

THE
AGENCY'S ACCOUNTS
FOR 1998



INTERNATIONAL ATOMIC ENERGY AGENCY

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INTERNATIONAL ATOMIC ENERGY AGENCY

REPORT BY THE BOARD OF GOVERNORS

1. In accordance with Financial Regulation 11.03(b) [1], the Board of Governors hereby transmits to the Members of the Agency the report of the External Auditor on the Agency's accounts for 1998.

2. The Board has examined the report by the External Auditor and the introduction by the Director General to the accounts, and also the accounts themselves, and submits the following draft resolution for the consideration of the General Conference.

The General Conference,

Having regard to Financial Regulation 11.03(b),

Takes note of the report of the External Auditor on the Agency's accounts for the year 1998 and of the report of the Board of Governors thereon [*].

[*] GC(43)/5

[1] INFCIRC/8/Rev.2

Forty-third regular session

THE AGENCY'S ACCOUNTS FOR 1998

CONTENTS

	<u>Page</u>
Table of contents	III
Introduction to the Agency's Accounts for 1998 and Financial Highlights	1
Statement of the Director General's responsibilities and confirmation of the accounts with the financial regulations of the International Atomic Energy Agency as at 31 December 1998	3
Part I - Audit opinion	7
- Report of the External Auditor on the audit of the accounts of the International Atomic Energy Agency for the year ended 31 December 1998	9
Part II - Statements	
I Statement of income and expenditure and changes in reserves and fund balances for the period ending 31 December 1998	39
II Statement of assets, liabilities, reserves and fund balances as at 31 December 1998	41
III Statement of cash flow for the period ending 31 December 1998	43
IV Statement of regular budget appropriations for the period ending 31 December 1998	44
Part III - Schedules	
S1 Regular Budget Fund - Status of contributions as at 31 December 1998	46
S2 Working Capital Fund - Status as at 31 December 1998	50
S3 Working Capital Fund - Status of advances as at 31 December 1998	51
S4 Regular Budget Fund - Status of budgetary surplus and cash surpluses as at 31 December 1998	54

	<u>Page</u>
S5 Regular Budget Fund -	
I. Shares of Member States in the 1997 cash surplus	55
II. Status of other cash surpluses withheld pending receipt of contributions as at 31 December 1998	57
S6 Regular Budget Fund - Summary by item of expenditure	58
S7 All Funds - Summary of expenditure by major category and fund group	59
S8 Technical Co-operation Fund - Status of voluntary contributions as at 31 December 1998	60
S9 Technical Co-operation Programme - Status of assessed programme costs as at 31 December 1998	64
S10 Current accounts at banks as at 31 December 1998	67
S11 Deposit accounts at banks as at 31 December 1998	68
S12 Cash in hand, current and deposit accounts at banks by fund group and funds as at 31 December 1998	70
Part IV - Notes to the financial statements	71
Part V - Annexes	
A1 Regular Budget Fund - Estimated and actual resources for the year ended 31 December 1998	84
A2 Technical Co-operation Fund - Estimated and actual resources in the year ended 31 December 1998	85
A3 Resources made available to the Agency -	
a By Member States for 1998 including contributions in cash and in kind	86
b By United Nations and other International Organizations for 1998 including contributions in cash and in kind	90

INTRODUCTION TO THE AGENCY'S ACCOUNTS FOR 1998 AND FINANCIAL HIGHLIGHTS

1. I present herewith the Agency's accounts for the year ended 31 December 1998. Part I contains the External Auditor's report to the Board of Governors on the audit of the accounts. Parts II and III contain the Agency's accounts, comprising Statements I to IV and Schedules S1 to S12, respectively. Part IV, entitled "Notes to the financial statements", describes the purpose and financing of the Funds and the authority under which they are administered, and the significant accounting policies applied by the Secretariat in preparing the statements and schedules. The notes offer additional information on significant items and events which could have a bearing on the financial position of the Agency, or on funds in its possession or under its control. The Annex (Part V) presents information which under the current United Nations system accounting standards no longer has the status of a financial statement, schedule or note, but is considered useful for Member States.

Significant changes

2. There are no significant changes in presentation and format this year except for the introduction of additional information in Schedule S1 (Status of Contributions to the Regular Budget Fund) on prior years' contributions. A new column shows payments received and credits applied in the current year. In Schedule S8 (Status of Contributions to the Technical Co-operation Fund) similar information was added to show the 1 January status of unpaid prior years' contributions and payments received against them in the current year.

3. The General Fund has two new accounts under the Technical Co-operation Extrabudgetary Fund (Fund group IV).

Sri Lanka - to administer contributions in support of the Regional Co-operation Agreement project on clean drinking water and energy efficient industrial process.

Czech Republic - to administer contributions in support of footnote a/ project UKR/4/004 "Upgrading WWER reactor pressure vessel inspection capacity".

Financial Highlights

General

4. As of the end of 1998, the Agency's total Agency cash holdings in all fund groups amounted to \$125.4 million (1997: \$138.5 million).

5. The United Nations rate of exchange of the Austrian schilling versus the United States (US) dollar decreased from 12.50 in January to 11.90 in December 1998, with an annual average of 12.40. This resulted in gains on exchange in US dollar terms which are shown under the provision for revaluation of cash as reflected in the balance sheet on Statement II for the Regular Budget.

Fund Group I. Regular Budget Fund and Working Capital Fund

6. Appropriations originally approved in the amount of \$221.4 million at the rate of 12.70 Austrian schillings to the US dollar were recalculated at \$226.0 million using the average rate of exchange of 12.40 Austrian schillings, in accordance with Resolution GC(41)RES/6.

7. Cash for the Regular Budget Fund, including the Working Capital Fund (WCF), decreased from \$65.0 million in 1997 to \$51.8 million in 1998. This decrease is due in part to the return of cash surpluses to the Member States. As \$56.7 million of the 1998 contributions were received only in December, it was necessary to temporarily utilize \$15.9 million from the Working Capital Fund.

8. The cash surplus for 1997 amounted to \$8.7 million as compared with \$19.1 million for 1996. This reflects lower collections of prior years' arrears as well as reduced savings on prior years' obligations. Member States' individual shares in this surplus are shown in Schedule S5.

9. The 1998 budgetary surplus of \$3.9 million (1997: \$1.1 million) consists of the following:

	<u>Millions of US dollars</u>	
	<u>1998</u>	<u>1997</u>
Unused balance of appropriations (Statement IV)	0.6	1.3
Surplus/(deficit) of actual resources over adjusted estimates (Annex 1)	3.1	(0.5)
Contributions assessed on new Member States (Schedule S1)	<u>0.2</u>	<u>0.3</u>
Budgetary surplus (Statement I)	<u>3.9</u>	<u>1.1</u>

The increase in the budgetary surplus is the result of higher interest income of \$5.6 million (1997: \$4.1 million) and lower loss on exchange of \$1.1 million (1997: \$3.8 million) due to the strengthening of the Austrian schilling against the US dollar in the last quarter of 1998.

Fund Group II. General Fund - Technical Co-operation Fund

10. The Fund's resources improved with total pledges amounting to \$53.4 million (1997: \$47.8 million) against a target of \$71.5 million (1997: \$68.0 million). Cash held was higher than last year, with \$ 32.6 million (1997: \$30.9 million). A significant part of this cash is held in difficult to use currencies.

Other Fund groups

11. The financial situation of Fund groups III, IV, V and VI is satisfactory. Their resources are based on extrabudgetary contributions from Member States or Member State institutions received before the respective activities are undertaken, or funding agreements with United Nations or other international organizations and agreements with contributors.

(signed) MOHAMED ELBARADEI
Director General

**STATEMENT OF THE DIRECTOR GENERAL'S RESPONSIBILITIES
AND
CONFIRMATION OF THE ACCOUNTS WITH THE FINANCIAL REGULATIONS
OF THE INTERNATIONAL ATOMIC ENERGY AGENCY
AS AT 31 DECEMBER 1998**

The Director General's Responsibilities

The Director General is required by the Financial Regulations to maintain such accounting records as are necessary with due regard to the United Nations system accounting standards and to prepare annual accounts showing the income and expenditure of all the International Atomic Energy Agency's Funds during the financial year and their respective financial positions at the end of the year and the status of Regular Budget appropriations of the Agency. He is also required to give such other financial information as the Board may require or as he may deem necessary or useful.

To lay the foundations for the financial statements, the Director General is responsible for establishing detailed Financial Rules and procedures to ensure effective financial administration, the exercise of economy, and the effective custody of the Agency's assets. The Director General is also required to maintain an internal financial control which shall provide an effective examination of financial transactions to ensure: the regularity of the receipt, custody and disposal of all funds and other financial resources of the Agency; and the conformity of expenditures with the appropriations approved by the General Conference, the decisions of the Board on the use of funds for the Technical Co-operation Programme or other authority governing expenditures from extrabudgetary resources; and the economic use of the resources of the Agency.

Confirmation of the Accounts with the Financial Regulations

We hereby confirm that the following appended accounts, comprising Statements I to IV, Schedules S1 to S12 and supporting Notes, were properly prepared in accordance with Article XI of the Financial Regulations, with due regard to the United Nations system accounting standards.

(signed) **MOHAMED ELBARADEI**
Director General

(signed) **ABRAHAM E. ESPINO**
Director, Division of Budget and Finance

Vienna, Austria, 18 March 1999

PART I

LETTER FROM THE EXTERNAL AUDITOR TO THE CHAIRMAN OF THE BOARD OF GOVERNORS

The Chairman of the Board of Governors
of the International Atomic Energy Agency
A-1400 Vienna
Austria

26 March 1999

Dear Chairman,

I have the honour to transmit the financial statements of the International Atomic Energy Agency for the year ended 31 December 1998 which were submitted to me by the Director General in accordance with Financial Regulation 11.03(a). I have audited these statements and have expressed my opinion thereon.

Further, in accordance with Financial Regulation 12.08, I have the honour to present my report on the Accounts of the Agency for the year ended 31 December 1998.

Yours sincerely,

(signed)

JOHN BOURN
Comptroller and Auditor General, United Kingdom
External Auditor

Enclosures

AUDIT OPINION

To the General Conference of the International Atomic Energy Agency

I have audited the accompanying financial statements, comprising Statements I to IV, Schedules S1 to S12 and the supporting Notes of the International Atomic Energy Agency for the financial period ended 31 December 1998. These financial statements are the responsibility of the Director General. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the Common Auditing Standards of the Panel of External Auditors of the United Nations, specialized agencies and the International Atomic Energy Agency. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, and as considered by the auditor to be necessary in the circumstances, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Director General, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for the audit opinion.

In my opinion, these financial statements present fairly, in all material respects, the financial position as at 31 December 1998 and the results of operations and cash flows for the period then ended in accordance with the International Atomic Energy Agency's stated accounting policies set out in Note 2 of the financial statements, which were applied on a basis consistent with that of the preceding financial period.

Further, in my opinion, the transactions of the International Atomic Energy Agency, which I have tested as part of my audit, have in all significant respects been in accordance with the Financial Regulations and Legislative Authority.

In accordance with Article XII of the Financial Regulations, I have also issued a long-form Report on my audit of the International Atomic Energy Agency's financial statements.

**London, UK
26 March 1999**

(signed)

**Sir John Bourn
Comptroller and Auditor General
United Kingdom
External Auditor**

REPORT OF THE EXTERNAL AUDITOR ON THE AUDIT OF THE ACCOUNTS OF THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR THE YEAR ENDED 31 DECEMBER 1998

INTRODUCTION

1. I have audited the accounts of the International Atomic Energy Agency for the financial period 1 January to 31 December 1998 in accordance with Article XII of the Financial Regulations and the Additional Terms of Reference Governing the External Audit annexed thereto. My audit has been conducted in conformity with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. These standards require me to plan and carry out the audit so as to obtain reasonable assurance that the financial statements are free from material misstatement. The Agency's management were responsible for preparing these financial statements, and I am responsible for expressing an opinion on them based on evidence obtained in my audit.

2. I have carried out separate audits of the following Funds for which the Agency has management responsibility:

Vienna International Centre Commissary;
Seibersdorf Cafeteria;
Staff Welfare Fund;
Housing Projects Fund;
Health Insurance Premium Reserve Fund.

The financial statements for these Funds, together with my audit opinions on them, have been submitted to the Director General.

3. In addition to my audit of the Agency's accounts and financial transactions, I carry out reviews under paragraph 5 of the Additional Terms of Reference Governing External Audit; whereby I may make such observations as I deem necessary about the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the financial consequences of administrative practices.

STRUCTURE OF THIS REPORT

4. Following this introduction, my report is set out as follows:

PART 1 - FOLLOW UP COMMENTS

5. This section (paragraphs 12 to 35) sets out my comments on action taken by the Agency in response to previous external audit recommendations.

PART 2 - AN EXECUTIVE SUMMARY

6. This section (paragraphs 36 to 48) summarises the main conclusions and recommendations arising from my audit in 1998.

PART 3 - DETAILED FINDINGS

7. This section details my findings in 1998 relating to:
- Technical Co-operation projects (paragraphs 49 to 86);
 - Computer policy (paragraphs 87 to 124); and
 - other financial matters (paragraphs 125 to 128).

AUDIT OBJECTIVES

8. The main purpose of the audit was to enable me to form an opinion as to whether expenditure recorded in 1998 had been incurred for the purposes approved by the General Conference; whether income and expenditure were properly classified and recorded in accordance with the Agency's Financial Regulations; and whether the financial statements presented fairly the financial position at 31 December 1998.

AUDIT APPROACH

9. My examination was based on a test audit, in which all areas of the financial statements were subject to direct substantive testing of the transactions recorded. Finally an examination was carried out to ensure that the financial statements accurately reflected the Agency's accounting records and were fairly presented.

10. My audit examination included a general review and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances. These audit procedures are designed primarily for the purpose of forming an opinion on the Agency's financial statements. Consequently, my work did not involve a detailed review of all aspects of the Agency's budgetary and financial information systems, and the results should not be regarded as a comprehensive statement on them.

OVERALL RESULTS

11. Notwithstanding the observations in this report, my examination revealed no weaknesses or errors which I considered material to the accuracy, completeness, and validity of the financial statements as a whole. In accordance with normal practice, my staff record additional findings in management letters to the Agency's senior management. None of these matters affected my audit opinion on the Agency's financial statements and schedules; accordingly I have placed an unqualified opinion on the Agency's financial statements for 1998.

PART 1

ACTION TAKEN BY THE AGENCY IN RESPONSE TO PREVIOUS YEARS' AUDIT RECOMMENDATIONS

Introduction

12. In 1997 I carried out reviews of the Agency's Staff Contracting Arrangements; Management Training; and the Procurement of Goods and Services. Following on from my 1996 review of the Programme Performance Assessment System (PPAS), I also recommended improvements to the procedures for allocating staff time to sub-programmes. I have followed up the main findings and recommendations made in my previous year's report in order to determine what actions have been taken by the Agency.

Staff Contracting Arrangements

Recommendations

13. On staff contracting arrangements, I recommended that the Agency:
- continues to pay attention to **staff succession planning** in all of its operational areas;
 - considers how it might be able to further facilitate **staff career progression from General Service to professional grades**;
 - clarifies contracting arrangements for the different types of **temporary assistance staff**, and establishes monitoring systems to identify the use of such staff as well as ensuring that there is appropriate and consistent treatment of the costs of such staff; and
 - collects data on the full costs of supporting "**cost-free**" experts and asks that these costs be recovered from the relevant contributions.

Action taken

14. The Agency is currently developing comprehensive human resource plans with departments, divisions and sections. These will become the basis for personnel actions including recruitment, succession planning, staff development and contract extension. The first phase has already begun and includes an assessment of the human resources required for programme delivery. The next phase is scheduled for 1999 and will include development of criteria for the establishment of core positions, identification of available skills and development of a system to ensure continuity in critical areas.

15. The Agency has promulgated a "General Policy for Advancement from the General Service to the Professional Category" and this is currently being applied. In addition, a review of the current system of promotions and career development though internal appointments is planned for 1999. The Agency has, however, indicated that the high degree of specialised knowledge and experience required for most Professional categories will mean that the advancement of General Service staff will always be confined to a limited number of individuals.

Staff succession planning

Career progression for General Service grades

Temporary staff

16. The Agency has informed me that the contractual arrangement for the different types of temporary staff are already defined, but it is currently seeking to more clearly define the appropriate Agency funds under which costs for these staff should be allocated.

"Cost-free" experts

17. I have been informed that the Programme and Budget Committee (formerly called the Administrative and Budgetary Committee) did not support my recommendation that donor States should fund the full cost of "cost-free" experts through contributing towards the additional administration and support costs incurred by the Agency in engaging such experts. Although the Agency will, therefore, continue to bear these costs from its own budget, I recommend that it should still determine and monitor the extent of the costs involved.

Management Training

Recommendations

18. With regards to management training, I recommended that:

- a **PPAS review of training** be carried out every three to four years as a means of informing the future direction of the management training programme; and that further steps be taken to design and develop appropriate courses, so as to ensure that management skills training fully supports the PPAS process. Furthermore, to ensure effective feedback of training requirements from the results of staff appraisals, programme managers, in particular, scientific staff should be actively encouraged to view themselves as managers and to be accountable as such; and supervisors assessing staff in managerial grades should be required to discuss and agree with those staff, areas where their existing **managerial skills** can be further developed and strengthened;
- senior management communicate a clear **policy statement to staff** on the focus, future direction and importance of **both managerial and PPAS training** within the Agency; and action be taken to ensure that this policy be accepted and adhered to by all departments of the Agency;
- the Agency draws up a **longer term plan for its core management training programme** over the next three to five years, that this plan be endorsed by senior management and clearly communicated to staff; and that progress against this plan be regularly reviewed;
- the Agency reviewed whether the financial and **human resources devoted to managerial training** were sufficient to achieve the objective of promoting the development of the staff's managerial skills;
- the Agency modified its computerised training programme in order to facilitate the **collection of data on training activities**, and that this information be used to measure success against key performance targets; and
- the Agency places a greater emphasis on **evaluating the impact of management training courses** on work performance through the active involvement of supervisors in discussing, agreeing and monitoring individual training and development plans with their staff.

Action taken

PPAS review of training

19. The Agency's last PPAS review of training activities was carried out in late 1996, the next is scheduled for 2000. In the meantime, a comprehensive management training curriculum, which includes mandatory courses such as Project Management, Resource Management and Programme Management, is currently being developed. Furthermore, the Agency has assured my staff that it will encourage programme managers to view themselves as managers by covering this in the comprehensive management training curriculum that is currently being developed. As regards supervisors assessing staff in managerial grades, the Work Planning and Performance Review requires supervisors to assess their subordinate manager's overall managerial effectiveness, and comment, in particular on their planning and organizational ability and ability to motivate staff.

Managerial skills

Policy statement on management training

20. A Policy and Framework for staff training has been developed by the Agency on the basis of training needs identified in the previous PPAS of training, and staff training is one of the items to be reviewed regularly at the Agency's newly established Programme Co-ordination Committee.

Long-term plan for management training

21. A long-term plan with regard to management training has been produced by the Agency, and is included within its Policy and Framework for staff training.

Resources devoted to managerial training

22. Action has been taken on the amount of resources devoted to managerial training, as a result the decision was taken to reduce individual skill improvement training and shift more resources to developing the comprehensive management training curriculum.

Collection of data on training activities

23. I have been informed that various departments are currently collaborating to develop a common data collection system of training activities.

Evaluating the impact of management training

24. I understand that, as part of the Work Planning and Performance Review system, the training of staff members needs are regularly assessed and that a review is currently being undertaken about what training staff members have undergone during the reference period and what has been the effects of these training programs.

Procurement of goods and services

Recommendations

25. Concerning the procurement of goods and services, I recommended that:

- every opportunity for closer **co-operation and co-ordination** of systems, procedures and responsibilities between the two procurement sections be carefully evaluated and pursued;
- the Agency took steps to reinforce the **role of its procurement sections** and to ensure that the necessary and appropriate close co-ordination, expertise and technical assistance of the requesting departments did not undermine the procurement sections ultimate responsibility for all purchasing decisions;
- both procurement sections draw up a list, on a common basis, of all categories of **non-competitive procurement**, with detailed definitions, and that the codes for these categories be recorded consistently against the appropriate purchases within the two procurement databases. Furthermore, statistics on non-competitive purchases should be periodically reviewed by each of the procurement sections and used as an appropriate management tool to assist in future purchasing decisions;

- other departments within the Agency consider following the practice adopted by the Department of Technical Co-operation, which has begun to develop **standard technical specifications** for commonly used project equipment which can be used as a basis for inviting tenders. Additionally, where the term “standardisation” may refer to frequently procured items, yet the original contract or prices were in fact subject to competitive procedures, then the procurement records should clearly indicate this and provide a cross-reference to the original procurement process. Although such standing contracts should be reviewed and re-tendered on a periodic basis;
- in cases where justification for **sole source purchasing** was based on an urgent requirement, requesting departments should be reminded of the need to provide the procurement section with sufficient lead time to complete the appropriate tendering procedures. Furthermore, the Agency should encourage departments to undertake better forward planning, particularly where the purchase may require more complex procurement procedures to be carried out;
- departments be encouraged to supply **generic specifications** whenever possible in support of their purchase requests; and
- to ensure the **Procurement Authorisation Committee** exercises a truly independent control function I recommended the Agency should review its current composition. Additionally, the backgrounds to all the Committee’s deliberations should be adequately recorded in the appropriate minutes, and that the Committee should provide a stronger challenge in cases where there do not appear to be sufficient grounds for waiving competitive procedures.

Action taken

26. The Agency asked external consultants, in February 1998, to evaluate procurement within the Agency. My staff have been informed that a number of the recommendations from their evaluation have already been implemented and wherever possible others will continue to be implemented. Additionally, they were told that there is a continuous exchange of views between the two procurement sections regarding the ways in which they conduct their business and develop their practices. For example, discussions took place between the two sections in developing the concept of Basic Supply Agreements and the use of standing orders as a result of competitive global tendering.

27. The Agency has reviewed the organisation and staffing of the Procurement Services Section with a view to strengthening the Section’s Professional staffing and regularising its level of support staff. Guidance was also issued in November 1998 concerning compliance with the Agency Financial Regulations and Rules in respect of Procurement of Goods and Services.

Non-competitive procurement

28. Acting on my recommendations, the Agency has introduced additional categories concerning “Extra-budgetary Funded Procurements” to the Automated Procurement System. However, the Department of Technical Co-operation have stated that harmonisation of categories is still pending and that at present their procurement system is not fully able to detect all types of competitive and non-competitive procurement. It has also been suggested by the Agency that any further amendments to the systems will require major and costly IT re-programming. In response, I would note that the need for such re-programming would have to be balanced against other measures to monitor non-competitive practice. For example, my staff were informed that Procurement Services Section continually review statistics on the various methods of

procurement with particular emphasis on non-competitive purchases to ensure the Agency receives the most favourable prices, terms and conditions.

Standard technical specifications

29. I understand that the Department of Safeguards submitted a list of Standard Safeguards Equipment, which was reviewed and approved in May 1998. The approved list and relevant specifications has been used as a foundation for bidding and, wherever possible, the solicitation of competitive offers. Furthermore, Staff of the Procurement Services Section have been made aware of my staff's concerns in the use of the term "standardisation" and the Section have been advised to be more careful when selecting and designating the method of procurement. The Agency has also informed me that standing contracts for "standardised" equipment, supplies and services are regularly reviewed and periodically re-tendered.

Sole source procurement

30. Procurement Services Section have stated they continually discourage sole source procurements. Where it is considered necessary, justifications have to be provided, cleared through and signed by Divisional Directors. The Department of Technical Co-operation have also informed me that, with regards to their purchases, they conduct a rigorous exploration of competitive bidding possibilities and only allow sole source procurement when technically fully justifiable. On the question of single sourcing following urgent requests, the Agency have reported to me that forward planning during 1998 had shown noticeable improvements to work flow over previous years, and has been attributed to more timely procurement practices.

31. I have been informed by the Agency that requesters are now frequently reminded that specifications must be generic and not restrictive or supplier specific. To discourage such practices, many specifications are now prepared with direct input from the staff of the Procurement Services Section, whilst other purchasing requests are frequently challenged and modified by the Section.

Procurement Authorisation Committee

32. To improve its independent functioning, I understand, that the composition of the Procurement Authorisation Committee was changed earlier this year resulting in the Heads of the Procurement Services Section and the Field Procurement Section no longer serving as members of the Committee. Now they are present only to support cases submitted by their respective procurement sections. Furthermore, the minutes of Committee's meetings are now recorded in greater detail. In particular, those cases where there is a deferral, rejection, or breach of the Agency's Financial Rules. The Committee has also instigated much stronger challenges, particularly concerning cases of sole source procurements, extensions to existing contracts, and breaches of the Financial Rules.

Programme Performance Assessment System (PPAS)

Recommendations

33. To enhance the effectiveness of PPAS, I recommended that departments **improve the accuracy of the records of actual time worked** by staff at sub-programme level; that appropriate guidance be prepared on the methodology to be used and the records to be maintained; and that in future, staff costs are allocated on the basis of these improved estimates of the actual time worked.

Action taken

Time recording

34. In response to my recommendations, Administrative Assistants of all major programmes have been required, since January 1998, to monitor and update the estimated proportion of staff time spent by each member of staff on each sub-programme

on a monthly basis. Programme Managers have also been requested, every month, to review the staff workload allocation and revise it if needed. In addition, in September 1998, Programme Managers were requested to provide written confirmation on the accuracy of staff cost allocation between sub-programmes.

35. Therefore, the Division of Budget and Finance intends to review the effectiveness of the staff time allocation process after the introduction of the new Agency Financial Information Management System and make improvements if necessary.

PART 2

EXECUTIVE SUMMARY

36. This executive summary outlines the main observations and key recommendations arising from the detailed findings provided in Part 3 of my report.

Technical Co-operation Projects

37. The Agency undertakes Technical Co-operation activities to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world. As part of its overall Technical Co-operation Strategy, the Agency has established the concept of a Model Project. Such projects should meet four criteria. They should: respond to a real need; reflect an indispensable role for the nuclear technology involved; produce significant economic or social impacts; and have demonstrated the potential for sustainability through strong government commitment.

38. The number of Model Projects has increased steadily, and in the 1997-98 biennium, nearly 50 Model Projects - with a value of some \$35 million - were approved for the first time.

39. From an initial desk audit in Vienna of nine Model Projects, covering all regions of the world and a variety of nuclear technologies, my staff selected four projects for more detailed examination. This included field visits to each project to interview the national counterparts implementing the projects and see the physical evidence of progress being made.

40. While each project is unique in its own right, each also provides lessons relating to project planning and management, which are of wider relevance. The projects were reviewed to see whether they met the four key Model Project criteria, detailed above.

41. My staff found that all four projects could clearly demonstrate that they were addressing a real national need. There is a clear indispensable role for nuclear technologies in two of the four projects examined. In two agricultural projects where the use of nuclear techniques predates the actual projects a reasonable argument can be made for the Agency's support on the basis that it "closes the loop" on the original nuclear input by demonstrating the merits of the technology and enhancing awareness of its potential. However, to put the Agency's commitment on a clearer footing, I **recommend** the membership review and explicitly endorse their support for projects of this type.

42. My staff found that each of the four projects had the potential to produce significant economic or social impacts. There were variations between the four projects in the extent to which efforts had been made to quantify potential economic and social impacts or to identify performance indicators which could be used to judge the success of the projects. Moreover, there continues to be over-reliance on a single indicator - the implementation rate at which project funds were being spent - to assess progress. I **recommend** that the Agency develops a basket of high level global indicators which could complement the implementation rate and against which a more balanced view of progress can be reported to the governing body.

43. On the issue of whether the projects have demonstrated the potential for sustainability through strong government commitment, my staff found that there was a desire by all the parties concerned both for the projects to succeed during their lifetime, and for the benefits to be continued into the future. However, in terms of providing financial and other physical resources to the projects, the level of commitment governments and counterpart institutions were able to make varied. In some cases, the national bodies had difficulties bearing the running costs of projects visited, such as staff

salaries, travel and subsistence expenditure, accommodation costs and transport, thereby raising doubts about the long-term sustainability of the project. Accordingly, I **recommend** that that Agency introduces structured and documented procedures to assist in the initial selection and planning of projects, with particular emphasis on the economic viability of the counterpart, the division of responsibility for providing resources and the management structure to be used for the project.

Computer Policy

44. To meet increasing demands on its computer infrastructure the Agency established a \$1.8 million computer Equipment Replacement Fund (ERF-1996) in 1992. The Agency now plans a further Information Technology (IT) investment of \$1.9 million (ERF-2000). In the light of this significant past and future investment in IT, the May 1998 Administrative and Budgetary Committee meeting asked me to review the Agency's computer policy.

45. My staff considered the nature and extent of any "IT Dividend", in the form of savings, improvements or efficiencies arising from the Agency's earlier IT investment, and its future IT investment strategy, including ERF-2000.

46. My staff identified a number of areas where there had been an IT Dividend from the Agency's IT investments. These included: meeting the increasing information needs of its Member States; improvements in the efficiency of its IT server infrastructure; and the adoption of a personal computer and standardisation policy. However, to assist in the future identification and quantification of any IT Dividend, I **recommend** that the Agency develop a standard document for new IT investment tenders asking tenderers to specify the savings, benefits and risks which would result from selecting a particular proposal. Furthermore, I **recommend** that the Agency should quantify the expected IT Dividend, including potential staff savings, at the planning stage of any major IT investment. Where this is not possible, the Agency should identify suitable unit cost performance indicators that will enable a post implementation review of productivity benefits and improved performance from the IT investment.

47. With regard to the Agency's ERF-2000 and future IT investment strategy, I **recommend** that the Agency reviews its approach towards the centralisation/decentralisation and physical separation of IT functions and services in light of the potential costs/savings involved. I understand that the Agency's recent initiatives to create an Office of Information Management and a special task force will, among other matters, cover such issues. I also propose to consider the effectiveness and appropriateness of any changes to the IT management structure, arising from these initiatives, in my 1999 report.

Other Financial Matters

48. The Agency is aware of its responsibilities in ensuring that all its computer systems are able to cope with the year 2000 century date change. However, delays have occurred in the expected implementation date of the new financial accounting system, which was approved to replace the current financial accounting system, which has become outdated and is not year 2000 compliant. I **recommend** that the Agency carries out an impact analysis to identify those components of the financial accounting system, which are critical to the Agency's operation. The Agency should then produce a realistic implementation programme with a minimum objective of fully testing and installing these components by 1 January 2000.

PART 3

DETAILED FINDINGS

Technical Co-operation Projects

Introduction

49. My staff carried out a review of the Agency's arrangements for supporting Technical Co-operation projects in Member States. They focused on the concept of Model Projects developed by the Agency and the extent to which key criteria identified as being necessary for the success of Model Projects were being realised in practice.

Background

50. The Agency has a strategic goal to seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world. In pursuit of this objective, it has undertaken Technical Co-operation activities for four decades, transferring nuclear technologies and building technical capacity in Member States. The Model Project concept was first initiated in 1994 and was consolidated into a new overall Technical Co-operation Strategy in October 1997. This strategy seeks to both improve the efficiency and effectiveness of technology transfer activities, and to promote projects that contribute more widely to national socio-economic development priorities.

51. There are three major strands in the Agency's new Technical Co-operation Strategy:

- Model Projects – identify particular cases where Agency support can be effectively utilised in practice;
- Country Programme Frameworks – assess and prioritise the most important areas for technical co-operation between the Agency and a Member State to achieve a significant national impact; and
- Thematic Planning for Technical Co-operation – identifies services and technologies which the Agency has expertise in and can share with developing countries to solve particular problems.

52. The Department of Technical Co-operation has been reorganised to reflect the new approach and make its operations more relevant to Member States. The same team of staff is now responsible for managing all stages of a project from the initial planning and design, through implementation to evaluation and review. The number of Model Projects has increased steadily: nine Model Projects, with a combined value of some \$9 million, were approved for the first time in the 1993-94 biennium; in the 1997-98 biennium, nearly 50 Model Projects, with a value of some \$35 million were approved for the first time. The Agency's intention is that by the year 2000 at least one project conforming to Model Project criteria will have been implemented in about two thirds of recipient Member States.

53. The Agency's guidelines to Member States state that Model Projects should meet four criteria. They should:

- respond to a real need;
- reflect an indispensable role for the nuclear technology involved;

Model Projects

- produce significant economic or social impacts; and
- have demonstrated the potential for sustainability through strong government commitment.

Previous audit coverage

54. Technical Co-operation Projects were previously examined in 1992 by the Office of the Auditor General Canada, then the external auditor of the Agency, and a follow up report reviewed progress in 1993. The auditors made various recommendations, many of which the Agency has taken up in its new Model Project arrangements. The Office of the Auditor General Canada recommended that the development of Country Programme Plans would make assistance more practical and focused: the Agency's introduction of Country Programme Frameworks responds to this recommendation. The auditors recommended that more measurable factors should be developed for assessing projects; the criteria developed for selecting Model Projects and a more systematic appraisal framework reflect this. The auditors noted that project implementation could be improved and suggested that performance measures other than the implementation rate at which project funds are spent would be a useful management tool. The Agency has attempted to include measurable performance indicators in approved Model Projects, although, as described in more detail below, weaknesses remain to be addressed in this area and there is still considerable reliance on the implementation rate to assess progress. The auditors also recommended that evaluations should be improved and the findings followed up, and they saw the need for having measurable objectives relevant to the end-user as a necessary prerequisite for a meaningful evaluation. Where the Agency has since evaluated Model Projects, it has been able to use the stated objectives of the project as the basis for its evaluation.

Audit scope

55. In view of the on-going importance of Technical Co-operation to the Agency and its Member States and developments in the approach used to select and manage projects, I chose to re-examine this subject in 1998. The focus of my examination was on the development and implementation of Model Projects, which are intended to embody good practices in project planning, management and evaluation, and reflect the way the Agency intends to allocate the majority of its Technical Co-operation funding in the future.

56. My staff worked with Agency staff in the Department of Technical Co-operation to select a small sample of Model Projects for detailed examination. Initially, Agency staff provided a list of nine Model Projects operating in all regions of the world, and covering a variety of technical fields, which it felt offered a representative sample of projects underway. My staff carried out a desk audit of these projects, reviewing files and interviewing the Agency staff managing them. On the basis of this work, four projects were selected for more detailed examination and field visits were undertaken by my staff to interview the national counterparts implementing the projects and see the physical evidence of progress being made.

57. The selected projects covered a variety of technical fields and geographical areas. While each is unique in its own right, each also provides lessons relating to project planning and management which are of wider relevance. The fields that the four projects covered were:

- strengthening training for operational safety at a nuclear power plant;
- introduction of a radiation mutated cereal crop variety to farmers living in a marginal agricultural area;
- training in Non Destructive Testing (NDT) techniques and establishment of national NDT educational and certification bodies; and

- extension of a Biological Nitrogen Fixation (BNF) inoculant to farmers in a marginal agricultural area and use of isotope technology to trace the efficiency of the product in fixing nitrogen from the air.

These selected projects were reviewed in the context of the four key Model Project criteria, detailed in paragraph 53 above. The results were as follows.

Whether the Model Projects responded to a real need?

58. My staff discussed the need for the Model Project under review with a variety of participants and interested parties in each of the countries visited. Key parties with whom discussions were held included: the counterpart bodies directly implementing and managing the project; Government officials responsible for liaising with the Agency and assessing the national priorities to be supported; and end-users of the service or product provided by the project. In all cases widespread support was expressed for the projects and considerable evidence was offered as to the extent of the national need or priority the projects were addressing. In two of the countries visited Country Programme Frameworks had been completed and the Model Project clearly addressed an identified strategic need. National counterparts involved in the development of Country Programme Frameworks expressed strong support for the process and recognised the benefits of prioritising and focusing limited resources on areas most susceptible to improvement. In those countries without Country Programme Frameworks, the projects were still seen as important to the national government concerned. My overall conclusion is that the four Model Projects visited clearly address a real need.

Whether the Model Projects reflected an indispensable role for the nuclear technology involved?

59. The nature of the four Model Projects varied as did the nuclear techniques involved and the level of project time and resources dedicated to nuclear technology was higher in some projects than others. The project to develop safety training at a nuclear power plant clearly had an indispensable role for the nuclear technology involved. The project involved the supply of a significant amount of technical equipment for training purposes, numerous visits from international experts and study trips and fellowships abroad for local staff. All these activities dealt with nuclear safety issues.

60. The project to provide training in Non Destructive Testing (NDT) techniques and establish national NDT educational and certification bodies had a clear nuclear element. The project involved training in NDT methods involving both nuclear and other testing techniques, but was concentrated on radiographic testing utilising isotope technology. In practice, this method is the one most widely used in the country concerned for NDT purposes. The Agency had also supplied a variety of technical equipment for carrying out NDT testing.

61. At the other end of the spectrum the two agricultural projects had a much lower level of resources directly linked to the use of nuclear technologies. These two projects were primarily seeking to extend products developed with some nuclear input to a wider end-user population of farmers – to get the products out of the laboratory and the research field and into use among the general population. The direct use of nuclear technology in both these projects was very small as they focused on extension activities. In both cases the products – mutated cereal seeds and BNF inoculant - had been developed in advance of the project starting. The products were developed by national research bodies who had received Agency support in the past and had already benefited from the sharing of nuclear know-how and techniques. The projects provided support for large scale production of seeds and inoculant, and the development of demonstration

plots and test fields in the marginal agricultural areas where the target farmer populations lived. Support included staff transport and subsistence costs, agricultural equipment to work the demonstration fields and chemicals and fertilisers to breed larger quantities of the products. Some additional laboratory equipment was provided to maintain and enhance the research bodies' capabilities, and training was also provided for staff at the research bodies through fellowships and expert visits, although this was a fairly small part of the overall activities.

62. Both projects planned a limited role for on-going use of nuclear techniques to develop new product varieties or assess the value of those in the project. In the mutated cereal project, some resources are being devoted to developing mutated varieties of other cereal crops. It is planned to use nuclear technology to speed up the mutation process once possible strains have been identified through traditional plant breeding techniques. The BNF inoculant project initially intended to trace the efficiency of the inoculant in fixing nitrogen using analysis equipment supplied by the Agency. However, the equipment has malfunctioned and to date no analysis has been carried out on the inoculant. The main nuclear technique expected to be used in the project has not been implemented and information which might have increased the project benefits is not available.

Policy considerations

63. The Agency has felt able to support these projects with a low direct use of nuclear technology for several reasons. The origins of the products spring from the use of nuclear technology as a catalyst to create a better crop variety or more efficient type of inoculant. Thus while the products may not necessarily have resulted from the project, they have resulted from the use of nuclear technology at some earlier date. Furthermore the ability of counterpart institutions to utilise such technology has generally been supported and enhanced by past Agency projects to transfer technical know-how. The projects demonstrate what is possible in the real world using products arising from nuclear technology. They can be shown to have clear benefits for end-users in terms of higher crop yields and/or higher nutritional values. Such end-users are often among the most needy members of the population and projects addressing their needs are supported as national priorities by the Member States. The projects also fall within the agricultural sphere and are administered by a joint IAEA – Food and Agricultural Organisation division within the Agency. They clearly have a relevance to agriculture as much as nuclear technology and enjoy greater legitimacy on this basis.

64. Against these arguments is the view that it is not necessarily the Agency's role to carry out agricultural extension work and that other international bodies with experience in development activities might be better placed to do so. The Agency has informed my staff that in practice there has been little take-up of products developed using nuclear techniques by other agencies and national counterparts often have too few resources themselves to undertake extension activities.

65. There is a clear indispensable role for nuclear technology in two of the four projects examined. In the two agricultural projects where the use of nuclear techniques predates the actual project, a reasonable argument can be made for the Agency's support on the basis that it "closes the loop" on the original nuclear input by demonstrating the merits of the technology and enhancing awareness of its potential. However, to put the Agency's commitment on a clearer footing, I **recommend** the membership review and explicitly endorse their support for projects of this type.

Whether the Model Projects produced significant economic or social impacts?

Potential for impacts

66. The necessity for each of the four projects within their national context was clearly articulated and in each case there seemed to be potential for significant social and

economic impacts. The two agricultural projects with their focus on extending products derived from nuclear technology to an economically poor and socially deprived end-user group particularly embodied this criteria and were expected to provide tangible benefits in the form of higher and more nutritious crop yields. The NDT training project was expected to have social and economic benefits in terms of enhancing the efficiency of performance in key national industries and contributing to their operational safety. The safety training project at a nuclear power plant was expected to have impacts in contributing to the maintenance of national levels of electricity production by keeping ageing plant on-line and operating effectively, and in protecting the general public from any accidental release of nuclear materials.

Use of performance indicators

67. The Agency has introduced a Technical Co-operation Project Framework matrix as a tool to structure the formulation and design of projects. The Project Framework matrix is based on the Logical Framework concept which is widely used in planning and managing all kinds of project work. This approach links overall objectives to specific objectives, project outputs, activities and inputs. It identifies indicators which can be used to verify performance and the means of verification, as well as key assumptions underlying the project which may affect performance if they are not realised. Project Framework matrices had been completed for three of the four projects examined. The remaining project, dealing with improving safety training at a nuclear power station, pre-dated the Agency's use of this technique.

68. My staff found variations between the four projects in the extent to which efforts had been made to quantify potential economic and social impacts or to identify performance indicators, which could be used to judge the success of the projects for which Project Framework matrices had been completed. The two agricultural projects had moved furthest in this direction, with identified indicators which were output based and tended to focus on: the increased yields or nutritional values of crops produced; the number of farmers attending demonstration days; and the quantity of training materials distributed. However, these two projects had not gone as far as to define quantified economic output indicators, nor had they defined any impact indicators which could be used to assess the wider ramifications of the project or to measure the quality of social and economic changes attributable to it. The NDT project had some defined quantified performance indicators relating to outputs and focusing on the number of staff being trained and certified in different NDT techniques. But no wider indicators, such as the numbers of tests being carried out in the field, had been developed and there were no measures to assess the wider impacts of the project on national industry or infrastructure.

69. The remaining project dealing with safety training at a nuclear power plant did not have any quantified indicators which could be used to assess progress on the project in terms of either outputs or impacts. At the outset of the project there were discussions between the Agency and counterpart staff on the types of performance indicators which could be used, and a list of items was generated. However, these indicators were not developed further. Counterpart staff felt that the circumstances in which the project was carried out limited the scope for measuring outputs and impacts. The power plant was already operating at a high level of capacity and had a good safety record, and while a key objective of the project was to maintain this performance, it was felt impractical to improve it and so there would be few changes to measure. The project was expected to enable existing good performance to continue, particularly as equipment aged and became more reliant on good maintenance procedures, and to demonstrate compliance with best safety practices to a national and international audience. Although the project was expected to contribute to such aims it was felt to be extremely difficult to separate this contribution from other activities at the plant and to quantify the project impact.

70. Despite the lack of formal quantified indicators for the nuclear power plant project, a variety of outputs had been achieved or were well under way, including the

physical construction and equipping of a new training centre; staff attending training courses and taking examinations; and the preparation of detailed training documentation for a number of key job positions. Initially unforeseen outputs had also been accomplished, for example the use of the training centre resources to test new equipment and techniques. However, as impact indicators are much more difficult to define, the benefits of the project in maintaining standards can only be implied.

71. For the NDT project, few outputs had been realised at the time of the review. Some staff had completed their training, although less than expected, but little progress had been made in setting up the educational, certification and governing bodies required to run a national scheme.

72. For the two agricultural projects, where results were available they were generally favourable, demonstrating improvements made as a result of the project. Statistical data was supported by other anecdotal and qualitative evidence indicating that social and economic results were being achieved. For example, farmers who had used the product once were keen to use it again and had seen quantity and quality improvements in their crops; in the case of the BNF inoculant the product was very cheap in comparison to the available alternatives and farmers were likely to realise improvements in their economic circumstances; and in the case of the cereal crop the product was said to taste better and be easier to prepare than comparable varieties available.

73. However, even in these projects where performance indicators had been put in place at the outset, the data necessary to assess progress was not systematically collected and recorded. This makes it more difficult for project managers to control progress and is also an impediment to outside evaluations seeking to learn lessons from projects. There were a variety of reasons for the failure to record results, including: technical equipment needed to analyse materials not working and trained staff to operate the equipment not being available; logistical difficulties meant that in some cases project staff were not able to reach demonstration fields at harvest time to record results; and records of hectareage under cultivation were poor because of informal record keeping and the involvement of entities not directly under project managers' control to distribute and market the products.

74. I welcome the steps taken by the Agency to introduce a range of performance indicators and to link project objectives and resources used to the level of outputs and impacts achieved by a project. This enhances accountability, allows value for money to be demonstrated, gives a wider sense of what progress is being achieved and highlights areas where improvements need to be made. Further progress is needed to fully implement the Project Framework developed by the Agency. In order to realise the benefits of this approach, it is essential not only to set quantified performance indicators for all projects, but to actually follow through monitoring and reviewing the results being achieved at the individual project level. I recommend therefore that performance indicators are introduced for all Model Projects and some resources are set aside to collect performance data and monitor progress. The Agency has recognised that this requires both commitment and training of their own staff and national counterparts. Project Management training for all Agency staff involved in projects is now being introduced and this includes modules dealing with the use of performance indicators as a management tool. Counterpart staff are being supported through "participatory monitoring" courses which train national liaison officers to be more involved in the implementation and design of projects and a "Manpower Development" programme which seeks to provide additional management skills to counterpart staff.

*Balanced portfolio
of indicators*

75. In its 1992-93 review of Technical Co-operation Projects, the Office of the Auditor General Canada noted that the Agency tended to rely on a single indicator - the

implementation rate at which project funds were being spent - to assess progress. There was a strong recognition in the report that this was insufficient to provide a balanced view of performance and could even encourage poor value for money if funds were being spent inappropriately simply to improve the implementation rate. The implementation rate is an indicator only of what is going into a project in financial terms but gives no information on the quality of those inputs, and no indication of what is coming out. Neither the quantity of outputs – how much is being purchased for the resources expended; nor the quality of outputs – how much is expenditure contributing to a planned or desired change, are addressed. Despite the wider range of indicators, which the Agency has tried to adopt for individual projects, my review found instances of over-reliance still being placed on the implementation rate to determine progress.

76. Traditionally the Agency's governing body and member states have relied on the implementation rate to judge progress across all of the Agency's projects. In order to encourage a wider view, I recommend that the Agency develops a basket of high level global indicators which could complement the implementation rate and against which a more balanced view of progress can be reported to the governing body. Examples might include:

- proportion of planned outputs fully or partially completed to time and budget;
- quantified details of what the Agency has purchased for its money – number of projects completed in different fields, number of counterpart institutions assisted; number of expert visits / scientific visits / etc; and
- the average cost of such activities.

Whether the Model Projects have demonstrated the potential for sustainability through strong government commitment?

Government and counterpart roles

77. Governments have a intermediary role between the Agency and the counterpart institutions which actually carry out projects on the ground, and a Government Ministry or Department will have a lead role in co-ordinating national relations with the Agency. However, the lead Department is not usually the counterpart body responsible for the implementation and direct management of the project. Counterpart institutions may be Government or quasi-Government bodies, such as other Departments or Ministries, or educational and research establishments. They may be wholly or partially funded by the Government or reliant on their own resources. For a project to be successful therefore, not only is Government commitment necessary but also counterpart commitment.

78. Given that several parties may play a role in delivering a project and contributing resources to it, it is important to define at the outset the lines of responsibility and control, the decision making process and the level of resources to be provided by each party. From the point of view of achieving the project objectives, it is important to ensure that the parties involved have viable resources to carry out their commitments and have the appropriate skills and knowledge to manage the project. In terms of longer term sustainability, the need for adequate resources, management skills and commitment is likely to be even more critical, once the Agency's direct support has ended. I recommend that the Agency reformulate its Model Project criteria to reflect the role played by counterpart as well as Government bodies.

Support for project objectives

79. In each of the projects reviewed, the Government offered strong support to the principles and objectives of the projects. This was instrumental in both ensuring that they received support from the Agency in the first place, and that they fitted into the overall priorities of the state concerned in a logical and consistent way. All the

counterpart institutions were also very positive about the need for the projects they were managing and the contribution which a successful outcome was likely to make to the national interest. There was a desire by all the parties concerned both for the projects to succeed during their lifetime, and for the benefits to be continued into the future.

***Financial support
and resources***

80. In terms of providing financial and other physical resources to the projects, the level of commitment governments and counterpart institutions were able to make varied. The Agency expects national bodies to bear the running costs of projects such as staff salaries, travel and subsistence expenditure, accommodation costs and transport. If these cannot be met locally during the limited period of the project itself, it is inherently questionable whether they can be adequately met after the project has ended, and thus the long term sustainability of a project may be doubtful.

81. In one of the four projects a very high level of investment commitment had been entered into at the outset by the Government and counterpart, and this was actually increased as the project progressed and the Government wished to widen the scope of the project. In the other three cases, there were some difficulties for recipient governments or counterpart bodies in supporting the projects as they would have wished. Difficulties ranged from being unable to pay the salaries of staff involved in the project, to problems in locating or financing appropriate transportation when it was needed, and the inability to supply key materials to complete the project. The Agency, while rightfully wary of encouraging over-reliance by governments on its resources, had shown flexibility in addressing these problems, for example providing some travel and subsistence support for counterpart staff.

82. In the case of one project, resource problems remained unresolved at the time of my review. Difficulties in this case stemmed not only from a lack of Government and counterpart resources but from poor initial planning regarding the detail of the project in how particular aims would be met, and who would be responsible for paying for things. Obvious issues such as translation costs were not fully addressed in the initial planning. These difficulties were exacerbated by differences among the leadership of the project about how matters should be resolved and inability by any one body to provide a clear direction for the project and carry the others with them. There were on-going communications difficulties between the Agency and the counterpart about how to proceed. The position had not been helped by a change of staff at the Agency during the project, with the new Technical Officer taking a different view on the way forward. The Agency was also about to support a second phase of the project, expanding the scope of matters to be covered but not addressing the pre-existing problems. I **recommend** that the Agency introduces structured and documented procedures to assist in the initial selection and planning of projects, with particular emphasis on the economic viability of the counterpart, the division of responsibility for providing resources and the management structure to be used for the project. I also **recommend** that the Agency review its hand-over procedures when staff changes occur to maximise the continuity of approach for projects in progress.

83. I note that the Agency has made efforts to provide management training to counterpart bodies in receipt of funding to assist them in implementing projects efficiently and effectively (paragraph 74) Further work is likely to be needed in this area for some time, and in the meantime, I consider it important for the Agency to actively manage projects which appear to be having difficulties and provide a visible presence on the ground to take the lead in explaining the Agency's position and finding solutions. While recognising that there are pressures on the Agency's travel and subsistence budget, I **recommend** that Agency staff make it a priority to visit projects where difficulties are known to be occurring and to take a leading role in agreeing a practical workplan with local management to resolve them. Such a physical presence is important in enabling Agency staff to see problems in context and in reassuring counterparts that

*Financial
self-sufficiency*

their concerns are understood. It allows open negotiation by all parties and is likely to be the quickest and most direct way of making progress and hence protecting any investment already made in a project.

84. During the review my staff noted that there was scope for at least some projects to be financially self-sustaining in the long-term through sale of the product or service to end-users. As a minimum there appeared to be scope to cover the operational costs incurred by the counterpart bodies, without unduly overburdening end-users or undermining the economic and social development objectives associated with the projects. Economic self-sufficiency is obviously desirable as it allows projects to be sustained in the longer term, without further call on limited Government or counterpart resources. It also provides comfort that the Agency's funds have been well spent to provide good long-term value for money.

85. There is a risk that if appropriate financial strategies are not put in place, long-term sustainability will be compromised. However, counterpart bodies had generally made only limited progress in considering how to develop viable marketing strategies to generate income. In one project where the product was being sold at a loss to the counterpart body producing it, efforts were being made to raise the price, and some planning had been done as to what end-users would be prepared to pay, what funds were needed and how income could be used most efficiently in the future. In the other projects very limited consideration had been given to marketing products and services or producing a pricing strategy. In part this was because all the projects reviewed were still in progress and attention was concentrated on short-term activities. A more significant factor was a lack of experience in financial planning, budgeting or marketing among counterpart bodies, who had expertise in a nuclear rather than a financial field.

86. The Agency provides some aftercare for projects through on-going liaison between its staff and the national counterpart and Government. It may also support related projects or phases of a project in the same Member State which can build on what has been achieved. These achievements can, ultimately, come to represent valuable national assets. For example, my staff were particularly impressed by the skill shown by Agency staff in negotiating very favourable terms for the acquisition of nuclear power plant equipment for use on the Model Project for strengthening training at a nuclear power plant. However, there is no systematic financial management advice on how to maximise project benefits or how to develop a longer term strategy. Accordingly, I **recommend** that the Agency consider what more it can do to protect and promote the financial viability of projects it has supported in the longer term. I recognise that the Agency currently has few in-house financial experts who could provide advice to counterparts, but consideration should be given to the costs and benefits of developing such expertise or buying it in. More immediately, the Agency could encourage counterparts to tap into the expertise provided by other international development bodies such as the United Nations Development Programme. The Agency should also consider more explicitly in its initial project evaluation whether there is scope for a project to be financially self-sufficient and what will be needed to achieve this. Input from a financial expert as well as those with expertise in nuclear technology would also be helpful at this stage.

Computer Policy

Introduction

87. My staff carried out a review of the Agency's computer policy, focusing on the strategy put in place by the Agency to meet its present and future needs and the extent to

which the Agency's previous investment in Information Technology (IT) had realised benefits.

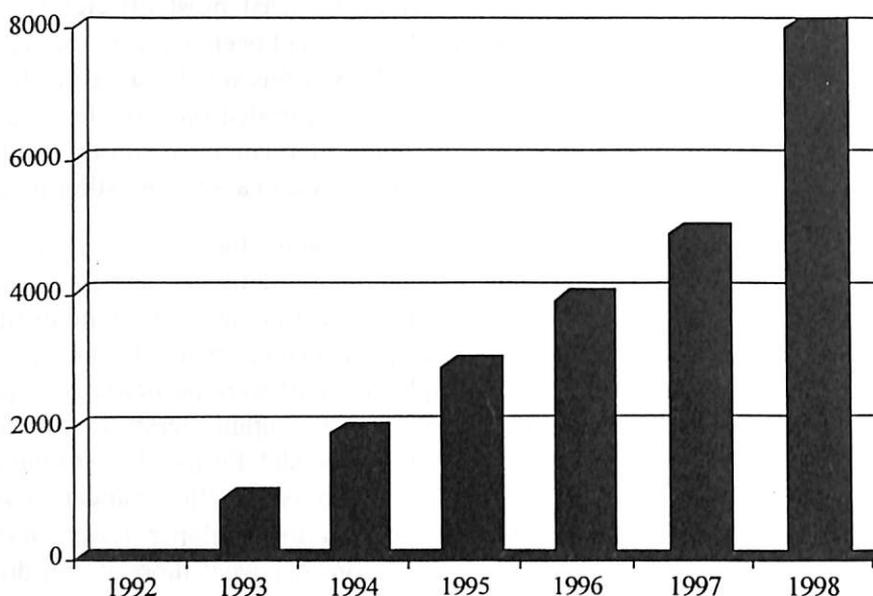
Background

Increasing IT demand

88. The Agency's computer resource policy aims to meet the IT and communication needs of users throughout the organisation. There has been an increasing demand on the IT computer infrastructure, in particular, with respect to Email growth and data storage capacity demands.

89. Chart 1 illustrates the growth in email to and from external sources, from a zero base in 1992. It includes communications between other United Nations Vienna International Centre-based organisations (United Nations Office in Vienna, United Nations Industrial Development Organisation), but excludes internal communications between Tokyo, Seibersdorf, and Toronto.

Chart 1: External Email Messages per day



Source: IAEA Computer Services Centre

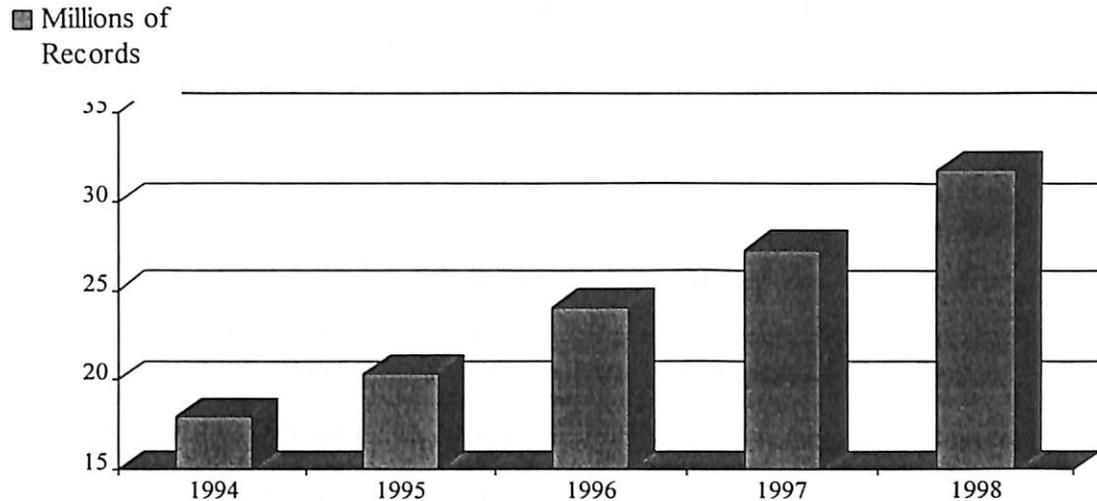
Note: Since the Agency did not maintain exact information on incoming and outgoing traffic until 1997, 1992-1996 figures are Agency estimates.

90. The Agency introduced Microsoft Exchange, an Email software package, throughout all departments in 1997, which explains part of the 1998 growth. Agency staff anticipate that a steady message growth from 1998 will result from increased Internet familiarity and world-wide accessibility.

91. The Agency also expects its data storage capacity requirements to increase significantly and has estimated that they will rise from present 200 Gigabytes to 500 Gigabytes. Disk upgrades in terms of both capacity and technology will be required to meet the Agency's needs. Technical advances are the cause of much of the predicted growth, for example, Internet information can include complex colour graphics which need four times as much computer storage as a plain text page, or if an Agency transmission includes a thirty second video it could double the storage required, although technologies for compressing and storing the information are expected to improve. By the year 2000, the remote monitoring of installations transmitted by satellite is expected

to generate significant additional volumes of data daily requiring storage and interrogation. Chart 2 indicates the growth in computer records stored by the Agency as recorded by the Data Development Department of Safeguards.

Chart 2: Safeguards IT Data Base



Source: Safeguards Data Development Department (October figures)

92. In March 1998 the Agency set up a dedicated unit, the Office of Information Management, to develop an integrated IT policy and provide common support services for all operational departments. This replaced a more decentralised approach whereby responsibility and resources for computing had been in the hands of individual departments.

93. The Agency operates with a limited annual budget that prevents the procurement of expensive equipment or systems where cost exceeds the capacity of the annual appropriation. The Board of Governors has approved specific funding mechanisms to overcome the need to find large sums of money in the particular years when the periodic upgrade of equipment becomes necessary. The Board established the Equipment Replacement Fund (ERF-1996) in 1992, with a budget of \$1.8 million, to 'reserve' funds specifically for computer equipment. The Agency plans further IT investment of \$1.9 million under ERF-2000.

94. The Agency's past and future IT policy is described in two key strategy documents:

- "Value from Agency's investments in information systems and technology" – provides details of the economies achieved from earlier investment; and
- "Equipment Replacement Funds for Data Processing Systems" requests funding for the development of the computer infrastructure

The Administrative and Budgetary Committee considered these papers in May 1998. The Board requested reassurance that an "IT Dividend", in the form of savings, improvements or efficiencies, existed from the earlier expenditure. The Administrative and Budgetary Committee therefore requested the Secretariat to ask me to review the

Agency's computer policy and to report to its 1999 session. This report details the results of my investigation.

Audit scope

95. My staff considered the nature and extent of the "IT Dividend" and the Agency-wide future IT investment, including the ERF-2000 strategy.

96. My review does not consider any proposed changes to the Agency's IT management structure arising from the work of a special task force, which has been established by the Director General with the objective of ensuring a consistent and coherent strategy and approach to IT services in the Secretariat and optimum utilisation of the human resource assigned to the centralised and decentralised IT functions and services. I intend to consider the effectiveness and appropriateness of any proposed changes to the IT management structure in my report on the 1999 financial statements. I may also, at that time, wish to revisit the above issues in the light of the recommendations of the special task force.

The Nature and Extent of the "IT Dividend"

97. My staff identified a number of areas where there had been savings, improvements or efficiencies from the Agency's IT investments. These included:

- meeting the increasing information needs of its Member States;
- improvements in the efficiency of its IT server infrastructure; and
- the adoption of a personal computer and standardisation policy.

In addition, my staff considered the extent of the reduction in the numbers of general grade staff that may be linked to past IT investment.

Serving the needs of Member States

98. The use of modern communications media allows Member States to access information at a much faster and more convenient time to them. The Agency has introduced Internet information sources such as WorldAtom (public information), GovAtom (Board of Governors' documentation) and Rasnet (radiation and waste safety), to disseminate technical and other information, twenty-four hours a day to world-wide audiences within different time zones.

99. Furthermore, the Agency has offered its IT know-how directly to Member States by arranging technical assistance such as the International Seminar on Year 2000 issues held in February 1999. It also takes a leading role on UN developments, such as the establishment of an Extranet to enhance information sharing throughout the UN system.

Server efficiency improvements

100. My staff found that upgrades to the Local Area Network (LAN) servers, which control and store information on the system linking the staff's personal computers (PCs), had enabled the system to meet the increased performance demands placed upon it. The Agency had invested \$500,000 of ERF-1996 to upgrade the capacity of the servers, mostly to improve functions related to office productivity such as text processing, spreadsheets and Email.

101. A further \$280,000 of ERF-1996 funding was used to replace twenty-six computers that were normally dedicated to individual computer applications, such as Payroll, Library and Records Management, with a single computer server. This single server now controls several applications, and consists of several processors that have the advantage of backing-up each other and balancing the overall workload, resulting in increased efficiency.

102. My staff reviewed the procurement procedures for the upgrade to the LAN to assess whether the Agency had obtained the maximum IT dividend. They found Agency

staff had operated proper, reasonable procedures in accordance with the Agency's Administrative Manual. At one stage the Agency intended to obtain two key documents from the tenderer. One document requested the tenderer to itemise the expected advantages to the Agency of the technology. The other document requested details of the cost, functional and technical benefits, and risks associated with the proposed technical expenditure. These documents were not produced.

103. Whilst I consider the Agency should establish the cost benefits of any major computer equipment purchases at the planning stages of the operation, a standard return from tenderers confirming these benefits should assist the effectiveness of the procurement operation. Such a return could also highlight any unforeseen difficulties associated with the technological development, which might require further consideration. Lastly it could assist in developing the performance indicators for any post implementation review.

104. I **recommend** therefore that the Agency develops a standard document for IT tender requests that asks tenderers to specify the savings, benefits and risks which would result from selecting their technical proposals or tender. I consider this will help to qualify the expected savings and/or improvements to service arising from future IT investment, and would aid any future external evaluation of the extent that such savings and/or improvements had been achieved.

105. No Agency-wide guidelines exist for post-implementation review of new systems once they are operational for a certain period. Such a review allows an organisation to stand back and look at the project objectively, determine whether all objectives have been achieved and suggest improvements. A pre-requisite of successful post-implementation review is that the original objectives and expected system performance are fully documented and quantified at the project planning stage, including expected benefits from cost savings and improved performance.

106. I **recommend** that the Agency produce guidelines for post implementation reviews of computer installation projects. These guidelines should include the period when the review takes place, generally accepted practice being six months, and require staff leading the review to be independent of the project owners or the staff responsible for implementation.

107. A policy to standardise the provision of PCs was agreed in December 1997 for the period 1997-2000. Although it is acknowledged that the overall market prices for PCs has been falling, my staff consider that this policy has helped contribute to a reduction in the unit cost of 1998 PC purchases of between 16 to 39 per cent. In addition, the 1998 computers have enhanced capabilities.

108. In February 1997, the Agency introduced a computer software standards policy to reduce support and training costs, achieve greater cost-effectiveness in the procurement of software and ensure compatibility of formats especially where special document exchange requirements exist with different organisational units of the Agency. As a result of this policy, in July 1997, the Agency introduced a general functional software package, incorporating standard database software.

109. My staff reviewed the inventory of software purchases in 1997 and compared them to those purchased in 1998. They found that some \$1.24 million had been spent in 1998 on 562 software packages compared to \$2.22 million on 725 software purchases in 1997. This represents a 28 per cent reduction in the unit cost of the software purchased. However, my staff had difficulty verifying the extent to which this reflected the policy of standardisation because the Agency's systems do not record the same software under the same name.

110. Accordingly, I recommend that the Agency extends its standardisation policy to establish a database of standard or departmentally approved software purchases. The database should include standard descriptions, costs and suppliers which the purchaser, procurement, and inventory staff can then use in a standard format to improve management controls over software purchases and assist in identifying cost benefits from the standardisation. The information, if at all possible, should be input into the system at a single point of entry and be available Agency-wide.

Staff savings

111. The Agency's total staffing has remained at approximately 2,200 between 1993 and 1997. However, from a peak of 1,407 general service grade staff in 1995, the numbers employed has fallen to 1281 at the end of 1998; a nine per cent reduction. I believe this reduction can be linked to the expected benefits of computerisation as the widespread use of personal computers can reduce the need for certain categories of general support staff, for example secretarial staff.

112. For the future, I recommend that the Agency should quantify the expected IT Dividend, including potential staff savings, at the planning stage in terms of actual reduced costs in overall dollar terms. Where this is not possible, the Agency should identify suitable unit cost performance indicators that will enable an assessment of productivity benefits and performance, to be carried out as part of the post implementation review, as recommended in paragraph 106 above.

Agency-wide Future IT Investment and ERF-2000 Strategy

*Decentralisation of
IT resources*

113. In 1989, the Agency decided to decentralise computing responsibility. It transferred the planning, funding and development of information technology needs to individual departments. Whilst providing departments with the flexibility to manage their requirements, this approach led to a proliferation of different software and hardware. As a result there was: less opportunities for cost reductions through bulk purchase arrangements; a need to increase support staffing to accommodate the differing systems acquired by the departments; and the creation of inefficiencies in the transfer of information between systems.

*Information
strategy*

114. As already mentioned, in March 1998, the Director-General approved the creation of an Office of Information Management with the aim of ensuring that information resource investments are cost effective, well managed, fully integrated and provide direct and measurable benefits to the Agency's Programmes and Member States. This Office is in charge of developing an Agency-wide information strategy. At the time of my review, the Agency was developing a Medium Term Strategy for the Agency as a whole for the next five years. However, the draft document did not contain an Information Strategy. Accordingly, I recommend that the Medium Term Strategy should include Agency-wide priorities for Strategic Information Management, Systems and Technology.

115. However, my staff noted areas where further progress is needed towards an Agency-wide approach to future Information Technology expenditure. For example, the Department of Safeguards remotely monitors installations, requiring increasingly specialised knowledge and skills in collecting and interrogating qualitative information through artificial intelligence and expert systems. It has its own separate staffing to develop this specialised knowledge and maintain control over security. At the time of their audit, my staff noted the current Safeguards computer overloads the floor; has no halon gas fire protection; and operates without any uninterrupted power source to safely shutdown the computer if power is lost.

116. The Technical and Engineering Services Section estimates the upgrade of this area would cost \$150,000. However, the Agency has a specially prepared area with new

cabling and facilities into which Safeguards could move its main network control servers if the system is made secure by logical (computer software) methods rather than by the currently used physical separation from the Agency's other systems. I **welcome** the establishment of the special task force on IT management referred to in paragraph 96 above and **recommend** that it should review the cost efficiency of maintaining separate common infrastructure support staff and a separate physical control centre as part of their investigations.

117. A potential future IT Dividend could be achieved through the standardisation of firewalls used in the Agency's computer systems. The purpose of firewalls is to maintain the confidentiality, authenticity and integrity of information systems located on the Agency's secure Local Area Network by denying access to potentially hostile elements on the Internet. The Agency currently uses firewalls from two different suppliers for Safeguards and the remaining Agency IT operations under the supervision of the Division of Scientific and Technical Information (NESI). This requires separate hardware, firewall application, support staffs, maintenance contracts and training requirements.

118. The current NESI firewall capacity is unable to satisfy the projected Agency network requirements and the vendor supplying it will no longer support the system after 2001. The system also has technical problems arising with the year 2000 date change. The inability to upgrade the current system means the Agency is in a unique position to establish a firewall standard for the Agency-wide security infrastructure, including Safeguards. I, therefore, **recommend** that the Agency establishes a cost effective firewall standard as part of the firewall replacement process during the next two years.

ERF-2000 Strategy

119. ERF-2000 takes forward the Agency's computer policy to the year 2000. The Agency has based the \$1.9 million budget for ERF-2000 on assumptions that Agency-wide common support services for IT activities will be in place. It plans to finance ERF-2000 from Regular Budget savings achieved before 1998, anticipated savings in 1999, additional funding in 2000 and the residue of unspent ERF-1996.

120. ERF-1996 set up a framework capable of handling the expected increase in the Agency workload. To justify more funding under ERF-2000, the Agency has identified three factors which necessitate development of the ERF-1996 funded IT framework:

- changes in computer requirements in financial systems, document management and information management and dissemination;
- changes in the number and type of people requiring support at the Agency, including a growing number of users on-site and at remote offices (Monaco, Tokyo, Toronto, New York and Seibersdorf); and
- non-Agency distant users based at embassies, institutes and organisations, as well as public users from all over the world.

Criteria and Assumptions

121. The design criteria and assumptions supporting the technical plan for ERF-2000 include:

- the infrastructure shall be centrally managed;
- equipment that serves similar applications or services should be consolidated into single systems, without compromising security arrangements; and
- all networking equipment and services will be purchased, implemented and maintained by a single organisational unit, reducing staff costs, and ensuring an optimised and harmonised networking environment.

Potential benefits

122. I consider the potential advantages of these assumptions of an Agency-wide shared system support structure are:

- greater volume purchasing agreements assisting lower prices;
- development of applications of benefit Agency-wide;
- the possibility of introducing Service Level Agreements from the common service providers that indicate measurable service levels which can be monitored; and
- central retention of infrastructure knowledge.

Service Level Agreements

123. In particular, I consider that a properly agreed and monitored Service Level Agreement could alleviate any departmental concerns that the common support structure would result in unexpected delays to planned system improvements. Where a separate service provider, either internal or external, manages or maintains a system on behalf of users I consider an appropriate Service Level Agreement between users and providers should be in place. Without a Service Level Agreement there is a risk that measures of system performance will not relate to any measure of service that users understand or require. Such an agreement should therefore define the required performance of the system in terms of availability to users, response times, and any appropriate criteria meaningful to the user. Performance indicators should be agreed, and the delivered level of service regularly monitored against that specified.

124. For operational cost savings and to ensure the ERF-2000 budget of \$1.9 million is on a firm basis, I **recommend** that:

- the Agency maintains a single organisational unit that can purchase, implement and maintain all IT common networking equipment and services; and
- this organisational unit agrees to a Service Level Agreement with the departments relying on it.

Other Financial Matters

Year 2000 Compliance

125. It has been known for sometime that some older computer systems may not be able to cope with the year 2000 century date change. As far as the Agency's own systems are concerned, it has acknowledged responsibility for properly assessing the business and financial statements impacts that may potentially arise from systems failures to cope with the year 2000 date change within the Agency, and for ensuring that appropriate corrective action and contingency plans have been developed to minimise such impacts.

126. With regard to the Agency's financial systems, in August 1997, the Agresso project was approved to replace the current financial accounting system, which has become outdated and is not year 2000 compliant. As at July 1998, the initial date for phase one of the implementation was set for May 1999. This has now moved to September 1999.

127. In these circumstances, the Agresso project team is sensibly considering contingency plans if the system cannot become fully operational by 1 January 2000. As part of this contingency planning I **recommend** that the Agency carries out an impact analysis to identify those Agresso components which are critical to the Agency's

operation. The Agency should then produce a realistic implementation programme with a minimum objective of fully testing and installing these components by 1 January 2000.

Losses, Write-Offs and Ex-gratia Payments

128. In accordance with Financial Regulation 10.05, the Agency informed me of write-offs totalling \$140,461 in 1998. These related to various amounts due to the Agency, which had been outstanding for some time, and were considered to be irrecoverable. The Agency has also reported losses of ten inventory items with a total current value of \$64,690 for which it has obtained replacements from its insurers at no cost to the Agency. Additionally, the Agency made an insurance claim for a vehicle which was stolen, which has been fully settled by the insurance company. The Agency also made an ex-gratia payment of \$517 to a member of the Senior Expert Group as compensation for lost property, which is disclosed in Note 7a to the accounts.

Acknowledgement

129. I wish to record my appreciation of the co-operation and assistance extended by the Director General and the staff of IAEA during the audit.

(signed)

Sir John Bourn
(Comptroller and Auditor General, United Kingdom)
External Auditor

PART II

STATEMENTS

TEXT OF A LETTER DATED 18 MARCH 1999 FROM THE DIRECTOR GENERAL TO THE EXTERNAL AUDITOR

Sir,

Pursuant to financial regulation 11.03(a), I have the honour to submit the accounts of the International Atomic Energy Agency for the year ended 31 December 1998, which I hereby approve. The financial statements have been prepared and signed by the Director, Division of Budget and Finance.

Accept, Sir, the assurances of my highest consideration.

(signed) **MOHAMED ELBARADEI**
Director General

STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES
for the period ending 31 December 1998
(expressed in United States dollars)

	REGULAR BUDGET FUND AND WORKING CAPITAL FUND		GENERAL FUND										TRUST FUNDS AND RESERVE FUNDS		TOTAL					
			TECHNICAL CO-OPERATION FUND		EXTRABUDGETARY PROGRAMME FUND		TECHNICAL CO-OPERATION EXTRABUDGETARY FUND													
	FUND GROUP I						FUND GROUP II		FUND GROUP III		MEMBER STATES AND INTERNATIONAL ORGANIZATIONS		UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)		FUND GROUP VI		Schedule	1998	1997	
	Schedule/ Note	1998	1997	Schedule/ Note	1998	1997	1998	1997	1998	1997	1998	1997	1998	1997						
INCOME																				
Assessed contributions	S1	217 033 727	223 086 374																217 033 727	223 086 374
Voluntary contributions				S8	53 406 599	47 757 208	27 804 615	34 389 851	3 400 795	6 479 090									86 728 266	91 930 338
Assessed programme costs				S9	2 971 960	1 978 573													2 971 960	1 978 573
Other/Miscellaneous income																				
Revenue producing activities	N6a	1 314 031	1 349 978																1 314 031	1 349 978
Funds received under inter-organization arrangements																				
Jointly financed activities	N6b	5 546 725	6 235 641								1 258 997	1 507 006							1 258 997	1 507 006
Income for services rendered		306 178	310 044																5 546 725	6 235 641
Interest income		5 636 644	4 079 614		1 685 211	1 051 976													306 178	310 044
Currency exchange adjustments		(1 127 294)	(3 785 461)		(694 931)	(362 203)													7 321 855	5 131 590
Other/Miscellaneous		550 808	549 265		21 410	(5 758)	9 636	3 937											(1 822 225)	(4 147 664)
TOTAL INCOME		229 260 819	231 825 455		57 390 249	50 419 796	27 814 251	34 393 788	3 400 795	6 479 090	1 258 997	1 507 006	2 116 257	3 304 189					321 241 368	327 929 324
TOTAL EXPENDITURE	S6, N7a	225 351 389	230 717 004	N7b	55 478 529	56 636 430	30 925 546	24 666 841	4 835 766	6 060 019	1 399 468	1 350 724	2 112 338	2 641 588					320 103 036	322 072 606
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	S4	3 909 430	1 108 451		1 911 720	(6 216 634)	(3 111 295)	9 726 947	(1 434 971)	419 071	(140 471)	156 282	3 919	662 601					1 138 332	5 856 718
Prior period adjustments	N8a	5 447 704	3 885 610	N8b	(1 165 704)	103 598													4 282 000	3 989 208
Provision for delays in the collection of contributions		(5 007 093)	(6 635 555)																(5 007 093)	(6 635 555)
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		4 350 041	(1 641 494)		746 016	(6 113 036)	(3 111 295)	9 726 947	(1 434 971)	419 071	(140 471)	156 282	3 919	662 601					413 239	3 210 371
Savings on or cancellation of prior periods' obligations	S4	2 171 673	4 571 773																2 171 673	4 571 773
Transfers to reserves	N9	70 000	70 000																70 000	70 000
Net increase (decrease) in Working Capital Fund	S2	(13 950)	2 003 150																(13 950)	2 003 150
Credits to Member States	N10	(18 480 440)	(37 183 088)																(18 480 440)	(37 183 088)
Fund balance, beginning of period		68 855 155	101 034 814		9 415 381	15 528 417	19 881 064	10 154 117	6 736 693	6 317 622	228 622	72 340	2 785 112	2 122 511				107 902 027	135 229 821	
RESERVES AND FUND BALANCES, END OF PERIOD		56 952 479	68 855 155		10 161 397	9 415 381	16 769 769	19 881 064	5 301 722	6 736 693	88 151	228 622	2 789 031	2 785 112					92 062 549	107 902 027

(signed) ABRAHAM E. ESPINO
Director, Division of Budget and Finance

STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCES
as at 31 December 1998
(expressed in United States dollars)

	REGULAR BUDGET FUND AND WORKING CAPITAL FUND FUND GROUP I		G E N E R A L F U N D								TRUST FUNDS AND RESERVE FUNDS FUND GROUP VI		T O T A L				
			TECHNICAL CO-OPERATION FUND FUND GROUP II		EXTRABUDGETARY PROGRAMME FUND FUND GROUP III		TECHNICAL CO-OPERATION EXTRABUDGETARY FUND										
							MEMBER STATES AND INTERNATIONAL ORGANIZATIONS FUND GROUP IV		UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) FUND GROUP V								
Schedule/ Note	1998	1997	Schedule/ Note	1998	1997	1998	1997	1998	1997	1998	1997	Schedule	1998	1997			
ASSETS																	
Cash and term deposits		51 761 735	65 017 217		32 582 527	30 971 929	28 865 361	27 821 131	8 285 040	9 736 853	340 368	1 231 124	3 588 817	3 738 853	S12	125 423 848	138 517 107
Accounts receivable																	
Assessed contributions receivable from Member States	S1, N13	44 881 491	50 932 301													44 881 491	50 932 301
Voluntary contributions receivable				S8	2 399 772	3 442 077										2 399 772	3 442 077
Other contributions receivable				S9	7 155 645	7 719 425										7 155 645	7 719 425
Other	N14a	10 483 135	9 022 304	N14b	2 889 530	2 766 237	933 306	764 636	1 137 993	814 356	82 879	374 774	3 985	536		15 530 828	13 742 843
TOTAL ASSETS		107 126 361	124 971 822		45 027 474	44 899 668	29 798 667	28 585 767	9 423 033	10 551 209	423 247	1 605 898	3 592 802	3 739 389		195 391 584	214 353 753
LIABILITIES																	
Contributions received in advance	S1, S2	23 406 902	29 780 849	S8, S9	148 690	21 985	16 667	16 667					625 000	688 000		24 197 259	30 507 501
Unliquidated obligations	N15	23 026 859	25 174 041		27 305 883	27 452 918	11 699 633	6 859 028	4 121 311	3 814 516	282 838	1 187 225	177 794	265 329		66 614 318	64 753 057
Provision for revaluation of cash	N16	2 329 462	-	N16	-	-										2 329 462	-
Accounts payable																	
Other	N17a	1 410 659	1 161 777	N17b	255 859	289 959	1 312 598	1 829 008			52 258	190 051	977	948		3 032 351	3 471 743
TOTAL LIABILITIES		50 173 882	56 116 667		27 710 432	27 764 862	13 028 898	8 704 703	4 121 311	3 814 516	335 096	1 377 276	803 771	954 277		96 173 390	98 732 301
RESERVES AND FUND BALANCES																	
Uncollected assessed contributions	S1	24 864 822	29 871 915	S9	7 155 645	7 719 425										32 020 467	37 591 340
Other reserves	N9	340 000	270 000													340 000	270 000
Working Capital Funds	S2, S3	18 018 000	18 031 950													18 018 000	18 031 950
Surplus (deficits)	S4	13 729 657	20 681 290													13 729 657	20 681 290
Fund balances					10 161 397	9 415 381	16 769 769	19 881 064	5 301 722	6 736 693	88 151	228 622	2 789 031	2 785 112		35 110 070	39 046 872
TOTAL RESERVES AND FUND BALANCES		56 952 479	68 855 155		17 317 042	17 134 806	16 769 769	19 881 064	5 301 722	6 736 693	88 151	228 622	2 789 031	2 785 112		99 218 194	115 621 452
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		107 126 361	124 971 822		45 027 474	44 899 668	29 798 667	28 585 767	9 423 033	10 551 209	423 247	1 605 898	3 592 802	3 739 389		195 391 584	214 353 753

(signed) ABRAHAM E. ESPINO
Director, Division of Budget and Finance

STATEMENT III

STATEMENT OF CASH FLOW
for the period ending 31 December 1998
(expressed in United States dollars)

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net excess (shortfall) of income over expenditure (Statement I)	413 239	3 210 371
(Increase) decrease in contributions receivable	7 656 895	13 592 331
(Increase) decrease in other accounts receivable	(1 787 985)	(684 273)
Increase (decrease) in contributions received in advance	(6 310 242)	18 500 579
Increase (decrease) in unliquidated obligations	1 861 261	4 474 023
Increase (decrease) in accounts payable	(439 392)	(1 371 169)
Increase (decrease) in other liabilities	2 329 462	(2 585 116)
Less: Interest income	(7 321 855)	(5 131 590)
Currency exchange adjustments	1 822 225	4 147 664
NET CASH FROM OPERATING ACTIVITIES	(1 776 392)	34 152 820
CASH FLOW FROM INVESTING AND FINANCING ACTIVITIES:		
Plus: Interest income	7 321 855	5 131 590
Currency exchange adjustments	(1 822 225)	(4 147 664)
NET CASH FROM INVESTING AND FINANCING ACTIVITIES	5 499 630	983 926
CASH FLOW FROM OTHER SOURCES:		
Savings on or cancellation of prior periods' obligations	2 171 673	4 571 773
Increase (decrease) in provision for uncollected contribution (TCF)	(563 780)	477 671
Transfers to reserves	70 000	70 000
Net increase (decrease) in Working Capital Fund	(13 950)	2 003 150
Credits to Member States	(18 480 440)	(37 183 088)
NET CASH FROM OTHER SOURCES	(16 816 497)	(30 060 494)
NET INCREASE (DECREASE) IN CASH AND TERM DEPOSITS	(13 093 259)	5 076 252
CASH AND TERM DEPOSITS, BEGINNING OF PERIOD	138 517 107	133 440 855
TOTAL CASH AND TERM DEPOSITS, END OF PERIOD (Schedule S12)	125 423 848	138 517 107
consisting of:		
Fund Group I - Regular Budget Fund and Working Capital Fund	51 761 735	65 017 217
Fund Group II - Technical Co-operation Fund	32 582 527	30 971 929
Fund Group III - Extrabudgetary Programme Fund	28 865 361	27 821 131
Fund Group IV - Technical Co-operation Extrabudgetary Fund	8 285 040	9 736 853
Fund Group V - United Nations Development Programme (UNDP)	340 368	1 231 124
Fund Group VI - Trust Funds and Reserve Funds	3 588 817	3 738 853
	125 423 848	138 517 107

(signed) ABRAHAM E. ESPINO
Director, Division of Budget and Finance

STATEMENT IV

**STATEMENT OF REGULAR BUDGET APPROPRIATIONS
for the period ending 31 December 1998
(expressed in United States dollars)**

Description of major programme	a/ Appropriations	Expenditure			Balance
		Disbursements	Unliquidated obligations	Total	
1. Nuclear Power and Fuel Cycle	12 460 000	11 058 663	1 203 960	12 262 623	197 377
2. Nuclear Applications	32 068 000	29 170 652	2 783 007	31 953 659	114 341
3. Nuclear, Radiation and Waste Safety	14 022 000	13 232 331	547 363	13 779 694	242 306
4. Nuclear Verification and Security of Material	80 807 000	73 171 154	7 635 415	80 806 569	431
5. Management of Technical Co-operation for Development	12 806 000	12 670 875	130 694	12 801 569	4 431
6. Policy-making, Co-ordination and Support	68 800 000	61 477 565	6 722 985	68 200 550	599 450
Appropriation Budget	220 963 000	200 781 240	19 023 424	219 804 664	1 158 336
7. Reimbursable work for others	5 004 000	2 474 081	3 072 644	5 546 725	b/ (542 725)
TOTAL	225 967 000	203 255 321	22 096 068	225 351 389	615 611

a/ Attachment to GC(41)/RES/6.

b/ Authorized as per GC(41)/RES/6, para. 3(a).

(signed) ABRAHAM E. ESPINO
Director, Division of Budget and Finance

PART III

SCHEDULES

SCHEDULE S1

REGULAR BUDGET FUND
STATUS OF CONTRIBUTIONS TO THE REGULAR BUDGET
AS AT 31 DECEMBER 1998

Member State	1998				Outstanding at AS 11.90	Prior years		Total outstanding at AS 11.90	Advance c/ payments and credits
	Assessed	a/ Credits	Payments	Total		Payments and credits in 1998 b/	Outstanding		
Afghanistan	16 903	-	-	-	16 903	-	63 284	80 187	-
Albania	16 903	-	16 903	16 903	-	40 708	-	-	-
Algeria	263 972	20 966	243 006	263 972	-	210 977	-	-	22 184
Argentina	807 568	-	15 766	15 766	791 802	956 762	-	791 802	-
Armenia	84 905	-	-	-	84 905	203 854	181 115	266 020	-
Australia	3 240 105	570 213	2 669 892	3 240 105	-	-	-	-	291 991
Austria	1 928 513	273 207	1 655 306	1 928 513	-	-	-	-	159 147
Bangladesh	17 253	3 299	13 954	17 253	-	-	-	-	1 779
Belarus	506 056	-	-	-	506 056	1 784 801	2 554 402	3 060 458	-
Belgium	2 204 610	404 651	1 799 959	2 204 610	-	-	-	-	181 383
Bolivia	16 903	-	-	-	16 903	15 599	30 079	46 982	-
Bosnia and Herzegovina	17 252	-	-	-	17 252	-	113 476	130 728	-
Brazil	2 729 735	-	-	-	2 729 735	2 063 425	2 628 558	5 358 293	-
Bulgaria	133 813	13 532	17 280	30 812	103 001	20 035	-	103 001	-
Cambodia	16 903	-	-	-	16 903	-	232 989	249 892	-
Cameroon	16 903	-	-	-	16 903	13 461	66 665	83 568	-
Canada	6 910 677	1 159 447	5 751 230	6 910 677	-	-	-	-	6 437 193
Chile	129 955	1 325	128 630	129 955	-	93 463	-	-	3 779
China	1 258 665	209 865	1 048 800	1 258 665	-	-	-	-	84 128
Colombia	162 333	42 537	119 796	162 333	-	-	-	-	26 228
Costa Rica	16 903	-	-	-	16 903	-	60 436	77 339	-
Côte d'Ivoire	16 903	-	-	-	16 903	-	242 549	259 452	-
Croatia	150 259	9 567	-	9 567	140 692	462 630	-	140 692	-
Cuba	84 518	-	-	-	84 518	120 840	190 746	275 264	-
Cyprus	47 229	4 004	43 225	47 229	-	-	-	-	3 283
Czech Republic	398 062	112 122	285 940	398 062	-	-	-	-	42 884
Democratic Republic of the Congo	17 009	-	-	-	17 009	-	128 134	145 143	-
Denmark	1 604 686	242 566	1 362 120	1 604 686	-	-	-	-	139 134
Dominican Republic	16 903	-	-	-	16 903	-	528 220	545 123	-
Ecuador	33 381	-	-	-	33 381	29 764	51 723	85 104	-
Egypt	129 524	13 699	115 825	129 524	-	-	-	-	9 530
El Salvador	16 903	-	-	-	16 903	-	102 942	119 845	-
Estonia	65 013	16 938	48 075	65 013	-	-	-	-	6 671
Ethiopia	16 916	-	16 916	16 916	-	13 394	-	-	3 687
Finland	1 365 597	204 349	1 161 248	1 365 597	-	-	-	-	121 218

SCHEDULE S1 (continued)

Member State	1998				Outstanding at AS 11.90	Prior years		Total outstanding at AS 11.90	Advance c/ payments and credits
	Assessed	a/ Credits	Payments	Total		Payments and credits in 1998 b/	Outstanding		
France	14 078 260	2 244 797	11 833 463	14 078 260	-	-	-	-	1 251 584
Gabon	18 073	-	-	-	18 073	-	417 596	435 669	-
Georgia	198 808	-	-	-	198 808	-	496 731	695 539	-
Germany	20 013 066	3 355 991	16 657 075	20 013 066	-	-	-	-	1 691 024
Ghana	17 252	-	-	-	17 252	25 092	22 612	39 864	-
Greece	633 417	-	633 417	633 417	-	506 147	-	-	106 047
Guatemala	33 530	93	-	93	33 437	34 425	-	33 437	-
Haiti	16 903	-	-	-	16 903	-	290 163	307 066	-
Holy See	22 293	3 503	18 790	22 293	-	-	-	-	2 097
Hungary	234 713	51 298	183 415	234 713	-	-	-	-	22 300
Iceland	66 101	10 921	55 180	66 101	-	-	-	-	5 549
India	507 915	89 693	418 222	507 915	-	-	-	-	44 409
Indonesia	234 557	-	-	-	234 557	13 289	176 259	410 816	-
Iran, Islamic Republic of	736 615	79 288	194 887	274 175	462 440	732 915	-	462 440	-
Iraq	231 651	-	-	-	231 651	-	1 304 007	1 535 658	-
Ireland	462 496	67 720	394 776	462 496	-	-	-	-	38 034
Israel	636 648	84 205	552 443	636 648	-	-	-	-	41 561
Italy	11 445 131	1 495 472	9 949 659	11 445 131	-	-	-	-	934 816
Jamaica	17 009	-	-	-	17 009	61 494	29 355	46 364	-
Japan	34 313 853	4 255 677	30 058 176	34 313 853	-	-	-	-	2 380 660
Jordan	16 131	2 272	13 859	16 131	-	-	-	-	1 334
Kazakhstan	319 850	-	-	-	319 850	86 416	1 114 764	1 434 614	-
Kenya	16 903	-	-	-	16 903	-	125 312	142 215	-
Korea, Republic of	1 290 574	135 650	1 154 924	1 290 574	-	-	-	-	81 554
Kuwait	442 020	141 014	301 006	442 020	-	-	-	-	43 611
Latvia	139 628	450	102 220	102 670	36 958	102 937	-	36 958	-
Lebanon	16 474	2 272	14 202	16 474	-	-	-	-	254
Liberia	16 903	-	-	-	16 903	-	164 471	181 374	-
Libyan Arab Jamahiriya	341 358	-	341 358	341 358	-	508 892	-	-	32 973
Liechtenstein	22 293	3 503	18 790	22 293	-	-	-	-	2 097
Lithuania	127 684	41 794	85 890	127 684	-	-	-	-	14 866
Luxembourg	161 074	35 569	-	35 569	125 505	-	-	125 505	-
Madagascar	16 903	-	-	-	16 903	37 438	64 776	81 679	-
Malaysia	230 398	38 275	179 207	217 482	12 916	-	-	12 916	-
Mali	16 903	-	-	-	16 903	-	267 049	283 952	-
Marshall Islands	16 903	-	-	-	16 903	-	62 021	78 924	-
Mauritius	16 423	16 423	-	16 423	-	-	-	-	3 405
Mexico	1 335 088	219 759	1 115 329	1 335 088	-	-	-	-	242 749
Monaco	22 035	3 503	18 532	22 035	-	-	-	-	2 097
Mongolia	16 903	-	-	-	16 903	-	20 955	37 858	-

SCHEDULE S1 (continued)

Member State	1998				Outstanding at AS 11.90	Prior years		Total outstanding at AS 11.90	Advance c/ payments and credits
	Assessed	a/ Credits	Payments	Total		Payments and credits in 1998 b/	Outstanding		
Morocco	48 292	7 239	41 053	48 292	-	-	-	-	2 213
Myanmar	16 312	-	16 312	16 312	-	13 368	-	-	1 334
Namibia	16 129	2 272	13 857	16 129	-	-	-	-	1 559
Netherlands	3 481 418	570 771	2 910 647	3 481 418	-	-	-	-	309 939
New Zealand	541 328	541 328	-	541 328	-	-	-	-	502 292
Nicaragua	16 903	-	-	-	16 903	11 764	36 614	53 517	-
Niger	16 903	-	-	-	16 903	-	41 815	58 718	-
Nigeria	181 833	61 811	120 022	181 833	-	-	-	-	9 216
Norway	1 226 936	202 836	1 024 100	1 226 936	-	-	-	-	102 371
Pakistan	96 552	13 633	82 919	96 552	-	-	-	-	8 386
Panama	16 903	-	16 903	16 903	-	83 213	-	-	194
Paraguay	16 903	-	-	-	16 903	41 022	15 543	32 446	-
Peru	100 220	-	-	-	100 220	107 894	159 969	260 189	-
Philippines	102 177	5 506	12 200	17 706	84 471	66 762	-	84 471	-
Poland	567 511	143 309	424 202	567 511	-	-	-	-	294 760
Portugal	439 966	36 434	403 532	439 966	-	-	-	-	16 519
Qatar	88 730	18 539	70 191	88 730	-	-	-	-	8 005
Romania	248 735	42 464	206 271	248 735	-	-	-	-	45 297
Russian Federation	9 867 360	-	-	-	9 867 360	14 314 237	5 199 415	15 066 775	-
Saudi Arabia	1 205 255	11 728	1 193 527	1 205 255	-	-	-	-	-
Senegal	16 903	-	-	-	16 903	2 305	24 382	41 285	-
Sierra Leone	16 903	-	-	-	16 903	-	195 967	212 870	-
Singapore	235 563	13 797	221 453	235 250	313	189 287	-	313	-
Slovakia	129 273	40 624	88 649	129 273	-	-	-	-	85 938
Slovenia	161 710	13 914	-	13 914	147 796	47 891	-	147 796	-
South Africa	516 223	98 312	417 911	516 223	-	-	-	-	38 363
Spain	5 218 178	711 199	4 506 979	5 218 178	-	-	-	-	415 794
Sri Lanka	16 376	2 272	14 104	16 376	-	-	-	-	794
Sudan	17 009	-	-	-	17 009	1 334	2 378	19 387	-
Sweden	2 719 172	420 413	2 298 759	2 719 172	-	-	-	-	242 246
Switzerland	2 643 961	428 610	2 215 351	2 643 961	-	-	-	-	240 160
Syrian Arab Republic	78 010	7 983	70 027	78 010	-	-	-	-	4 500
Thailand	206 329	22 604	183 725	206 329	-	-	-	-	12 474
The former Yugoslav Republic of Macedonia	16 903	-	-	-	16 903	27 889	31 689	48 592	-
Tunisia	47 594	12 855	33 966	46 821	773	-	-	773	-
Turkey	610 906	386 154	192 834	578 988	31 918	-	-	31 918	-
Uganda	16 903	-	-	-	16 903	-	173 980	190 883	-
Ukraine	1 951 933	-	-	-	1 951 933	2 736 121	4 370 684	6 322 617	-
United Arab Emirates	423 678	79 840	343 838	423 678	-	-	-	-	37 738
United Kingdom of Great Britain and Northern Ireland	11 676 701	1 858 091	9 818 610	11 676 701	-	-	-	-	1 048 653

SCHEDULE S1 (continued)

Member State	1998				Outstanding at AS 11.90	Prior years		Total outstanding at AS 11.90	Advance / payments and credits
	Assessed	^{a/} Credits	Payments	Total		Payments and credits in 1998 b/	Outstanding		
United Republic of Tanzania	16 903	-	-	-	16 903	34 984	23 685	40 588	-
United States of America	57 788 906	8 915 552	48 873 354	57 788 906	-	-	-	-	4 717 832
Uruguay	67 071	-	-	-	67 071	166 402	10 338	77 409	-
Uzbekistan	219 241	-	-	-	219 241	221 708	14 109	233 350	-
Venezuela	550 146	1 350	-	1 350	548 796	276 106	29 648	578 444	-
Viet Nam	16 839	2 682	14 157	16 839	-	-	-	-	1 525
Yemen	16 719	6 284	-	6 284	10 435	-	-	10 435	-
Yugoslavia d/	167 291	-	-	-	167 291	-	2 410 054 e/	2 577 345	-
Zambia	16 903	-	-	-	16 903	9 892	64 394	81 297	-
Zimbabwe	16 903	-	-	-	16 903	-	22 632	39 535	-
Sub-total	216 853 988	30 361 835	166 638 144	196 999 979	19 854 009	26 490 937	24 558 685	44 412 694	22 625 342
<u>New Member:</u>									
Burkina Faso f/	18 073	-	-	-	18 073	-	-	18 073	-
Malta g/	17 079	-	17 079	17 079	-	17 153	-	-	-
Republic of Moldova h/	144 587	-	-	-	144 587	-	153 976	298 563	-
Sub-total	179 739	-	17 079	17 079	162 660	17 153	153 976	316 636	-
<u>Former Member:</u>									
Democratic People's Republic of Korea i/	-	-	-	-	-	-	152 161	152 161	-
GRAND TOTAL	217 033 727	30 361 835	166 655 223	197 017 058	20 016 669	26 508 090	24 864 822	44 881 491	22 625 342

a/ These amounts reflect advance payments of 1998 Regular Budget contributions (\$ 945 601), cash surplus credits (\$ 29 401 384) and Working Capital Fund credits (\$ 14 850) applied against 1998 Regular Budget contributions.

b/ These amounts reflect payments received during 1998 (\$ 25 111 427), cash surplus credits (\$ 1 339 963) and Working Capital Fund credits (\$ 56 700).

c/ These amounts reflect advance payments of 1999 Regular Budget contributions (\$ 7 016 732) and cash surplus credits (\$ 15 608 610) applied against 1999 Regular Budget contributions.

d/ The inclusion of Yugoslavia does not prejudice future developments concerning the membership of Yugoslavia.

e/ Total outstanding contributions include those owed by the former Socialist Federal Republic of Yugoslavia. This arrangement is provisional pending the settlement of the question of membership.

f/ Burkina Faso became a Member of the Agency on 14 September 1998.

g/ Malta became a Member of the Agency on 29 September 1997.

h/ The Republic of Moldova became a Member of the Agency on 24 September 1997.

i/ The Democratic People's Republic of Korea withdrew from membership on 13 June 1994.

SCHEDULE S2

**STATUS OF THE WORKING CAPITAL FUND
AS AT 31 DECEMBER 1998**

	1998	1997
Balance as at 1 January	18 024 042	15 970 400
Receipts		
From Member States	<u>713 518</u>	<u>2 053 642</u>
Balance as at 31 December	<u>18 737 560</u>	<u>18 024 042</u>
Established Level	18 000 000	18 000 000
Add: Net increase due to new Member States assessments	<u>18 000</u>	<u>31 950</u>
Total (Statement II/Schedule S3)	18 018 000	18 031 950
Add: Advance contributions from Member States (Schedule S3)	781 560	58 950
Less: Due from Member States (Schedule S3)	<u>(62 000)</u>	<u>(66 858)</u>
Balance as at 31 December	<u>18 737 560</u>	<u>18 024 042</u>

NOTE: During 1998 it was necessary to temporarily utilize up to \$ 15 900 000 of the Working Capital Fund.

SCHEDULE S3

STATUS OF ADVANCES TO THE WORKING CAPITAL FUND
AS AT 31 DECEMBER 1998

Member State	Assessed	Paid	Outstanding	Credits ^{a/}
Afghanistan	1 800	1 800	-	-
Albania	1 800	1 800	-	-
Algeria	28 800	28 800	-	-
Argentina	86 400	86 400	-	50 220
Armenia	9 000	9 000	-	-
Australia	264 600	264 600	-	-
Austria	156 600	156 600	-	9 720
Bangladesh	1 800	1 800	-	-
Belarus	50 400	50 400	-	-
Belgium	180 000	180 000	-	15 120
Bolivia	1 800	1 800	-	-
Bosnia and Herzegovina	1 800	-	1 800	-
Brazil	289 800	289 800	-	-
Bulgaria	14 400	14 400	-	-
Cambodia	1 800	1 600	200	-
Cameroon	1 800	1 800	-	-
Canada	558 000	558 000	-	-
Chile	14 400	14 400	-	5 760
China	133 200	133 200	-	27 180
Colombia	18 000	18 000	-	1 260
Costa Rica	1 800	1 800	-	-
Côte d'Ivoire	1 800	1 600	200	-
Croatia	16 200	16 200	-	-
Cuba	9 000	9 000	-	-
Cyprus	5 400	5 400	-	720
Czech Republic	45 000	45 000	-	-
Democratic Republic of the Congo	1 800	800	1 000	-
Denmark	129 600	129 600	-	-
Dominican Republic	1 800	1 600	200	-
Ecuador	3 600	3 600	-	-
Egypt	14 400	14 400	-	-
El Salvador	1 800	1 000	800	-
Estonia	7 200	7 200	-	-
Ethiopia	1 800	1 800	-	-
Finland	111 600	111 600	-	-
France	1 150 200	1 150 200	-	5 580
Gabon	1 800	1 600	200	-
Georgia	19 800	-	19 800	-
Germany	1 625 400	1 625 400	-	88 560
Ghana	1 800	1 800	-	-
Greece	68 400	68 400	-	-
Guatemala	3 600	3 600	-	-
Haiti	1 800	200	1 600	-
Holy See	1 800	1 800	-	-
Hungary	25 200	25 200	-	-

SCHEDULE S3 (continued)

Member State	Assessed	Paid	Outstanding	Credits ^{a/}
Iceland	5 400	5 400	-	360
India	55 800	55 800	-	-
Indonesia	25 200	25 200	-	5 580
Iran, Islamic Republic of	81 000	81 000	-	-
Iraq	25 200	9 600	15 600	-
Ireland	37 800	37 800	-	1 800
Israel	48 600	48 600	-	9 900
Italy	941 400	941 400	-	18 540
Jamaica	1 800	1 800	-	-
Japan	2 806 200	2 806 200	-	394 020
Jordan	1 800	1 800	-	-
Kazakhstan	34 200	34 200	-	-
Kenya	1 800	1 800	-	-
Korea, Republic of	147 600	147 600	-	22 320
Kuwait	34 200	34 200	-	-
Latvia	14 400	14 400	-	-
Lebanon	1 800	1 800	-	1 080
Liberia	1 800	200	1 600	-
Libyan Arab Jamahiriya	36 000	36 000	-	-
Liechtenstein	1 800	1 800	-	-
Lithuania	14 400	14 400	-	-
Luxembourg	12 600	12 600	-	-
Madagascar	1 800	1 800	-	-
Malaysia	25 200	25 200	-	4 680
Mali	1 800	200	1 600	-
Marshall Islands	1 800	1 600	200	-
Mauritius	1 800	1 800	-	-
Mexico	142 200	142 200	-	25 200
Monaco	1 800	1 800	-	-
Mongolia	1 800	1 800	-	-
Morocco	5 400	5 400	-	1 980
Myanmar	1 800	1 800	-	-
Namibia	1 800	1 800	-	-
Netherlands	284 400	284 400	-	3 780
New Zealand	43 200	43 200	-	-
Nicaragua	1 800	1 800	-	-
Niger	1 800	1 800	-	-
Nigeria	19 800	19 800	-	-
Norway	100 800	100 800	-	6 840
Pakistan	10 800	10 800	-	-
Panama	1 800	1 800	-	1 080
Paraguay	1 800	1 800	-	720
Peru	10 800	10 800	-	-
Philippines	10 800	10 800	-	2 880
Poland	59 400	59 400	-	-
Portugal	50 400	50 400	-	15 120
Qatar	7 200	7 200	-	-
Romania	27 000	27 000	-	-
Russian Federation	765 000	765 000	-	-
Saudi Arabia	127 800	127 800	-	-

SCHEDULE S3 (continued)

Member State	Assessed	Paid	Outstanding	Credits ^{a/}
Senegal	1 800	1 800	-	-
Sierra Leone	1 800	1 200	600	-
Singapore	25 200	25 200	-	4 500
Slovakia	14 400	14 400	-	-
Slovenia	12 600	12 600	-	-
South Africa	57 600	57 600	-	7 380
Spain	426 600	426 600	-	30 960
Sri Lanka	1 800	1 800	-	540
Sudan	1 800	1 800	-	-
Sweden	219 600	219 600	-	-
Switzerland	216 000	216 000	-	180
Syrian Arab Republic	9 000	9 000	-	1 980
Thailand	23 400	23 400	-	4 680
The former Yugoslav Republic of Macedonia	1 800	1 800	-	-
Tunisia	5 400	5 400	-	-
Turkey	68 400	68 400	-	9 900
Uganda	1 800	1 800	-	-
Ukraine	194 400	194 400	-	-
United Arab Emirates	34 200	34 200	-	-
United Kingdom of Great Britain and Northern Ireland	954 000	954 000	-	-
United Republic of Tanzania	1 800	1 800	-	-
United States of America	4 500 000	4 500 000	-	-
Uruguay	7 200	7 200	-	1 440
Uzbekistan	23 400	23 400	-	-
Venezuela	59 400	59 400	-	-
Viet Nam	1 800	1 800	-	-
Yemen	1 800	1 800	-	-
Yugoslavia ^{b/}	18 000	17 600	400	-
Zambia	1 800	1 800	-	-
Zimbabwe	1 800	1 800	-	-
Sub-total	18 000 000	17 954 200	45 800	781 560
New Members:				
Burkina Faso ^{c/}	1 800	-	1 800	-
Malta ^{d/}	1 800	1 800	-	-
Republic of Moldova ^{e/}	14 400	-	14 400	-
Sub-total	18 000	1 800	16 200	-
TOTAL (Statement II)	18 018 000	17 956 000	62 000	781 560

a/ These amounts reflect cash surplus credits against the advances to the 1999 Working Capital Fund.

b/ The inclusion of Yugoslavia does not prejudice future developments concerning the membership of Yugoslavia.

c/ Burkina Faso became a Member of the Agency on 14 September 1998.

d/ Malta became a Member of the Agency on 29 September 1997.

e/ The Republic of Moldova became a Member of the Agency on 24 September 1997.

SCHEDULE S4

REGULAR BUDGET FUND

**STATUS OF BUDGETARY SURPLUS AND CASH SURPLUSES
AS AT 31 DECEMBER 1998**

	1998	1997
<u>Current year</u>		
Receipts	208 176 278	209 836 804
Disbursements (Statement IV)	(203 255 321)	(206 554 738)
Excess (shortfall) of receipts over disbursements	4 920 957	3 282 066
Unliquidated obligations (Statement IV)	(22 096 068)	(24 162 266)
Provisional deficit	(17 175 111)	(20 880 200)
Contributions receivable (Schedule S1)	20 016 669	21 060 386
Miscellaneous income receivable	1 067 872	928 265
Excess of income over expenditure - Budgetary surplus (Statement I)	3 909 430	1 108 451
<u>Disposition of prior year's provisional surplus (deficit)</u>		
Prior year provisional deficit	(20 880 200)	(18 725 124)
Receipt of:		
Contributions all prior years (Schedule S1)	26 508 090	31 995 123
Miscellaneous income	928 265	1 217 716
Savings on liquidation of prior years' obligations: (Statement I)	2 171 673	4 571 773
Prior year cash surplus (Schedule S5)	8 727 828	19 059 488
Other surpluses: (Schedule S5)		
Cash surpluses withheld pending receipt of contributions	1 092 399	513 351
Total surplus (Statement II)	13 729 657	20 681 290

SCHEDULE S5

REGULAR BUDGET FUND

I. SHARES OF MEMBER STATES IN THE 1997 CASH SURPLUS

Member State	1997 Scale of assessment %	Allocation amount \$
Afghanistan	0.007	611
Albania	0.007	611
Algeria	0.113	9 862
Argentina	0.348	30 286
Armenia	0.040	3 491
Australia	1.535	133 798
Austria	0.896	78 114
Bangladesh	0.008	698
Belarus	0.237	20 685
Belgium	1.044	90 944
Bolivia	0.007	611
Bosnia and Herzegovina	0.009	785
Brazil	1.165	101 505
Bulgaria	0.060	5 237
Cambodia	0.007	611
Cameroon	0.007	611
Canada	3.216	280 251
Chile	0.058	5 062
China	0.585	50 970
Colombia	0.073	6 371
Costa Rica	0.007	611
Côte d'Ivoire	0.007	611
Croatia	0.065	5 673
Cuba	0.038	3 317
Cyprus	0.021	1 833
Czech Republic	0.188	16 408
Democratic Republic of the Congo	0.008	698
Denmark	0.743	64 760
Dominican Republic	0.007	611
Ecuador	0.014	1 222
Egypt	0.051	4 451
El Salvador	0.007	611
Estonia	0.031	2 706
Ethiopia	0.007	611
Finland	0.639	55 684
France	6.640	578 655
Gabon	0.008	698
Georgia	0.095	8 291
Germany	9.373	816 837
Ghana	0.008	698
Greece	0.271	23 565
Guatemala	0.015	1 309
Haiti	0.007	611
Holy See	0.011	960
Hungary	0.109	9 513
Iceland	0.031	2 706
India	0.234	20 423
Indonesia	0.101	8 815
Iran, Islamic Republic of	0.335	29 151
Iraq	0.099	8 641

SCHEDULE S5 (continued)

Member State	1997 Scale of assessment %	Allocation amount \$
Ireland	0.218	19 027
Israel	0.278	24 176
Italy	5.385	469 295
Jamaica	0.008	698
Japan	16.000	1 394 445
Jordan	0.007	611
Kazakhstan	0.145	12 655
Kenya	0.007	611
Korea, Republic of	0.574	50 010
Kuwait	0.198	17 281
Latvia a/	0.067	5 848
Lebanon	0.008	698
Liberia	0.007	611
Libyan Arab Jamahiriya	0.164	14 314
Liechtenstein	0.011	960
Lithuania	0.062	5 411
Luxembourg	0.073	6 371
Madagascar	0.007	611
Malaysia	0.099	8 641
Mali	0.007	611
Malta a/	0.008	698
Marshall Islands	0.007	611
Mauritius	0.007	611
Mexico	0.563	49 050
Monaco	0.011	960
Mongolia	0.007	611
Morocco	0.022	1 920
Myanmar	0.008	698
Namibia	0.007	611
Netherlands	1.647	143 485
New Zealand	0.250	21 820
Nicaragua	0.007	611
Niger	0.007	611
Nigeria	0.082	7 157
Norway	0.579	50 447
Pakistan	0.044	3 840
Panama	0.007	611
Paraguay	0.007	611
Peru	0.043	3 753
Philippines	0.045	3 928
Poland	0.273	23 740
Portugal	0.195	17 019
Qatar	0.042	3 666
Republic of Moldova a/	0.069	6 022
Romania	0.109	9 513
Russian Federation	4.614	402 091
Saudi Arabia	0.580	50 534
Senegal	0.007	611
Sierra Leone	0.007	611
Singapore	0.100	8 728

SCHEDULE S5 (continued)

Member State	1997 Scale of assessment %	Allocation amount \$
Slovakia	0.060	5 237
Slovenia	0.073	6 371
South Africa	0.233	20 336
Spain	2.450	213 483
Sri Lanka	0.008	698
Sudan	0.008	698
Sweden	1.273	110 931
Switzerland	1.255	109 360
Syrian Arab Republic	0.035	3 055
Thailand	0.093	8 117
The former Yugoslav Republic of Macedonia	0.007	611
Tunisia	0.021	1 833
Turkey	0.267	23 216
Uganda	0.007	611
Ukraine	0.920	80 209
United Arab Emirates	0.198	17 281
United Kingdom of Great Britain and Northern Ireland	5.507	479 943
United Republic of Tanzania	0.007	611
United States of America	25.978	2 264 086
Uruguay	0.029	2 531
Uzbekistan	0.100	8 728
Venezuela	0.241	21 034
Viet Nam	0.008	698
Yemen	0.007	611
Yugoslavia b/	0.074	6 459
Zambia	0.007	611
Zimbabwe	0.007	611
TOTAL (Schedule S4)	100.144 c/	8 727 828

a/ New Member State which joined the Agency after the approval of the scale of assessment.

b/ The inclusion of Yugoslavia does not prejudice future developments concerning the membership of Yugoslavia.

c/ The total does not add up to 100% as it contains new Member States that were assessed in addition to the prevailing scale. However, in calculating the allocation amounts to be refunded, this discrepancy was taken into account.

**II. STATUS OF OTHER CASH SURPLUSES WITHHELD PENDING
RECEIPT OF CONTRIBUTIONS AS AT 31 DECEMBER 1998**

Budget years	31 December 1997	Surrendered	31 December 1998
1959-1968	2 070	-	2 070
1979-1988	67 466	-	67 466
1989	14 739	-	14 739
1990	44 403	-	44 403
1992	59 445	25 506	33 939
1993	51 157	24 719	26 438
1994	228 606	8 568	220 038
1995	45 465	30 953	14 512
1996	19 059 488	18 390 694	668 794
TOTAL (Schedule S4)	19 572 839	18 480 440	1 092 399

REGULAR BUDGET FUND
REGULAR BUDGET 1998
SUMMARY BY ITEM OF EXPENDITURE

Item of expenditure	1998 Adjusted budget	Expenditures			Unused (over-expended) balances
		Disbursements	Unliquidated obligations	Total expenditure	
Salaries - established posts - P	51 528 300	50 803 209	-	50 803 209	725 091
Temporary assistance - P	3 771 900	3 530 282	-	3 530 282	241 618
Salaries - established posts - GS	28 666 700	28 231 587	-	28 231 587	435 113
Temporary assistance - GS	2 975 900	3 191 579	-	3 191 579	(215 679)
Common staff costs	32 744 200	34 820 504	-	34 820 504	(2 076 304)
Overtime	251 300	268 012	-	268 012	(16 712)
Sub-total: Staff costs	119 938 300	120 845 173	-	120 845 173	(906 873)
Travel - staff	10 703 800	7 283 882	2 511 090	9 794 972	908 828
Travel - non-staff	7 827 200	6 348 358	1 001 067	7 349 425	477 775
Sub-total: Travel costs	18 531 000	13 632 240	3 512 157	17 144 397	1 386 603
Interpretation Services	975 000	529 801	-	529 801	445 199
Representation and hospitality	184 100	222 853	3 230	226 083	(41 983)
Training	950 600	567 538	31 593	599 131	351 469
Equipment: leased or rented	195 400	148 215	3 899	152 114	43 286
Equipment: purchased/construction work	8 593 400	3 134 947	4 669 387	7 804 334	789 066
Supplies and materials	4 239 700	3 026 441	729 156	3 755 597	484 103
General operating expenses	16 242 700	12 443 870	3 494 356	15 938 226	304 474
Contracts	3 394 300	1 886 789	1 952 573	3 839 362	(445 062)
Research and technical contracts	5 099 000	2 310 996	2 474 676	4 785 672	313 328
Miscellaneous	3 463 500	3 279 264	2 152 397	5 431 661	(1 968 161)
Sub-total: Other direct costs	43 337 700	27 550 714	15 511 267	43 061 981	275 719
Direct Implementation Costs	9 303 000	9 600 003	-	9 600 003	(297 003)
Site Operating Costs	4 458 000	4 113 452	-	4 113 452	344 548
Sub-total: Laboratory Activities	13 761 000	13 713 455	-	13 713 455	47 545
Translation and Records Services	7 133 300	6 684 512	-	6 684 512	448 788
Printing Services	3 229 100	3 247 657	-	3 247 657	(18 557)
Publishing Services	2 928 000	2 935 703	-	2 935 703	(7 703)
Data Processing Application Services	983 900	1 239 794	-	1 239 794	(255 894)
Data Processing Central Services (fixed costs)	6 455 000	6 386 249	-	6 386 249	68 751
Library Services	2 308 000	2 232 771	-	2 232 771	75 229
Contract Administration Services	577 700	551 548	-	551 548	26 152
Other Services	810 000	781 125	-	781 125	28 875
Radiation Protection Services	970 000	980 299	-	980 299	(10 299)
Sub-total: Shared costs	25 395 000	25 039 658	-	25 039 658	355 342
TOTAL Agency Programmes	220 963 000	200 781 240	19 023 424	219 804 664	1 158 336
Reimbursable Work for Others	5 004 000	2 474 081	3 072 644	5 546 725	(542 725)
TOTAL Regular Budget (Statement I)	225 967 000	203 255 321	22 096 068	225 351 389	615 611

SCHEDULE S7

SUMMARY OF EXPENDITURE BY MAJOR CATEGORY AND FUND GROUP

Category	1998						1997	
	Regular Budget Fund and Working Capital Fund Fund Group I	General Fund				Trust Funds and Reserve Funds Fund Group VI	TOTAL	TOTAL
		Technical Co-operation Fund Fund Group II	Extrabudgetary Programme Fund Fund Group III	Technical Co-operation Extrabudgetary Fund				
				Member States and International Organizations Fund Group IV	United Nations Development Programme Fund Group V			
Salaries	100 314 503	-	-	-	-	-	100 314 503	100 492 569
Common staff costs	44 430 164	-	2 954 934	-	-	-	47 385 098	47 495 126
Temporary assistance	8 140 222	-	7 753 469	-	-	-	15 893 691	16 853 605
Experts	-	6 577 832	-	947 881	79 512	-	7 605 225	8 974 121
Total staff costs	152 884 889	6 577 832	10 708 403	947 881	79 512	-	171 198 517	173 815 421
Equipment	11 042 529	36 741 257	14 597 077	5 703 071	56 782	429 588	68 570 304	62 510 837
Travel	17 437 311	18 309 027	4 280 855	1 016 914	150 102	-	41 194 209	39 966 114
Contracts	10 479 628	1 577 342	6 359 125	235 936	1 031 999	-	19 684 030	20 485 036
General operating expenses	18 988 419	-	99 034	-	-	-	19 087 453	19 101 710
Fellows, lecturers, training	812 964	10 846 014	419 424	134 134	36 925	-	12 249 461	11 223 931
Supplies and materials	7 380 216	4 432 591	327 303	389 039	17 923	460 329	13 007 401	17 002 762
Miscellaneous	6 325 433	4 447 384	904 761	223 307	26 225	1 487 750	13 414 860	11 322 543
TOTAL	225 351 389	82 931 447	37 695 982	8 650 282	1 399 468	2 377 667	358 406 235	355 428 354
Less:								
Prior periods' unliquidated obligations		27 452 918	6 770 436	3 814 516	-	265 329	38 303 199	33 355 748
TOTAL EXPENDITURE (Statement I)	225 351 389	55 478 529	30 925 546	4 835 766	1 399 468	2 112 338	320 103 036	322 072 606

SCHEDULE S8

STATUS OF CONTRIBUTIONS TO THE TECHNICAL CO-OPERATION FUND
AS AT 31 DECEMBER 1998

Member State	1998					Prior years			Total outstanding	Advance payments
	Base rate %	Share of \$ 71.5 million target for 1998 using base rate a/	Pledged	Paid	Outstanding	Unpaid balance as at 1 January	Paid in 1998	Outstanding		
Afghanistan	0.01	7 150	-	-	-	-	-	-	-	-
Albania	0.01	7 150	-	-	-	42 700	7 150	35 550	35 550	-
Algeria	0.16	114 400	41 250	41 250	-	-	-	-	-	-
Argentina	0.48	343 200	200 000	200 000	-	-	-	-	-	-
Armenia	0.05	35 750	10 000	10 000	-	-	-	-	-	-
Australia	1.47	1 051 050	842 484	842 484	-	-	-	-	-	-
Austria	0.87	622 050	622 050	622 050	-	-	-	-	-	-
Bangladesh	0.01	7 150	7 150	-	7 150	6 800	-	6 800	13 950	-
Belarus	0.28	200 200	96 294	96 294	-	3 806 b/	3 806	-	-	-
Belgium	1.00	715 000	-	-	-	-	-	-	-	-
Bolivia	0.01	7 150	-	-	-	-	-	-	-	-
Bosnia & Herzegovina	0.01	7 150	-	-	-	-	-	-	-	-
Brazil	1.61	1 151 150	400 000	19 233	380 767	229 495	229 495	-	380 767	-
Bulgaria	0.08	57 200	10 000	10 000	-	10 000	10 000	-	-	-
Cambodia	0.01	7 150	-	-	-	-	-	-	-	-
Cameroon	0.01	7 150	-	-	-	7 409 b/	-	7 409	7 409	-
Canada	3.10	2 216 500	1 649 392	1 649 392	-	-	-	-	-	-
Chile	0.08	57 200	57 200	57 200	-	-	-	-	-	-
China	0.74	529 100	529 100	529 100	-	-	-	-	-	430
Colombia	0.10	71 500	50 000	50 000	-	-	-	-	-	-
Costa Rica	0.01	7 150	-	-	-	-	-	-	-	-
Côte d'Ivoire	0.01	7 150	-	-	-	-	-	-	-	-
Croatia	0.09	64 350	-	-	-	-	-	-	-	-
Cuba	0.05	35 750	35 750	35 750	-	-	-	-	-	-
Cyprus	0.03	21 450	21 450	21 450	-	-	-	-	-	-
Czech Republic	0.25	178 750	120 000	120 000	-	-	-	-	-	-
Democratic Republic of the Congo	0.01	7 150	-	-	-	3 500	-	3 500	3 500	-
Denmark	0.72	514 800	514 800	514 800	-	-	-	-	-	-
Dominican Republic	0.01	7 150	-	-	-	-	-	-	-	-
Ecuador	0.02	14 300	-	-	-	-	-	-	-	-
Egypt	0.08	57 200	57 517	47 740	9 777	2 408 b/	2 408	-	9 777	-
El Salvador	0.01	7 150	-	-	-	-	-	-	-	-
Estonia	0.04	28 600	-	-	-	-	-	-	-	-
Ethiopia	0.01	7 150	-	-	-	-	-	-	-	-
Finland	0.62	443 300	443 300	443 300	-	-	-	-	-	-

SCHEDULE S8 (continued)

Member State	1998					Prior years			Total outstanding	Advance payments
	Base rate %	Share of \$ 71.5 million target for 1998 using base rate a/	Pledged	Paid	Outstanding	Unpaid balance as at 1 January	Paid in 1998	Outstanding		
France	6.39	4 568 850	4 568 850	4 568 850	-	-	-	-	-	-
Gabon	0.01	7 150	-	-	-	-	-	-	-	-
Georgia	0.11	78 650	10 000	-	10 000	-	-	-	10 000	-
Germany	9.03	6 456 450	2 570 000	2 570 000	-	-	-	-	-	-
Ghana	0.01	7 150	5 000	-	5 000	32 866	-	32 866	37 866	-
Greece	0.38	271 700	100 000	100 000	-	131 367 c/	131 367	-	-	-
Guatemala	0.02	14 300	-	-	-	35 800	-	35 800	35 800	-
Haiti	0.01	7 150	-	-	-	800	-	800	800	-
Holy See	0.01	7 150	-	-	-	-	-	-	-	-
Hungary	0.14	100 100	100 100	100 100	-	-	-	-	-	-
Iceland	0.03	21 450	21 450	21 450	-	-	-	-	-	-
India	0.31	221 650	226 858	226 858	-	-	-	-	-	-
Indonesia	0.14	100 100	100 100	-	100 100	70 000	30 101	39 899	139 999	-
Iran, Islamic Republic of	0.45	321 750	201 750	201 750	-	-	-	-	-	-
Iraq	0.14	100 100	-	-	-	54 600	-	54 600	54 600	-
Ireland	0.21	150 150	100 000	100 000	-	-	-	-	-	-
Israel	0.27	193 050	100 000	100 000	-	-	-	-	-	-
Italy	5.23	3 739 450	-	-	-	-	-	-	-	-
Jamaica	0.01	7 150	-	-	-	-	-	-	-	-
Japan	15.59	11 146 850	11 146 850	11 146 850	-	-	-	-	-	-
Jordan	0.01	7 150	7 150	7 150	-	-	-	-	-	-
Kazakhstan	0.19	135 850	-	-	-	-	-	-	-	-
Kenya	0.01	7 150	-	-	-	8 486	-	8 486	8 486	-
Korea, Republic of	0.82	586 300	385 000	288 750	96 250	-	-	-	96 250	-
Kuwait	0.19	135 850	-	-	-	-	-	-	-	-
Latvia	0.08	57 200	10 000	-	10 000	-	-	-	10 000	-
Lebanon	0.01	7 150	7 150	7 150	-	-	-	-	-	-
Liberia	0.01	7 150	-	-	-	-	-	-	-	-
Libyan Arab Jamahiriya	0.20	143 000	143 000	143 000	-	-	-	-	-	-
Liechtenstein	0.01	7 150	7 500	7 500	-	-	-	-	-	-
Lithuania	0.08	57 200	-	-	-	-	-	-	-	-
Luxembourg	0.07	50 050	-	-	-	-	-	-	-	-
Madagascar	0.01	7 150	-	-	-	3 050	-	3 050	3 050	-
Malaysia	0.14	100 100	100 100	100 100	-	-	-	-	-	-
Mali	0.01	7 150	-	-	-	-	-	-	-	-
Marshall Islands	0.01	7 150	-	-	-	-	-	-	-	-
Mauritius	0.01	7 150	-	-	-	-	-	-	-	-
Mexico	0.79	564 850	564 850	564 850	-	-	-	-	-	-
Monaco	0.01	7 150	7 150	7 150	-	-	-	-	-	-
Mongolia	0.01	7 150	-	-	-	5 250	-	5 250	5 250	-

SCHEDULE S8 (continued)

Member State	1998					Prior years			Total outstanding	Advance payments
	Base rate %	Share of \$ 71.5 million target for 1998 using base rate a/	Pledged	Paid	Outstanding	Unpaid balance as at 1 January	Paid in 1998	Outstanding		
Morocco	0.03	21 450	21 450	21 450	-	-	-	-	-	-
Myanmar	0.01	7 150	7 150	7 150	-	-	-	-	-	-
Namibia	0.01	7 150	-	-	-	1 007	d/ 1 007	-	-	-
Netherlands	1.58	1 129 700	1 129 700	1 129 700	-	-	-	-	-	-
New Zealand	0.24	171 600	-	-	-	-	-	-	-	-
Nicaragua	0.01	7 150	7 150	7 150	-	6 450	c/ 6 450	-	-	-
Niger	0.01	7 150	7 150	-	7 150	2 900	-	2 900	10 050	-
Nigeria	0.11	78 650	99 942	99 942	-	-	-	-	-	-
Norway	0.56	400 400	400 400	400 400	-	-	-	-	-	-
Pakistan	0.06	42 900	42 900	42 900	-	-	-	-	-	-
Panama	0.01	7 150	-	-	-	-	-	-	-	424
Paraguay	0.01	7 150	-	-	-	2 600	-	2 600	2 600	-
Peru	0.06	42 900	-	-	-	6 800	-	6 800	6 800	-
Philippines	0.06	42 900	42 900	-	42 900	20 400	c/ 20 400	-	-	-
Poland	0.33	235 950	235 950	235 950	-	40 800	40 800	-	42 900	-
Portugal	0.28	200 200	100 000	100 000	-	-	-	-	-	-
Qatar	0.04	28 600	-	-	-	-	-	-	-	-
Romania	0.15	107 250	107 250	106 063	1 187	1 187	1 187	-	1 187	-
Russian Federation	4.25	3 038 750	-	-	-	373 506	b/ -	373 506	373 506	-
Saudi Arabia	0.71	507 650	-	-	-	-	-	-	-	-
Senegal	0.01	7 150	-	-	-	-	-	-	-	-
Sierra Leone	0.01	7 150	-	-	-	-	-	-	-	-
Singapore	0.14	100 100	100 100	100 100	-	-	-	-	-	120 450
Slovakia	0.08	57 200	57 200	57 200	-	-	-	-	-	-
Slovenia	0.07	50 050	50 050	-	50 050	24 806	23 940	866	50 916	-
South Africa	0.32	228 800	228 800	119 150	109 650	109 650	109 650	-	109 650	-
Spain	2.37	1 694 550	439 617	439 617	-	-	-	-	-	-
Sri Lanka	0.01	7 150	5 000	5 000	-	-	-	-	-	-
Sudan	0.01	7 150	7 150	-	7 150	27 393	12 863	14 530	21 680	-
Sweden	1.22	872 300	872 300	872 300	-	-	-	-	-	-
Switzerland	1.20	858 000	858 000	858 000	-	-	-	-	-	-
Syrian Arab Republic	0.05	35 750	10 000	10 000	-	10 000	10 000	-	-	-
Thailand	0.13	92 950	53 427	53 427	-	-	-	-	-	-
The former Yugoslav Republic of Macedonia	0.01	7 150	-	-	-	-	-	-	-	-
Tunisia	0.03	21 450	21 451	21 451	-	-	-	-	-	-
Turkey	0.38	271 700	271 700	271 700	-	-	-	-	-	-
Uganda	0.01	7 150	7 150	6 322	828	536	536	-	828	-
Ukraine	1.08	772 200	-	-	-	-	-	-	-	-
United Arab Emirates	0.19	135 850	-	-	-	-	-	-	-	-
United Kingdom of Great Britain and Northern Ireland	5.30	3 789 500	4 096 217	4 096 217	-	-	-	-	-	-

SCHEDULE S8 (continued)

Member State	1998					Prior years			Total outstanding	Advance payments
	Base rate %	Share of \$ 71.5 million target for 1998 using base rate a/	Pledged	Paid	Outstanding	Unpaid balance as at 1 January	Paid in 1998	Outstanding		
United Republic of Tanzania	0.01	7 150	-	-	-	17 840	-	17 840	17 840	-
United States of America	25.00	17 875 000	17 875 000	17 875 000	-	- e/	-	-	-	-
Uruguay	0.04	28 600	-	-	-	100 000	80 000	20 000	20 000	-
Uzbekistan	0.13	92 950	-	-	-	-	-	-	-	-
Venezuela	0.33	235 950	40 000	40 000	-	-	-	-	-	-
Viet Nam	0.01	7 150	7 150	7 150	-	-	-	-	-	-
Yemen	0.01	7 150	-	-	-	-	-	-	-	-
Yugoslavia f/	0.10	71 500	-	-	-	834 026	-	834 026 g/	834 026	-
Zambia	0.01	7 150	-	-	-	11 700	-	11 700	11 700	-
Zimbabwe	0.01	7 150	6 600	-	6 600	6 800	-	6 800	13 400	-
Sub-total	100.00	71 500 000	53 399 449	52 554 890	844 559	2 246 738	721 160	1 525 578	2 370 137	121 304
New Members:										
Burkina Faso h/	0.01	7 150	-	-	-	-	-	-	-	-
Malta i/	0.01	7 150	7 150	7 150	-	-	-	-	-	-
Republic of Moldova j/	0.08	57 200	-	-	-	-	-	-	-	-
Sub-total	0.10	71 500	7 150	7 150	-	-	-	-	-	-
Former Member:										
Democratic People's Republic of Korea k/	-	-	-	-	-	29 635	-	29 635	29 635	-
GRAND TOTAL	100.10	71 571 500	53 406 599	52 562 040	844 559	2 276 373	721 160	1 555 213	2 399 772	121 304

a/ As recommended in GC(V)/RES/100 and amended in GC(XV)/RES/286.

b/ Revalued pledges of contributions: Belarus pledge relating to 1994 - (\$ 1 135); Cameroon pledge relating to 1988 - \$ 62; Russian Federation pledge relating to 1996 - (\$ 897 680); Egypt pledge relating to 1997 - (\$ 14).

c/ Pledged and paid contributions in 1998 relating to 1997: Greece - \$ 131 367; Nicaragua - \$ 6 450; Peru - \$ 20 400.

d/ Reduction in credit of contributions for 1993-96 from Myanmar due to devaluation of currency: 1993 - (\$ 5 346); 1994 - \$ (5 646); 1995 - \$ (5 939); 1996 - \$ (6 223).

e/ Reduction of pledge relating to 1995: USA - (\$ 402 000).

f/ The inclusion of Yugoslavia does not prejudice future developments concerning the membership of Yugoslavia.

g/ Total outstanding contributions include those owed by the former Socialist Federal Republic of Yugoslavia. This arrangement is provisional pending the settlement of the question of membership.

h/ Burkina Faso became a Member of the Agency on 14 September 1998.

i/ Malta became a Member of the Agency on 29 September 1997.

j/ The Republic of Moldova became a Member of the Agency on 24 September 1997.

k/ The Democratic People's Republic of Korea withdrew from the Agency on 13 June 1994.

TECHNICAL CO-OPERATION PROGRAMME

STATUS OF ASSESSED PROGRAMME COSTS
AS AT 31 DECEMBER 1998

Recipients	1997			1975-1996			Total paid in 1998	Total outstanding	Advance payments
	Assessed	Paid in 1998	Outstanding	Unpaid balance as at 1 January	Paid in 1998	Outstanding			
Albania	24 344	-	24 344	185 356	105 329	80 027	105 329	104 371	-
Algeria	69 197	-	69 197	319 670	87 858	231 812	87 858	301 009	a/
Argentina	80 614	80 614	-	-	-	-	80 614	-	-
Armenia	48 435	27 352	21 083	54 648	54 648	-	82 000	21 083	-
Belarus	29 696	29 696	-	65 674	65 674	-	95 370	-	-
Bolivia	58 104	-	58 104	372 589	-	372 589	-	430 693	-
Bosnia and Herzegovina	15 137	-	15 137	842	-	842	-	15 979	-
Brazil	92 640	92 640	-	-	-	-	92 640	-	-
Bulgaria	26 140	26 140	-	120 417	120 417	-	146 557	-	-
Cameroon	15 673	-	15 673	151 896	-	151 896	-	167 569	895
Chile	49 681	49 681	-	-	-	-	49 681	-	-
China	82 882	82 882	-	-	-	-	82 882	-	-
Colombia	48 057	48 057	-	71 563	71 563	-	119 620	-	223
Costa Rica	38 443	-	38 443	249 747	9 338	240 409	9 338	278 852	-
Côte d'Ivoire	12 743	-	12 743	145 141	-	145 141	-	157 884	-
Croatia	8 966	-	8 966	18 344	18 344	-	18 344	8 966	-
Cuba	61 779	61 779	-	-	-	-	61 779	-	-
Cyprus	6 870	-	6 870	-	-	-	-	6 870	-
Czech Republic	20 892	20 892	-	-	-	-	20 892	-	-
Dominican Republic	15 832	-	15 832	179 005	-	179 005	-	194 837	-
Ecuador	16 975	-	16 975	360 945	27 581	333 364	27 581	350 339	-
Egypt	68 397	68 397	-	-	-	-	68 397	-	301
El Salvador	16 614	16 614	-	54 778	54 778	-	71 392	-	-
Estonia	2 802	2 802	-	13 491	13 491	-	16 293	-	-
Gabon	2 755	-	2 755	9 965	-	9 965	-	12 720	-
Georgia	3 757	-	3 757	-	-	-	-	3 757	-
Ghana	85 285	-	85 285	613 008	-	613 008	-	698 293	-
Greece	11 005	11 005	-	23 112	23 112	-	34 117	-	-
Guatemala	13 674	-	13 674	350 239	-	350 239	-	363 913	-
Hungary	30 323	30 323	-	-	-	-	30 323	-	-
Indonesia	44 281	44 281	-	-	-	-	44 281	-	-
Iran, Islamic Republic of	70 332	70 332	-	-	-	-	70 332	-	-
Iraq	17 542	-	17 542	64 321	-	64 321	-	81 863	-
Israel	23 115	23 115	-	-	-	-	23 115	-	-
Jamaica	1 910	-	1 910	97 064	7 300	89 764	7 300	91 674	-

SCHEDULE S9 (continued)

Recipients	1997			1975-1996			Total paid in 1998	Total outstanding	Advance payments
	Assessed	Paid in 1998	Outstanding	Unpaid balance as at 1 January	Paid in 1998	Outstanding			
Jordan	37 080	401	36 679	23 659	23 659	-	24 060	36 679	-
Kazakhstan	55 587	-	55 587	38 461	-	38 461	-	94 048	-
Kenya	16 878	-	16 878	363 978	-	363 978	-	380 856	-
Korea, Republic of	28 910	28 910	-	-	-	-	28 910	-	-
Kuwait	-	-	-	1 012	-	1 012	-	1 012	-
Kyrgyzstan	-	-	-	9 021	-	9 021	-	9 021	-
Latvia	1 748	1 748	-	-	-	-	1 748	-	733
Lebanon	20 484	20 484	-	-	-	-	20 484	-	-
Libyan Arab Jamahiriya	14 639	-	14 639	91 704	-	91 704	-	106 343	-
Lithuania	8 665	3 761	4 904	15 248	15 248	-	19 009	4 904	-
Malaysia	31 651	31 651	-	-	-	-	31 651	-	-
Marshall Islands	1 216	-	1 216	1 701	-	1 701	-	2 917	-
Mauritius	10 791	7 707	3 084	-	-	-	7 707	3 084	-
Mexico	43 716	-	43 716	135 730	38 822	96 908	38 822	140 624	-
Mongolia	51 749	-	51 749	328 356	-	328 356	-	380 105	-
Morocco	70 084	3 394	66 690	246	246	-	3 640	66 690	-
Nigeria	44 136	-	44 136	26 489	-	26 489	-	70 625	-
Pakistan	63 600	63 600	-	-	-	-	63 600	-	3 111
Panama	10 191	-	10 191	158 481	34 232	124 249	34 232	134 440	-
Paraguay	13 738	-	13 738	41 158	20 985	20 173	20 985	33 911	-
Peru	50 207	-	50 207	732 825	72 231	660 594	72 231	710 801	-
Philippines	52 562	-	52 562	49 248	49 248	-	49 248	52 562	-
Poland	24 203	10 130	14 073	11 482	11 482	-	21 612	14 073	-
Portugal	8 723	-	8 723	-	-	-	-	8 723	-
Republic of Moldova	2 120	-	2 120	8 869	-	8 869	-	10 989	-
Romania	32 222	-	32 222	476 421	429 620	46 801	429 620	79 023	-
Russian Federation	-	-	-	431	-	431	-	431	-
Saudi Arabia	8 553	8 553	-	10 702	10 702	-	19 255	-	-
Singapore	603	603	-	11 147	11 147	-	11 750	-	-
Slovakia	31 372	31 372	-	-	-	-	31 372	-	-
Slovenia	16 847	14 377	2 470	15 151	15 151	-	29 528	2 470	-
South Africa	16 496	-	16 496	1 132	-	1 132	-	17 628	-
Sri Lanka	38 703	-	38 703	521 396	81 344	440 052	81 344	478 755	-
Syrian Arab Republic	39 835	39 835	-	-	-	-	39 835	-	-
Thailand	35 210	35 210	-	52 184	52 184	-	87 394	-	-
The former Yugoslav Republic of Macedonia	17 335	-	17 335	29 324	-	29 324	-	46 659	-
Tunisia	46 190	-	46 190	267 931	2 930	265 001	2 930	311 191	-
Turkey	27 026	27 026	-	-	-	-	27 026	-	-
Ukraine	52 882	30	52 852	113 370	113 370	-	113 400	52 852	-
United Arab Emirates	2 943	-	2 943	47 537	2 908	44 629	2 908	47 572	-

SCHEDULE S9 (continued)

Recipients	1997			1975-1996			Total paid in 1998	Total outstanding	Advance payments
	Assessed	Paid in 1998	Outstanding	Unpaid balance as at 1 January	Paid in 1998	Outstanding			
Uruguay	39 065	27 200	11 865	88 094	88 094	-	115 294	11 865	-
Uzbekistan	12 285	-	12 285	14 894	-	14 894	-	27 179	-
Venezuela	37 877	37 877	-	-	-	-	37 877	-	22 123
Viet Nam	58 453	58 453	-	-	-	-	58 453	-	-
Yugoslavia b/	-	-	-	1 302	-	1 302	-	1 302	-
Zimbabwe	16 713	-	16 713	87 804	-	87 804	-	104 517	-
Arrears from Bosnia and Herzegovina, Croatia, Slovenia, The former Yugoslav Republic of Macedonia and Yugoslavia	-	-	-	381 410	-	381 410	-	381 410	-
Former Member:									
Democratic People's Republic of Korea c/	-	-	-	39 712	-	39 712	-	39 712	-
TOTAL	2 408 180	1 238 924	1 169 256	7 719 425	1 733 036	5 986 389	2 971 960	7 155 645	27 386

a/ Algeria paid an amount of 17 745 017 Algerian dinars for assessed programme costs to UNDP; however, credit in US dollars has not yet been received by the Agency from UNDP.

b/ The inclusion of Yugoslavia does not prejudice future developments concerning the membership of Yugoslavia.

c/ The Democratic People's Republic of Korea withdrew from the Agency on 13 June 1994.

SCHEDULE S10

CURRENT ACCOUNTS AT BANKS
AS AT 31 DECEMBER 1998

Local currency	Amount in local currency	UN operational exchange rate	US dollar equivalent
Agency Funds			
Albanian leks	1 226 132	138.500	8 853
Australian dollars	50 406	1.575	32 004
Austrian schillings	56 844 136	11.900	4 776 818
Belgian francs	1 201 031	35.200	34 120
Belarus roubles	8 700 000	94 000.000	93
Brazilian reais	280	1.195	234
Bulgarian leva	159 445 824	1 700.000	93 792
Canadian dollars	168 923	1.540	109 690
Chinese yuan rinminbi	10 591 283	8.266	1 281 307
Cuban pesos	1 096 734	1.000	1 096 734
Czech koruny	46 687	30.600	1 526
Danish kroner	24 303	6.490	3 745
Democratic People's Republic of Korea won	1 714 579	2.130	804 967
Egyptian pounds	57 106	3.392	16 835
European currency unit	68	0.867	78
Finnish markka	34 484	5.190	6 644
French francs	374 980	5.720	65 556
German marks	163 081	1.700	95 930
Hungarian forints	49 438 097	217.000	227 825
Indian rupees	(73 729) ^{a/}	42.170	(1 748)
Iranian rials	2 608 466 050	5 701.000	457 545
Italian lire	31 142 750	1 685.000	18 482
Japan yen	27 020 373	122.000	221 478
Netherlands guilders	7 103	1.920	3 699
New Zealand dollars	15 392	1.890	8 144
Pakistan rupees	18 916 550	49.886	379 196
Philippine pesos	179 776	39.300	4 574
Polish zlotys	1 398 586	3.370	415 011
Romanian lei	3 660 734 624	9 927.000	368 765
Russian Federation roubles	11 361	20.080	566
Slovak koruny	13 750 112	36.588	375 809
Slovenian tolar	2 440 342	160.000	15 252
Spanish pesetas	1 397 047	145.000	9 635
Sri Lanka rupees	6 203 258	65.860	94 189
Swedish kronar	89 715	8.160	10 994
Swiss francs	16 903	1.410	11 988
Thai baht	1 487 973	35.865	41 488
United Kingdom pounds	11 553	0.600	19 255
United States dollars	2 850 755	1.000	2 850 755
TOTAL CURRENT ACCOUNTS AT BANKS			13 961 828

a/ The negative book balance represents items in transit. The actual balance at the bank was positive at 31 December 1998, therefore no interest expense was incurred.

NOTE: If calculated at UN operational exchange rates (UNROEs) in effect on 1 January 1999, the total US dollar value amounts to \$ 14 012 710 which represents an increase of 0.36 per cent in relation to the value at 31 December 1998 rates. The difference is due to fluctuations of the US dollar value against the currencies actually held by the Agency. This does not affect the Agency's holdings or purchasing power in those currencies. The free use by the Agency of some currencies is legally or otherwise restricted. At year-end, the US dollar equivalent of these currencies is \$ 5 189 641 (1997: \$ 5 776 264) based on the respective UNROEs.

SCHEDULE S11

DEPOSIT ACCOUNTS AT BANKS
AS AT 31 DECEMBER 1998

Deposit	Interest rate p.a.	Maturity date	Amount in local currency	UN operational exchange rate	US dollar equivalent
Agency Funds					
Banque Paribas, Paris	6.50000 %	overnight	US\$ 2 500 000	1.00	2 500 000
Bank Austria, Vienna	4.20000 %	99-01-01	AS 1 900 000	11.90	159 664
Bank Austria, Vienna	4.15000 %	99-01-01	AS 800 000	11.90	67 227
Schoeller Bank, Vienna	3.45000 %	99-01-04	AS 15 000 000	11.90	1 260 504
Raiffeisen Landesbank, Vienna	5.54000 %	99-01-04	US\$ 5 500 000	1.00	5 500 000
Skandinaviska Enskilda Banken, London	5.78125 %	99-01-05	US\$ 2 000 000	1.00	2 000 000
Banque Paribas, Paris	5.37500 %	99-01-07	US\$ 2 000 000	1.00	2 000 000
Robert Fleming, London	5.43750 %	99-01-11	US\$ 1 000 000	1.00	1 000 000
Oesterreichische Volksbanken, Vienna	3.42000 %	99-01-15	AS 15 000 000	11.90	1 260 504
Creditanstalt Bankverein, Vienna	5.62500 %	99-01-19	US\$ 6 000 000	1.00	6 000 000
Banco Ambrosiano, Milan	5.53000 %	99-01-25	US\$ 5 000 000	1.00	5 000 000
Schoeller Bank, Vienna	3.40000 %	99-01-27	AS 40 000 000	11.90	3 361 345
Schoeller Bank, Vienna	3.40000 %	99-01-28	AS 50 000 000	11.90	4 201 681
Raiffeisen Landesbank, Vienna	5.50000 %	99-01-29	US\$ 3 000 000	1.00	3 000 000
Oesterreichische Volksbanken, Vienna	3.37000 %	99-02-08	AS 15 000 000	11.90	1 260 504
Oesterreichische Volksbanken, Vienna	3.37000 %	99-02-15	AS 15 000 000	11.90	1 260 504
Oesterreichische Volksbanken, Vienna	3.37000 %	99-02-24	AS 40 000 000	11.90	3 361 345
Robert Fleming, London	5.54000 %	99-02-24	US\$ 1 500 000	1.00	1 500 000
Creditanstalt Bankverein, Vienna	3.36000 %	99-02-25	AS 50 000 000	11.90	4 201 681
Skandinaviska Enskilda Banken, London	5.65625 %	99-02-26	US\$ 1 000 000	1.00	1 000 000
Oesterreichische Volksbanken, Vienna	3.32000 %	99-03-01	AS 15 000 000	11.90	1 260 504
Banque Paribas, Paris	5.68750 %	99-03-05	US\$ 1 000 000	1.00	1 000 000
Oesterreichische Volksbanken, Vienna	3.32000 %	99-03-08	AS 15 000 000	11.90	1 260 504
Banco do Brasil, Vienna	6.25000 %	99-03-10	US\$ 2 000 000	1.00	2 000 000
Oesterreichische Volksbanken, Vienna	3.32000 %	99-03-19	AS 15 000 000	11.90	1 260 504
Skandinaviska Enskilda Banken, London	5.65625 %	99-03-26	US\$ 1 500 000	1.00	1 500 000
Creditanstalt Bankverein, Vienna	3.33000 %	99-03-29	AS 40 000 000	11.90	3 361 345
Creditanstalt Bankverein, Vienna	3.34000 %	99-03-30	AS 50 000 000	11.90	4 201 681
Banque Paribas, Paris	5.75000 %	99-04-02	US\$ 2 000 000	1.00	2 000 000
Bank Austria, Vienna	5.75000 %	99-04-06	US\$ 1 500 000	1.00	1 500 000
Skandinaviska Enskilda Banken, London	5.75000 %	99-04-06	US\$ 2 000 000	1.00	2 000 000
Skandinaviska Enskilda Banken, London	5.00000 %	99-04-07	US\$ 4 000 000	1.00	4 000 000
Banque Paribas, Paris	5.66000 %	99-04-08	US\$ 1 200 000	1.00	1 200 000
Creditanstalt Bankverein, Vienna	5.00000 %	99-04-16	US\$ 3 500 000	1.00	3 500 000
Skandinaviska Enskilda Banken, London	4.81250 %	99-04-22	US\$ 1 500 000	1.00	1 500 000
Robert Fleming, London	5.75000 %	99-04-23	US\$ 2 500 000	1.00	2 500 000
Banque Paribas, Paris	5.10000 %	99-05-05	US\$ 2 000 000	1.00	2 000 000
Skandinaviska Enskilda Banken, London	5.06250 %	99-05-06	US\$ 3 000 000	1.00	3 000 000
Banco do Brasil, Vienna	6.50000 %	99-05-27	US\$ 2 000 000	1.00	2 000 000
Bank Austria, Vienna	4.09000 %	99-06-01	AS 1 100 000	11.90	92 437
Banco do Brasil, Vienna	6.50000 %	99-07-07	US\$ 2 000 000	1.00	2 000 000
Creditanstalt Bankverein, Vienna	5.68750 %	99-07-16	US\$ 3 000 000	1.00	3 000 000
Banco do Brasil, Vienna	6.25000 %	99-07-20	US\$ 1 500 000	1.00	1 500 000
Bank Austria, Vienna	4.62500 %	99-09-01	AS 25 000 000	11.90	2 100 840
Banco do Brasil, Vienna	6.50000 %	99-09-07	US\$ 1 000 000	1.00	1 000 000

SCHEDULE S11 (continued)

Deposit	Interest rate p.a.	Maturity date	Amount in local currency	UN operational exchange rate	US dollar equivalent
Banque Paribas, Paris	4.81250 %	99-10-04	US\$ 3 000 000	1.00	3 000 000
Banque Paribas, Paris	4.93750 %	99-11-05	US\$ 1 000 000	1.00	1 000 000
Skandinaviska Enskilda Banken, London	5.00000 %	99-11-12	US\$ 3 000 000	1.00	3 000 000
Skandinaviska Enskilda Banken, London	5.06250 %	99-11-18	US\$ 2 000 000	1.00	2 000 000
Banco do Brasil, Vienna	6.75000 %	99-11-30	US\$ 1 500 000	1.00	1 500 000
Die Erste Bank, Vienna	6.75000 %	00-03-15	AS 1 000 000	11.90	84 034
TOTAL DEPOSIT ACCOUNTS					111 216 808

NOTE: If calculated at UN operational exchange rates in effect on 1 January 1999, the total US dollar value amounts to \$ 111 523 407 which represents a 0.27 per cent increase in relation to the value at 31 December 1998 rates. The difference is due to fluctuations of the US dollar value against the currencies actually held by the Agency. This does not affect the Agency's holdings or purchasing power in those currencies.

SCHEDULE S12

**CASH IN HAND, CURRENT AND DEPOSIT ACCOUNTS AT BANKS
BY FUND GROUP AND FUNDS**

AS AT 31 DECEMBER 1998

Fund Group	Cash in hand	Current and Deposit Accounts	Total
I Regular Budget Fund and Working Capital Fund	235 077	51 526 658	51 761 735
II Technical Co-operation Fund	10 135	32 572 392	32 582 527
III Extrabudgetary Programme Fund		28 865 361	28 865 361
IV Technical Co-operation Extrabudgetary Fund - Member States and International Organizations		8 285 040	8 285 040
V Technical Co-operation Extrabudgetary Fund - United Nations Development Programme (UNDP)		340 368	340 368
VI Trust Funds and Reserve Funds:			
Research Institutes Trust Fund		1 922 366	
International Thermonuclear Experimental Reactor Engineering Design Activities (ITER-EDA) Trust Fund		1 520 278	
Equipment Replacement Fund (Reserve Funds)		146 173	3 588 817
TOTAL (Statement II)	245 212	125 178 636	125 423 848

PART IV

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of the Agency's objectives

The International Atomic Energy Agency (IAEA) is an autonomous intergovernmental organization founded in 1957 in accordance with a decision of the General Assembly of the United Nations. Its statutory mandate is to seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world and to ensure, so far as it is able, that assistance provided by it or at its request or under its supervision or control is not used in such a way as to further any military purpose.

2. Significant accounting policies

(a) Basis of presentation

The financial statements of the Agency are presented in United States dollars (US dollars) and reflect the application of the IAEA's financial regulations and rules. With the exception of the treatment of the provision for delays in collection of contributions, which is explained further in Note 2(j), the statements comply with the United Nations system accounting standards in all material respects.

(b) Fund grouping

The Agency maintains separate accounts for each Fund which are combined into six groups for reporting purposes. The Funds are established on the basis of resolutions passed by the General Conference and are administered in accordance with the Financial Regulations adopted by the Board of Governors, Financial Rules which are issued by the Director General, and procedures and practices established by the Secretariat in conformity thereto.

The purpose of Fund group I (Regular Budget Fund and Working Capital Fund) is to meet the obligations of the Agency arising from authorized appropriations. The Regular Budget Fund is based on an annual Regular Budget approved by the General Conference and financed from assessed contributions and miscellaneous income. The Working Capital Fund, which serves to finance appropriations pending the receipt of contributions, and for purposes which are determined from time to time by the Board of Governors with the approval of the General Conference, is financed from advances from Member States.

The purpose of Fund group II (General Fund - Technical Co-operation Fund) is to meet the obligations related to the approved Technical Co-operation programme. Fund group II is based on General-Conference-approved one-year allocations which are financed from voluntary contributions, assessed programme costs, and miscellaneous income. Unused funds may be carried forward for the completion of the approved programme.

The purpose of Fund group III (General Fund - Extrabudgetary Programme Fund) is to meet the obligations related to extrabudgetary activities in support of the Regular Programme. Fund group III is financed from special voluntary contributions from donor countries and international organizations. They are available for the approved programmes until they are actually used, and in consultation with the donor concerned.

The purpose of Fund group IV (General Fund - Technical Co-operation Extrabudgetary Fund - Member States and International Organizations) is to meet the obligations related to extrabudgetary activities of approved Technical Co-operation projects. Fund group IV is financed from special voluntary contributions which are available for the approved projects until they are actually used, and in consultation with the donor concerned.

The purpose of Fund group V (General Fund - Technical Co-operation Extrabudgetary Fund - United Nations Development Programme (UNDP)) is to meet the obligations related to UNDP projects. Fund group V is financed from UNDP resources which are available for the approved projects until they are actually used, and in consultation with UNDP.

The purpose of Fund group VI (Trust Funds and Reserve Funds) is to meet the obligations related to activities financed from their respective resources.

(c) Income recognition

Fund group I

Assessments from Member States and miscellaneous income (work for others) are recorded on an accrual basis. With regard to other miscellaneous income, for the purpose of calculating surpluses to be returned to Member States, only that portion which is actually received in cash at the year-end is included in the financial statements.

Fund group II

Voluntary contributions from Member States are recorded on an accrual basis. Miscellaneous income and income from assessed programme costs are recorded on a cash basis.

Fund groups III, IV, V and VI

Income in these Fund groups is recorded on a cash basis.

(d) Cash management

Cash is managed globally to enable the Agency to meet its financial obligations in the currency mix required and in order to reduce the purchase of currencies outside the Agency. Amounts due between Funds or Fund groups are settled at their US dollar equivalents applicable at the transaction date. Interest income is initially recorded in the Regular Budget Fund (Fund group I). At the year-end, it is apportioned between Fund groups I and II on the basis of the amounts in interest-bearing currencies held during the year.

(e) Expenditure recognition

Expenditure comprises disbursements and unliquidated obligations incurred in respect of the current budget year.

Obligations are engagements involving a liability against resources for which expenditure authority has been given. Unliquidated obligations are obligations or that portion of obligations which are not yet paid. Obligations are recorded in accordance with the Financial Regulations and Rules on the basis of contracts, purchase orders, agreements or other forms of legal undertaking, or based upon a liability recognized by the Agency.

(f) Split appropriation/assessment system

The split appropriation/assessment system was introduced in 1986 to reduce the Agency's exposure to the effects of currency exchange rate fluctuations on Regular Budget expenditure. Each year, the General Conference approves a budget for the Agency which is allocated in appropriation sections. The Director General may incur expenditure within the limits stated in the appropriation sections and for the purposes for which they were voted. He cannot make transfers between any of the sections without the prior approval of the Board of Governors. The amount in each section comprises a US dollar component and an Austrian schilling (AS) component expressed as a US dollar equivalent on the basis of the average AS-to-US dollar United Nations Rate of Exchange experienced during the budget year. Therefore, the authority granted by the General Conference, expressed in US dollars, can only be determined at the end of the budget year.

Member States are assessed in accordance with the scale of assessment fixed by the General Conference. Individual assessments are established with a component in US dollars and a component in Austrian schillings. These components are in direct proportion to the respective shares of the Regular Budget expenditure linked to the two currencies.

(g) Transactions in foreign currencies

Transactions in foreign currencies are recorded in the financial statements at the United Nations Rate of Exchange in effect on the date of the transaction.

The treatment of exchange gains and losses is as follows:

Fund groups I and II

- Realized gains and losses resulting from the purchase of other currencies and the liquidation of accounts receivable and payable are credited or charged to miscellaneous income.
- Unrealized net gains resulting from the revaluation of cash are recorded as a provision on the balance sheet, whereas net losses are charged to miscellaneous income.
- Unrealized gains and losses relating to the revaluation of unliquidated obligations are recorded as adjustments to the corresponding programme expenditure.

Fund groups III, IV, V and VI

- For reporting purposes, all net gains and losses (realized and unrealized) in Fund groups III, IV, V and VI are included with the respective gains and losses of Fund group I.

(h) Cash surpluses/deficits and fund balances

For Fund group I, cash surpluses are allocated to Member States in accordance with the scale of contributions for the year to which they relate. The allocation is applied to Member States who have paid their respective contributions in full. Cash deficits are covered temporarily by advances from the Working Capital Fund pending receipt of prior years' assessed contributions.

For Fund groups II, III, IV, and VI, fund balances represent the net assets or liabilities of the Funds. These balances are carried forward to future periods, except for the Fund balance of the United Nations Environment Programme (UNEP), which is part of Fund group IV.

For Fund group V, carry-over of balances is subject to approval by UNDP.

(i) Capital assets

Capital assets are charged to expenditure in the year of acquisition. However, inventory records are maintained for all non-expendable equipment, supplies and materials over \$1 000 or of a sensitive nature. The value of the inventory is disclosed in Note 19 below.

(j) Provision for uncollected assessments and contributions received in advance

A provision for uncollected assessments in the amount of contributions outstanding for longer than a year is shown as a deduction from available surpluses on the balance sheet. The related income is not adjusted. The UN system accounting standards state that if any such provision is made, it should cover 100% of all outstanding contributions. In view of the fact that the vast majority of assessed contributions which have been outstanding for one year or less are paid by Member States in the following year, the Agency's practice is considered appropriate.

Contributions received in advance are considered a liability owed to the donor when initially received, and are recorded as income in the following year.

(k) Contributions in kind

Contributions in kind - in the form of expert services, equipment, meetings and fellowships offered by Member States and international organizations - are not recorded in the accounts of the Agency. However, estimates of such contributions are disclosed in Note 18 below.

(l) Services without charge

The Agency provides certain administrative and audit services to the Austrian schilling based Funds without charge.

3. Pension fund participation

The Agency participates in and contributes to the United Nations Joint Staff Pension Fund (UNJSPF), which is liable for pension payments to eligible Agency staff members. The total liability of the Agency to the UNJSPF consists of its contributions which are accounted for annually and its share of any actuarial deficit of the UNJSPF which would be accounted for when levied.

4. Health Insurance Premium Reserve Fund

In order to provide full and supplementary medical insurance benefits to its staff members, the Agency entered into contractual agreements with a health insurance broker. One of the agreements

provided for premium adjustments in a given year on the basis of the claims experience of the previous year.

A Health Insurance Premium Reserve Fund was established for the administration of surplus funds resulting from differences between amounts owed to the broker and premiums paid by staff members and the Agency. The Fund financed (totally or partially) premium increases. The Fund was owned jointly by the Agency and the plan participants on the basis of their premium contributions.

In 1998, upon the recommendation of the Joint Advisory Committee - Sub Committee on Health and Life Insurance, the Director General approved the transfer of the entire Health Insurance Premium Reserve Fund to J. Van Breda & Co. International, amounting to \$1 985 691.

5. Common Fund for Major Repairs and Replacements

On 1 January 1981 an agreement between the Republic of Austria, the United Nations, and the IAEA went into effect to establish a Common Fund for the purpose of financing the cost of major repairs and replacements of buildings, facilities and technical installations which are the property of the Republic of Austria and form part of the headquarters areas of the United Nations and the IAEA at the Vienna International Centre. This agreement has also applied to the United Nations Industrial Development Organization (UNIDO) since 1986 when it became an independent organization.

As at 31 December 1998 the balance of the Fund, which is administered by UNIDO, was \$2 586 361 (1997: \$2 411 410).

6. Other/Miscellaneous income by major categories

	<u>1998</u>	<u>1997</u>
(a) Revenue producing activities		
Publications of the Agency-INIS	161 185	240 048
Publications of the Agency-Other	512 328	624 841
Laboratory income	158 661	161 577
INIS/AGRIS Direct Access income	5 333	11 553
Amounts recoverable from safeguards agreements	471 402	310 462
Other service income	5 122	1 497
Total (Statement I)	<u>1 314 031</u>	<u>1 349 978</u>
(b) Jointly financed activities		
Data processing services	1 643 567	1 856 174
Printing services	1 393 340	1 359 944
Medical services	681 081	654 696
Library services	1 250 049	1 306 002
Radiation protection services	85 288	300 164
Translation services	104 242	56 833
Nuclear Fusion Journal	389 158	386 678
Administrative services	-	315 150
Total (Statement I)	<u>5 546 725</u>	<u>6 235 641</u>

7. Expenditure (Statement I)

(a) Regular Budget Fund

Total expenditure of \$225 351 389 includes an ex-gratia payment of \$517 made to a member of the Senior Expert Group as compensation for lost property. The loss occurred while the expert was attending a meeting at headquarters.

(b) Technical Co-operation Fund

Total expenditure of \$55 478 529 includes obligations amounting to \$1 107 941 against future year project budgets (1997: \$1 499 966).

8. Prior period adjustments

Prior period adjustments consist of the following:

	<u>1998</u>	<u>1997</u>
(a) Regular Budget Fund:		
Excess of assessment collection over previous years' outstanding		
Total (Statement I)	<u><u>5 447 704</u></u>	<u><u>3 885 610</u></u>
(b) Technical Co-operation Fund:		
Pledges and adjustments to pledges related to prior years' programmes		
Total (Statement I)	<u><u>(1 165 704)</u></u>	<u><u>103 598</u></u>

9. Reserves

Transfers to reserves

An amount of \$70 000 was allocated to the Equipment Replacement Fund 2000 (ERF2000) bringing the total to \$340 000 at year-end (Statements I and II).

10. Credits to Member States

Cash surpluses returned to eligible Member States amounted to \$18 480 440 (1997: \$37 183 088). This comprises cash surpluses from 1996 and prior years which were credited to the respective Member States' assessments (Statement I).

11. United Nations Development Programme (UNDP) (Statement I)

	1/		
	Funds Available	Expenditure	Unused Balance
IAEA as:			
Executing Agency	1 453 731	1 352 860	100 871
Associated Agency	12 002	24 722	(12 720)
UNDP Technical Support Services	21 886	21 886	-
Total 1998	1 487 619	1 399 468	88 151
Total 1997	1 579 346	1 350 724	228 622

12. Trust Funds and Reserve Funds (Statement I)

Fund group VI contains two Trust Funds and one Reserve Fund as follows:

	1/		
	Funds Available	Expenditure	Unused balance
Trust Funds			
International Thermonuclear Experimental Reactor- Engineering Design Activities (ITER-EDA)	2 350 278	1 455 000	895 278
Research Institute Trust Fund (RITF)	2 404 918	657 338	1 747 580
Reserve Funds			
Equipment Replacement Fund (ERF)	146 173	-	146 173
Total 1998	4 901 369	2 112 338	2 789 031
Total 1997	5 426 700	2 641 588	2 785 112

1/ Includes prior periods' unused balances carried forward.

As approved by the Board of Governors (GOV/2788, GOV/2089 and GOV/COM.9/OR2.11), the Equipment Replacement Fund was established with an allocation of \$1 800 000 from computer services income, forced budget savings and deferred programme activities related to 1993 appropriations. The funds were utilized in 1996, leaving a balance of unused resources of \$146 173. This amount will be transferred to the Equipment Replacement Fund 2000 as approved by the Board of Governors (GOV/OR.947, GOV/1998/15).

13. Assessed contributions receivable

Assessments outstanding by budget years amount to:

<u>Budget Year</u>	<u>1998</u>	<u>1997</u>
1959-1991	2 587 099	2 597 950
1992	821 415	950 809
1993	756 293	1 480 102
1994	1 050 788	2 106 382
1995	2 403 608	5 674 824
1996	4 735 244	17 061 848
1997	12 510 375	21 060 386
(Schedule S1)	24 864 822	50 932 301
1998 (Schedule S1)	20 016 669	
Total (Statement II)	44 881 491	50 932 301

14. Accounts receivable - Other

(a) Regular Budget Fund

	<u>1998</u>	<u>1997</u>
Member States	5 499 770	3 378 269
United Nations, specialized agencies and other international organizations	1 194 200	1 238 764
Staff	2 200 707	1 952 914
Suppliers and contractors	815 613	667 078
Other accounts	710 845	1 718 421
Working Capital Fund	62 000	66 858
Total (Statement II)	10 483 135	9 022 304

(b) Technical Co-operation Fund

	<u>1998</u>	<u>1997</u>
Member States	178 263	119 698
United Nations, specialized agencies and other international organizations	157 285	205 992
Staff	268 719	283 154
Suppliers and contractors	318 905	539 213
Funds with agents	1 925 900	1 544 157
Other accounts	40 458	74 023
Total (Statement II)	2 889 530	2 766 237

15. Unliquidated Obligations - Regular Budget Fund

Unliquidated obligations relate to the budget years as follows:

	<u>1998</u>	<u>1997</u>
Current year	22 096 068	24 162 266
Prior years	930 791	1 011 775
Total (Statement II)	<u>23 026 859</u>	<u>25 174 041</u>

16. Provision for Revaluation of Cash (Statement II)

The provision represents net unrealized gains from the revaluation of cash:

	<u>1998</u>	<u>1997</u>
Regular Budget Fund	2 329 462	-
Technical Co-operation Fund	-	-
Total	<u>2 329 462</u>	<u>-</u>

The strengthening of the Austrian schilling against the US dollar in 1998 led to a net unrealized gain for the Regular Budget Fund. The Technical Co-operation Fund continued to incur unrealized exchange losses due to the weakening against the US dollar of some currencies held in substantial amounts by the Fund.

17. Accounts payable - Other

(a) Regular Budget Fund

	<u>1998</u>	<u>1997</u>
Member States	533 620	399 465
United Nations, specialized agencies and other international organizations	41 928	35 513
Staff	415 724	134 359
Other accounts	377 806	568 751
Suppliers and contractors	41 581	23 689
Total (Statement II)	<u>1 410 659</u>	<u>1 161 777</u>

(b) **Technical Co-operation Fund**

	<u>1998</u>	<u>1997</u>
United Nations, specialized agencies and other international organizations	207 139	217 299
Staff	24 941	48 952
Other accounts	11 932	23 708
Suppliers and contractors	11 847	-
Total (Statement II)	<u><u>255 859</u></u>	<u><u>289 959</u></u>

18. Contributions in kind

Contributions in kind made by Member States, their institutions and international organizations are as follows:

	Thousands of US Dollars					
	Member States		International Organization		Totals	
	1998	1997	1998	1997	1998	1997
Fellowships	811	607	-	-	811	607
Equipment and supplies	7 878	228	12	2	7 890	230
Meetings and other items	486	790	-	8	486	798
Cost-free experts	7 792	8 396	14	12	7 806	8 408
Total	<u><u>16 967</u></u>	<u><u>10 021</u></u>	<u><u>26</u></u>	<u><u>22</u></u>	<u><u>16 993</u></u>	<u><u>10 043</u></u>

The total of \$7.9 million for equipment and supplies includes a new laboratory in the IAEA-MEL, Monaco with an estimated value of \$6.9 million.

Because of their nature, the monetary value of these contributions are only estimates. More details can be seen in Annex A3 (unaudited).

19. Non-expendable equipment

The Agency's inventory records show the following values for equipment:

	Thousands of US Dollars	
	1998	1997
Scientific and technical equipment	19 669	18 757
Computer equipment	6 075	6 296
Office equipment	1 042	1 402
Transportation equipment	482	558
Furniture and fittings	47	11
Total	<u><u>27 315</u></u>	<u><u>27 024</u></u>

Equipment for inventory purposes are all items with an original purchase value of \$1 000 or more, and all sensitive items.

The amounts shown are the current values determined by reducing the original value over the estimated useful life of the items, which is three years for electronic data processing equipment and five years for all others.

The title to technical co-operation equipment is passed to the recipient upon delivery and is therefore not included in the Agency's property records.

20. Separation benefits

Under the Provisional Staff Regulations and Staff Rules, staff members of the Agency are eligible to receive certain benefits on separation from the service of the Agency. Expenditure is recorded in the year in which the benefits are paid. Entitlements and the corresponding liabilities as at 31 December 1998 are estimated as follows:

	Thousands of US dollars	
	1998	1997
Repatriation - grants	13 818	13 765
- travel and household removal	9 754	8 891
Accrued annual leave	15 381	15 900
End-of-service allowances	10 819	10 466
Total	49 772	49 022

21. Post retirement benefits

Under the Provisional Staff Regulations and Staff Rules, retirees of the Agency are eligible to obtain medical insurance through the Agency. The Agency contributes towards the retiree's total premium and records the cost of this benefit in the year it is incurred. The Agency's share of the total premium was \$621 000 (1997: \$615 000). No actuarial valuation has been carried out to assess the liability for future years; however, it is expected that the amounts payable will be consistent with prior years.

PART V

ANNEXES

REGULAR BUDGET FUND

ESTIMATED AND ACTUAL RESOURCES FOR THE YEAR ENDED 31 DECEMBER 1998

	Budget estimates a/	Adjustments	Adjusted estimates	Actual resources			Surplus (deficit) of actual resources over adjusted budget estimates
				Receipts	Outstanding	Total	
Assessed contributions from Member States	216 853 988	-	216 853 988	196 999 979	19 854 009	216 853 988	-
Contributions assessed on new Member States	-	179 739 b/	179 739	17 079	162 660	179 739	-
Foreign currency revaluation	216 853 988 (616 988)	179 739	217 033 727 (616 988)	197 017 058	20 016 669	217 033 727	- 616 988
Total assessments and revaluation	216 237 000	179 739	216 416 739	197 017 058	20 016 669	217 033 727	616 988
Miscellaneous income							
(a) Work for others (Appropriation 7)							
Data processing services	1 102 000	-	1 102 000	1 501 613	141 954	1 643 567	541 567
Printing services	1 262 000	-	1 262 000	904 259	489 081	1 393 340	131 340
Medical services	759 000	-	759 000	605 926	75 155	681 081	(77 919)
Library services	1 261 000	-	1 261 000	888 367	361 682	1 250 049	(10 95)
Radiation protection services	85 000	-	85 000	85 288	-	85 288	288
Translation services	53 000	-	53 000	104 242	-	104 242	51 242
Nuclear Fusion Journal	482 000	-	482 000	389 158	-	389 158	(92 842)
Sub-total	5 004 000	-	5 004 000	4 478 853	1 067 872	5 546 725	542 725
(b) Attributable to specific programmes							
Publications of the Agency - INIS	225 000	-	225 000	161 185	-	161 185	(63 815)
Publications of the Agency - Other	715 000	-	715 000	512 328	-	512 328	(202 672)
Laboratory income	200 000	-	200 000	158 661	-	158 661	(41 339)
INIS/AGRIS Direct Access income	41 000	-	41 000	5 333	-	5 333	(35 667)
Amounts recoverable from safeguards agreements	500 000	-	500 000	471 402	-	471 402	(28 598)
Programme support income	285 000	-	285 000	306 178	-	306 178	21 178
Other service income	2 000	-	2 000	5 122	-	5 122	3 122
Sub-total	1 968 000	-	1 968 000	1 620 209	-	1 620 209	(347 791)
(c) Not attributable to specific programmes							
Investment and interest income	2 562 000	-	2 562 000	5 636 644	-	5 636 644	3 074 644
Gain (Loss) on exchange of currencies	-	-	-	(1 127 294)	-	(1 127 294)	(1 127 294)
Other	196 000	-	196 000	550 808	-	550 808	354 808
Sub-total	2 758 000	-	2 758 000	5 060 158	-	5 060 158	2 302 158
Sub-total (b) and (c)	4 726 000	-	4 726 000	6 680 367	-	6 680 367	1 954 367
Sub-total (a), (b) and (c)	9 730 000	-	9 730 000	11 159 220	1 067 872	12 227 092	2 497 092
TOTAL ASSESSMENTS AND MISCELLANEOUS INCOME	225 967 000	179 739	226 146 739	208 176 278	21 084 541	229 260 819	3 114 080

a/ GC(41)/RES/6

b/ Schedule S1

TECHNICAL CO-OPERATION FUND

ESTIMATED AND ACTUAL RESOURCES IN THE YEAR ENDED 31 DECEMBER 1998

	Current year	1997	1996	1995	1994	Prior to 1994	Total
I. Estimates							
Targets	71 500 000	68 000 000	64 500 000	61 500 000	58 500 000		324 000 000
Estimated other income	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000		5 000 000
Total allocations	72 500 000 ^{a/}	69 000 000	65 500 000	62 500 000	59 500 000		329 000 000
II. Actuals							
1. Voluntary contributions							
received for 1998	52 562 040	-	-	-	-		52 562 040
1997	1 017 959	46 802 687	-	-	-		47 820 646
1996	20 227	1 254 118	48 037 796	-	-		49 312 141
1995	(386 789)	160 044	1 253 764	46 390 600	-		47 417 619
1994	16 904	-	2 101	5 305 438	38 251 786		43 576 229
for prior years	52 859	29 277	6 800	470 774	769 393		1 329 103
Total	53 283 200	48 246 126	49 300 461	52 166 812	39 021 179		242 017 778
2. Assessed programme costs received							
	2 971 960	1 978 573	2 251 961	2 005 983	1 478 637		10 687 114
3. Miscellaneous income							
	1 011 690	684 015	1 378 481	2 731 317	1 383 452		7 188 955
Total received	57 266 850	50 908 714	52 930 903	56 904 112	41 883 268		259 893 847
4. Resources outstanding							
Voluntary contributions pledged and unpaid	844 559	94 765	392 856	12 300	42 100	1 013 192	2 399 772 ^{b/}
Assessed programme costs	1 169 256	727 424	748 952	576 452	507 133	3 426 428	7 155 645 ^{c/}
Total outstanding	2 013 815	822 189	1 141 808	588 752	549 233	4 439 620	9 555 417
Total actual resources	59 280 665	51 730 903	54 072 711	57 492 864	42 432 501	4 439 620	269 449 264
III. Difference between actuals and estimates	(13 219 335)	(17 269 097)	(11 427 289)	(5 007 136)	(17 067 499)	4 439 620	(59 550 736)

a/ GC(41)/RES/7

b/ Schedule S8

c/ Schedule S9

**RESOURCES MADE AVAILABLE TO THE AGENCY
BY MEMBER STATES FOR 1998 INCLUDING CONTRIBUTIONS IN CASH AND IN KIND**

Member State	TOTAL	C A S H			I N K I N D a/ (Note 18)			
		Assessed contributions	Voluntary contributions (Technical Co-operation Fund)	Voluntary contributions and other extrabudgetary resources	Type II fellowships	Equipment and supplies	Meetings and other items	Cost-free experts
		Schedule S1	Schedule S8					
Afghanistan	16 903	16 903	-	-	-	-	-	-
Albania	16 903	16 903	-	-	-	-	-	-
Algeria	306 822	263 972	41 250	-	-	-	-	1 600
Argentina	1 746 430	807 568	200 000	-	-	578 026	-	160 836
Armenia	101 225	84 905	10 000	-	-	-	-	6 320
Australia	4 529 828	3 240 105	842 484	310 248	-	1 541	-	135 450
Austria	2 614 919	1 928 513	622 050	-	7 700	8 073	-	48 583
Bangladesh	31 914	17 253	7 150	2 500	-	341	-	4 670
Belarus	618 290	506 056	96 294 b/	-	-	-	-	15 940
Belgium	2 714 945	2 204 610	-	334 226	-	1 355	-	174 754
Bolivia	23 128	16 903	-	-	-	-	2 625	3 600
Bosnia and Herzegovina	17 252	17 252	-	-	-	-	-	-
Brazil	3 238 840	2 729 735	400 000	5 000	-	845	-	103 260
Bulgaria	185 022	133 813	10 000	(4 263)	-	-	-	45 472
Cambodia	16 903	16 903	-	-	-	-	-	-
Cameroon	16 903	16 903	-	b/	-	-	-	-
Canada	9 363 151	6 910 677	1 649 392	368 735	-	1 415	29 938	402 994
Chile	235 681	129 955	57 200	20 000	-	30	-	28 496
China	1 931 578	1 258 665	529 100	5 000	-	1 170	-	137 643
Colombia	214 548	162 333	50 000	-	-	15	-	2 200
Costa Rica	27 273	16 903	-	-	-	-	8 850	1 520
Côte d'Ivoire	16 903	16 903	-	-	-	-	-	-
Croatia	166 583	150 259	-	-	-	-	-	16 324
Cuba	160 997	84 518	35 750	-	-	1	1 200	39 528
Cyprus	71 134	47 229	21 450	-	-	15	-	2 440
Czech Republic	1 329 678	398 062	120 000	651 172	-	115	-	160 329
Democratic Republic of the Congo	17 009	17 009	-	-	-	-	-	-
Denmark	2 141 427	1 604 686	514 800	9 901	-	796	-	11 244
Dominican Republic	20 813	16 903	-	-	-	-	-	3 910
Ecuador	33 396	33 381	-	-	-	15	-	-
Egypt	248 759	129 524	57 517 b/	-	-	16	-	61 702
El Salvador	18 303	16 903	-	-	-	-	-	1 400
Estonia	72 753	65 013	-	-	-	-	-	7 740
Ethiopia	16 931	16 916	-	-	-	15	-	-
Finland	1 981 448	1 365 597	443 300	65 544	-	387	6 320	100 300

ANNEX A3a (continued)

Member State	TOTAL	C A S H			I N K I N D a/ (Note 18)			
		Assessed contributions Schedule S1	Voluntary contributions (Technical Co-operation Fund) Schedule S8	Voluntary contributions and other extrabudgetary resources	Type II fellowships	Equipment and supplies	Meetings and other items	Cost-free experts
France	20 742 606	14 078 260	4 568 850	1 329 422	20 680	8 833	28 000	708 561
Gabon	18 073	18 073	-	-	-	-	-	-
Georgia	214 918	198 808	10 000	-	-	-	-	6 110
Germany	24 725 492	20 013 066	2 570 000	1 402 813	95 149	4 525	96 000	543 939
Ghana	33 712	17 252	5 000	-	-	-	-	11 460
Greece	736 602	633 417	100 000 c/	-	-	185	-	3 000
Guatemala	39 865	33 530	-	-	-	-	-	6 335
Haiti	16 903	16 903	-	-	-	-	-	-
Holy See	22 293	22 293	-	-	-	-	-	-
Hungary	449 551	234 713	100 100	2 000	-	2 096	-	110 642
Iceland	87 551	66 101	21 450	-	-	-	-	-
India	988 923	507 915	226 858	-	-	3 864	120 000	130 286
Indonesia	355 864	234 557	100 100	-	-	25	-	21 182
Iran, Islamic Republic of	943 383	736 615	201 750	-	-	1	-	5 017
Iraq	231 666	231 651	-	-	-	15	-	-
Ireland	573 310	462 496	100 000	-	-	55	-	10 759
Israel	803 151	636 648	100 000	3 000	-	330	-	63 173
Italy	11 628 654	11 445 131	-	77 857	-	771	33 000	71 895
Jamaica	17 009	17 009	-	-	-	-	-	-
Japan	50 338 339	34 313 853	11 146 850	3 926 998	-	1 491	-	949 147
Jordan	28 696	16 131	7 150	2 000	-	15	-	3 400
Kazakhstan	337 795	319 850	-	-	-	25	-	17 920
Kenya	16 903	16 903	-	-	-	-	-	-
Korea, Republic of	2 134 276	1 290 574	385 000	163 500	-	70	5 000	290 132
Kuwait	445 009	442 020	-	-	-	55	-	2 934
Latvia	156 169	139 628	10 000	-	-	1	-	6 540
Lebanon	26 144	16 474	7 150	-	-	-	-	2 520
Liberia	22 513	16 903	-	-	-	-	-	5 610
Libyan Arab Jamahiriya	485 558	341 358	143 000	-	-	-	-	1 200
Liechtenstein	29 793	22 293	7 500	-	-	-	-	-
Lithuania	137 314	127 684	-	-	-	-	-	9 630
Luxembourg	161 074	161 074	-	-	-	-	-	-
Madagascar	16 903	16 903	-	-	-	-	-	-
Malaysia	342 678	230 398	100 100	10 000	-	30	-	2 150
Mali	17 903	16 903	-	-	-	-	-	1 000
Marshall Islands	16 903	16 903	-	-	-	-	-	-
Mauritius	17 023	16 423	-	-	-	-	-	600
Mexico	1 947 966	1 335 088	564 850	-	-	70	-	47 958
Monaco	7 420 732	22 035	7 150	144 347	-	7 231 200	16 000	-
Mongolia	16 903	16 903	-	-	-	-	-	-

ANNEX A3a (continued)

Member State	TOTAL	C A S H			I N K I N D a/ (Note 18)			
		Assessed contributions Schedule S1	Voluntary contributions (Technical Co-operation Fund) Schedule S8	Voluntary contributions and other extrabudgetary resources	Type II fellowships	Equipment and supplies	Meetings and other items	Cost-free experts
Morocco	91 221	48 292	21 450	10 000	-	-	-	-
Myanmar	23 462	16 312	7 150 d/	-	-	1	-	11 478
Namibia	23 899	16 129	-	-	-	-	-	-
Netherlands	5 099 088	3 481 418	1 129 700	398 242	-	30	-	7 740
New Zealand	549 186	541 328	-	5 000	-	720	-	89 008
						58	-	2 800
Nicaragua	24 053	16 903	7 150 c/	-	-	-	-	-
Niger	25 053	16 903	7 150	-	-	-	-	-
Nigeria	308 176	181 833	99 942	26 400	-	-	-	1 000
Norway	1 669 165	1 226 936	400 400	16 667	-	1	-	-
Pakistan	289 894	96 552	42 900	123 324	-	235	-	24 927
						390	-	26 728
Panama	16 903	16 903	-	-	-	-	-	-
Paraguay	16 903	16 903	-	-	-	-	-	-
Peru	105 215	100 220	- c/	-	-	-	-	-
Philippines	175 997	102 177	42 900	21 990	-	25	-	4 970
Poland	845 392	567 511	235 950	5 000	-	-	-	8 930
						166	-	36 765
Portugal	607 394	439 966	100 000	41 200	-	-	-	26 228
Qatar	88 730	88 730	-	-	-	-	-	-
Romania	491 132	248 735	107 250	-	-	-	-	-
Russian Federation	10 267 812	9 867 360	- b/	-	-	1 303	5 211	129 936
Saudi Arabia	1 209 379	1 205 255	-	-	-	46	-	399 149
						-	-	4 078
Senegal	18 303	16 903	-	-	-	-	-	1 400
Sierra Leone	16 903	16 903	-	-	-	-	-	-
Singapore	336 518	235 563	100 100	-	-	55	-	800
Slovakia	396 112	129 273	57 200	110 000	-	-	6 000	93 639
Slovenia	258 042	161 710	50 050	-	-	15	-	46 267
South Africa	886 283	516 223	228 800	7 000	-	18 900	-	115 360
Spain	5 994 714	5 218 178	439 617	144 737	13 310	355	-	178 517
Sri Lanka	27 636	16 376	5 000	5 059	-	1	-	1 200
Sudan	26 559	17 009	7 150	-	-	-	-	2 400
Sweden	4 199 648	2 719 172	872 300	406 178	-	546	-	201 452
Switzerland	3 715 584	2 643 961	858 000	102 740	-	1 255	-	109 628
Syrian Arab Republic	91 940	78 010	10 000	-	-	100	-	3 830
Thailand	309 896	206 329	53 427	27 327	-	65	19 758	2 990
The former Yugoslav Republic of Macedonia	20 268	16 903	-	-	-	-	-	3 365
Tunisia	90 678	47 594	21 451	5 000	-	-	5 967	10 666
Turkey	945 679	610 906	271 700	-	-	31	-	63 042
Uganda	24 053	16 903	7 150	-	-	-	-	-
Ukraine	1 998 973	1 951 933	-	-	-	-	-	47 040
United Arab Emirates	423 678	423 678	-	-	-	-	-	-
United Kingdom of Great Britain and Northern Ireland	16 873 894	11 676 701	4 096 217	447 027	69 159	2 667	-	582 123

ANNEX A3a (continued)

Member State	TOTAL	C A S H			I N K I N D a/ (Note 18)			
		Assessed contributions Schedule S1	Voluntary contributions (Technical Co-operation Fund) Schedule S8	Voluntary contributions and other extrabudgetary resources	Type II fellowships	Equipment and supplies	Meetings and other items	Cost-free experts
United Republic of Tanzania	16 903	16 903	-	-	-	-	-	-
United States of America	92 624 415	57 788 906	17 875 000 e/	15 453 108	605 075	3 350	101 771	797 205
Uruguay	83 128	67 071	-	-	-	57	-	16 000
Uzbekistan	228 891	219 241	-	-	-	-	-	9 650
Venezuela	591 571	550 146	40 000	-	-	25	-	1 400
Viet Nam	31 549	16 839	7 150	-	-	-	-	7 560
Yemen	17 519	16 719	-	-	-	-	-	800
Yugoslavia f/	172 062	167 291	-	-	-	1	-	4 770
Zambia	16 903	16 903	-	-	-	-	-	-
Zimbabwe	23 528	16 903	6 600	-	-	25	-	-
Sub-total	313 400 596	216 853 988	53 399 449	26 185 999	811 073	7 878 251	485 640	7 786 196
Former Member:								
Democratic People's Republic of Korea	5 000	-	-	-	-	-	-	5 000
New Members:								
Burkina Faso	18 073	18 073	-	-	-	-	-	-
Malta	24 229	17 079	7 150	-	-	-	-	-
Republic of Moldova	145 387	144 587	-	-	-	-	-	800
Sub-total	192 689	179 739	7 150	-	-	-	-	5 800
GRAND TOTAL	313 593 285	217 033 727	53 406 599	26 185 999	811 073	7 878 251	485 640	7 791 996

Others:

Oman	2 500	-	-	-	-	-	-	2 500
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a/ Shown at actual cost where known, otherwise estimates provided by the Agency's Scientific Divisions and/or cost as provided by Member States for Equipment and supplies; costs as provided by Member States for Meetings and other items and for Cost-free experts estimated salary cost of US\$ 200 per day plus cost of travel and subsistence provided by Member States.

b/ Revalued pledges of contributions: Belarus pledge relating to 1994 - (\$ 1 135); Cameroon pledge relating to 1988 - \$ 62; Russian Federation pledge relating to 1996 - (\$ 897 680); Egypt pledge relating to 1997 - (\$ 14).

c/ Pledged and paid contributions in 1998 relating to 1997: Greece - \$ 131 367; Nicaragua - \$ 6 450; Peru - \$ 20 400.

d/ Reduction in credit of contributions for 1993-96 from Myanmar due to devaluation of currency: 1993 - (\$ 5 346); 1994 - (\$ 5 646); 1995 - (\$ 5 939); 1996 - (\$ 6 223).

e/ Reduction of pledge relating to 1995: USA - (\$ 402 000).

f/ The inclusion of Yugoslavia does not prejudice future developments concerning the membership of Yugoslavia.

ANNEX A3b

RESOURCES MADE AVAILABLE TO THE AGENCY
BY UNITED NATIONS AND OTHER INTERNATIONAL ORGANIZATIONS FOR 1998 INCLUDING CONTRIBUTIONS IN CASH AND IN KIND

	TOTAL	CASH		IN KIND ^{a/} (Note 18)		
		Voluntary contributions and other extrabudgetary resources	Type II fellowships	Equipment and supplies	Meetings and other items	Cost-free experts
Asian Institute of Technology (AIT)	600	-	-	-	-	600
Bureau Internationale des Poids et Mesures (BIPM)	11 500	-	-	11 500	-	-
Commission of the European Communities (CEC)	4 000	-	-	-	-	4 000
European Bank for Reconstruction and Development (EBRD)	1 000	-	-	-	-	1 000
European Patent Office (EPO)	600	-	-	-	-	600
Food and Agriculture Organization of the United Nations (FAO)	2 386 000	2 386 000	-	-	-	200
International Bank for Reconstruction & Development (IBRD)	200	-	-	-	-	-
The World Phosphate Institute (IMPHOS)	20 000	20 000	-	-	-	2 400
International Science and Technology Centre (ISTC)	2 400	-	-	-	-	952
Nuclear Energy Agency (OECD-NEA)	952	-	-	-	-	-
OPEC Fund for International Development	20 000	20 000	-	-	-	3 000
Pan American Health Organisation (PAHO)	3 000	-	-	-	-	-
Regional Organization for the Protection of the Marine Environment (ROPME)	156 900	156 900	-	-	-	-
United Nations (UN)	1 885 000	1 885 000	-	-	-	-
United Nations Development Programme (UNDP)	1 258 997	1 258 997	-	-	-	-
United Nations Environment Programme (UNEP)	560 147	560 147	-	-	-	-
United Nations Educational, Scientific and Cultural Organization (UNESCO)	600	-	-	-	-	600
World Health Organisation (WHO)	1 112	-	-	-	-	1 112
Others	1 000	1 000	-	-	-	-
TOTAL	6 314 008	6 288 044	-	11 500	-	14 464

a/ Shown at actual cost where known, otherwise estimates provided by the Agency's Scientific Divisions and/or cost as provided by the Organizations for Equipment and supplies; costs as provided by the Organizations for Meetings and other items; and for Cost-free experts estimated salary cost of US\$ 200 per day plus cost of travel and subsistence provided by the Organizations.