 - OPERATING COSTS						
Article 1 - Expenditure on headquarters			61,200			59,650
1.1 General maintenance		15,800			16,150	
1.1.1 Maintenance contracts	8,670			8,900		
1.1.2 General maintenance	4,080			4,200		
1.1.3 Maintenance of office equipment and furniture	1,300			1,300		
1.1.4 Decoration of premises	1,750			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			15,500	
1.2.1 Water	1,300			1,000		
1.2.2 Electricity	11,200			10,000		
1.2.3 Heating	4,900			4,500		
1.3 Cleaning and maintenance of offices		28,000			28,000	
This covers daily office cleaning, including windows, carpets and curtains, and also the purchase of cleaning products.						
Article 2 - Insurances			5,900			6,700
2.1 Building and content (fire, theft, flood damage)		2,100			2,000	
2.2 Third party liability		500			700	
2.3 Computer and portable interpretation equipment (fire, theft, flood damage)		1,500			1,500	
2.4 Luggage insurance while on missions		1,300			2,000	
2.5 Freight insurance		500			500	

	BUDGET 2005		BUDGET 2006	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
Article 3 - Contracts concerning security		15,700		12,000
3.1 Surveillance of headquarters	7,700		3,000	
3.2 Security guard service	6,000		7,000	
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		28,700
4.1 Postage	5,400		2,500	
4.2 Special courier services	2,800		1,200	
4.3 Telephone	27,000		25,000	
Article 5 - Administration costs and Office supplies		29,400		28,000
5.1 Office supplies (headquarters and sessions)	16,100		16,100	
5.2 Paper for printers and copiers	7,900		7,500	
5.3 Envelopes for dispatch	2,000		1,000	
5.4 Miscellaneous administrative expenses	3,400		3,400	
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	

	BUDGET 2005		BUDGET 2006	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
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		12,900
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		8,000	
Article 10 - Documents		83,800		83,800
10.1 Publication costs	5,800		5,800	
10.2 Proofreading	12,000		12,000	
10.3 Translation	66,000		66,000	
Article 11 - Library		32,000		27,000
11.1 Subscriptions and memberships	23,000		20,000	
11.2 Books and other reference material	3,000		2,000	
11.3 Daily magazines and other periodicals	6,000		5,000	
Article 12 - Representation, hospitality, receptions		16,000		16,000
12.1 Restaurants (Brussels and during missions)	5,000		5,000	
12.2 Refreshments and receptions at headquarters	6,000		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	2,500		0	
12.5 Lunch of the Economic Committee at the OECD	0		2,500	
		378,000		360,950

	BUDGET 2005		BUDGET 2006	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
CHAPTER 3 - SESSIONS				
(articles include interpretation costs)				
Article 1 - Standing Committee meeting (Poland)		17,000		15,000
1.1 Travel	7,000		6,000	
1.2 Accommodation, per diem and staff expenditure	10,000		9,000	
Article 2 - Spring Session May (Paris)		142,500		154,500
2.1 Travel	40,000		28,000	
2.2 Accommodation, per diem and staff expenditure	100,000		124,000	
2.3 Hospitality expenses for meetings (Bureau meetings and press)	2,500		2,500	
2.4 Provision for the recruitment of Russian interpreters	0		0	
Article 3 - Annual Session November (Quebec)		213,500		224,000
3.1 Travel	44,000		60,000	
3.2 Accommodation, per diem and staff expenditure	150,000		145,000	
3.3 Hospitality expenses for meetings (Bureau meetings and press)	2,500		5,000	
3.4 Provision for the recruitment of Russian interpreters	17,000		14,000	
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 2005		BUDGET 2006	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
Article 4 - Joint Meeting - Palais d'Egmont (Brussels - February)		14,000		15,000
4.1 Buffet lunch and reception	5,800		6,000	
4.2 Technical costs	4,000		4,000	
4.3 Personnel costs	2,200		2,500	
4.4 Press	2,000		2,500	
Article 5 - Preparation of future sessions		19,000		19,000
5.1 Spring Sessions	8,000		8,000	
5.2 Annual Sessions	11,000		11,000	
This covers costs allocated in 2006 for preparatory trips for the sessions to be held in Portugal and Iceland (2007) and Germany (2008).				
		406,000		427,500

	BUDGET 2005		BUDGET 2006	
	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 extra staff support for meetings where participation is expected to be high.*				
Article 1 - Committee on the Civil Dimension of Security		15,500		15,500
Article 2 - Defence and Security Committee		18,000		18,000
Article 3 - Economics and Security Committee		20,500		18,000
Article 4 - Political Committee		18,000		18,000
Article 5 - Science and Technology Committee		12,000		12,000
Article 6 - Annual Study Visit		4,500		4,500

	BUDGET 2005		BUDGET 2006	
	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		17,000		17,000
Includes Secretariat and mission costs involved in organizing the work of the Mediterranean Special Group. Covers also the costs of speakers attending the seminar.				
Article 9 - Transatlantic seminar		15,000		15,000
This is an item agreed by the Standing Committee to enable the Assembly to hold a Transatlantic Parliamentary Forum.				

	BUDGET 2005		BUDGET 2006	
	ITEMS WITHIN ARTICLE	TOTAL ARTICLE	ITEMS WITHIN ARTICLE	TOTAL ARTICLE
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 2005		BUDGET 2006	
	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		15,000		0
		274,100		256,600
	TOTAL BUDGET 05	3,296,200	TOTAL BUDGET 06	3,358,150

BUDGET OF THE NATO PARLIAMENTARY ASSEMBLY FOR FINANCIAL YEAR 2006

CONTRIBUTIONS FROM MEMBER COUNTRIES

Member countries	New key %	Contribution 2006
Belgium	2.4947%	80,800
Bulgaria	0.3400%	11,012
Canada	5.6000%	181,376
Czech Republic	0.8870%	28,729
Denmark	1.3682%	44,314
Estonia	0.1070%	3,466
France	13.7505%	445,358
Germany	15.5075%	502,265
Greece	0.5000%	16,194
Hungary	0.6500%	21,053
Iceland	0.0550%	1,782
Italy	6.5000%	210,525
Latvia	0.1371%	4,440
Lithuania	0.2068%	6,698
Luxembourg	0.1000%	3,239
Netherlands	3.0000%	97,166
Norway	1.2000%	38,866
Poland	2.4449%	79,187
Portugal	0.7000%	22,672
Romania	1.0934%	35,414
Slovakia	0.4466%	14,465
Slovenia	0.2551%	8,262
Spain	4.0000%	129,554
Turkey	1.8000%	58,299
United Kingdom	15.0461%	487,321
United States	21.8100%	706,393
		3,238,850

NATO PARLIAMENTARY ASSEMBLY STAFF GRADES

Number of staff and grades as from May 2005

Support staff		Management staff		Policy staff	
S30		M30		P30	
S29		M29		P29	
S28		M28		P28	1
S27		M27	1	P27	
S26		M26		P26	
S25		M25		P25	
S24		M24	1	P24	
S23	1	M23		P23	
S22	1	M22		P22	
S21		M21	1	P21	
S20	1	M20		P20	
S19	1	M19		P19	
S18	2	M18		P18	
S17	1	M17	1	P17	
S16	3	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	3	M9		P9	
S8		M8		P8	
S7	2	M7		P7	2
S6		M6		P6	
S5		M5		P5	
S4		M4		P4	
S3		M3		P3	1
S2		M2		P2	
S1		M1		P1	1
Total	17	Total	5	Total	7
Grand total		29			