

# THE AGENCY'S ACCOUNTS FOR 2006

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## 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 2006.
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.

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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 2006 and of the report of the Board of Governors thereon [\*].

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[\*] GC(51)/13

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[1] INFCIRC/8/Rev.2



**Fifty First regular session**

**The Agency's Accounts For 2006**

**Contents**

	<u>Page</u>
Table of contents	iii
Introduction to the Agency's Accounts for 2006 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 2006	5
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 2006	9
Part II - Statements	
I Statement of income and expenditure and changes in reserves and fund balances for the period ending 31 December 2006	53
II Statement of assets, liabilities, reserves and fund balances as at 31 December 2006	54
III Statement of cash flow for the period ending 31 December 2006	55
IV Statement of regular budget appropriations for the period ending 31 December 2006	56
(Supplementary A) Statement of unobligated balances of 2004 appropriations for the period ending 31 December 2006	57
(Supplementary B) Statement of Phase II – Security enhancement for the period ending 31 December 2006	58
Part III - Schedules	
S1 Regular Budget Fund - Status of contributions to the Regular Budget as at 31 December 2006	61
S2 Status of the Working Capital Fund as at 31 December 2006	65
S3 Status of advances to the Working Capital Fund as at 31 December 2006	66
S4 Regular Budget Fund - Status of cash surpluses as at 31 December 2006	69
S5 Regular Budget Fund –	
I. Shares of Member States in the 2005 cash surplus	70
II. Status of other cash surpluses withheld pending receipt of contributions as at 31 December 2006	73
S6 Regular Budget Fund – Regular Budget 2006 – Summary by item of expenditure as at 31 December 2006	74
(Supplementary A) Unobligated Balances of 2004 appropriations summary by item of expenditure as at 31 December 2006	75

	(Supplementary B) Phase II – Security enhancement summary by item of expenditure as at 31 December 2006	76
S7	Summary of expenditure by major category and Fund group as at 31 December 2006	77
	(Supplementary A) Unobligated balances of 2004 appropriations summary of expenditure by major category as at 31 December 2006	78
	(Supplementary B) Phase II – Security enhancement summary by item of expenditure as at 31 December 2006	79
S8	Status of contributions to the Technical Cooperation Fund as at 31 December 2006	80
S9	Technical Cooperation Programme –	
	a Status of assessed programme costs as at 31 December 2006	84
	b Status of national participation costs as at 31 December 2006	85
S10	Current accounts at banks as at 31 December 2006	88
S11	Deposit accounts at banks as at 31 December 2006	89
S12	Cash in hand, current and deposit accounts at banks by Fund group and Funds as at 31 December 2006	91
Part IV	- Notes to the financial statements	92
Part V	- Annexes	
A1	Regular Budget Fund - Estimated and actual resources for the year ended 31 December 2006	109
A2	Technical Cooperation Fund - Estimated and actual resources in the year ended 31 December 2006	111
A3	Resources made available to the Agency -	
	a By Member States for 2006 including contributions in cash and in kind	112
	b By United Nations and other international organizations for 2006 including contributions in cash and in kind	115
	c By major programme for 2006 including contributions in cash and in kind	116

# The Agency's Accounts for 2006

## A. Introduction and Financial Highlights

1. I present herewith the Agency's accounts for the year ended 31 December 2006. 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 that could have a bearing on the financial position of the Agency, or on funds in its possession or under its control. The Annexes (Part V) present information that 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.

### A.1. Significant changes

2. The most significant change in 2006 is that the reporting currency of the financial statements is in euro whereas previously it was in US dollars (as recommended in GOV/2003/27). The euro was adopted as the functional currency of the Regular Budget Fund, Working Capital Fund and Trust, Reserve and Special Funds. The US dollar was retained as the functional currency for the Technical Cooperation Fund and extrabudgetary resources (Fund groups III and IV). Schedules S8, S9 a & b and Annex A2 are therefore expressed in US dollars. Summary information in euro is provided in Schedules S8 and S9 a & b.

3. The financial statements include supplementary statements and schedules which reflect the status as at 31 December 2006 of the Unobligated Balances of 2004 Appropriations as well as the status of the Phase II Security Enhancement Fund. These are statements Statement IV (Supplementary A & B), Schedules 6 (Supplementary A & B) and 7 (Supplementary A & B).

4. The General Fund has ten new accounts under the Extrabudgetary Programme Fund (Fund Group III):

- **Albania** – to support the Agency's Programme of Action for Cancer Therapy (PACT).
- **Chile** – to support the Incident and Emergency Centre of the Department of Nuclear Safety and Security.
- **Germany** – to account for the German euro contributions to the Department of Safeguards.
- **Ireland** – to support the National Competent Authority Coordinating Group's (NCACG) implementation of the International Plan for Strengthening the International Preparedness and Response System for Nuclear and Radiological Emergencies.
- **Slovenia** – to support the Incident and Emergency Centre of the Department of Nuclear Safety and Security.
- **United States of America** – to account for the euro portion of the US contribution to the Department of Safeguards, allotted for the purchase of equipment.

- **Commission of the European Communities** – to fund collection of data, and provide financial assistance in the consolidation and management of a database for information on radiotherapy.
- **International Maritime Organization (IMO)** – to support the activities of the Joint Group of Experts on the Scientific Aspects of Marine Pollution (GESAMP) at the IAEA Marine Environment Laboratories, Monaco under the IAEA's Subprogramme H.2.
- **Nuclear Security Multi-donor Fund (NSF)** – to account for various contributions received in euro.
- **Programme of Action for Cancer Therapy (PACT) multi-donor fund** – for contributions to the PACT programme, including the application of the 2004 cash surplus.

5. The General Fund has four new accounts under the Technical Cooperation Extrabudgetary Fund (Fund Group IV):

- Italy – to support various TC projects.
- TC Nobel Fund – to transfer the Nobel cash prize from the Nobel Cancer and Nutrition Fund for programme implementation under technical cooperation (TC).
- TC Programme of Action for Cancer Therapy (PACT) – to transfer the Albanian contribution to PACT for programme implementation by TC of project ALB/6/011 – Improvement of Radiotherapy Service at the Oncology Hospital, 'Mother Teresa' University Hospital Centre, Tirana.
- UN Trust Fund for Human Security (UNTFHS) – to support the implementation of TC project ETH/5/012 - Integrating Sterile Insect Technique for Tsetse Eradication.

6. A new trust fund (International Thermonuclear Experimental Reactor (ITER) fund) was established under Fund group VI to support common expenditures under the ITER Transitional Arrangements, pending entry into force of the prospective Agreement on the Establishment of the ITER International Fusion Energy Organization for the Joint Implementation of the ITER Project.

## **A.2. Financial highlights**

### **A.2.1. General**

7. As of the end of 2006, the Agency's total cash holdings in all Fund groups amounted to €168.9 million (2005: €202.9 (\$240.1) million).

### **A.2.2. Fund Group I. Regular Budget Fund and Working Capital Fund**

8. Appropriations originally approved in the amount of €73.6 million at the rate of 1.0000 US dollars to the euro were recalculated at €61.8 million using the average rate of exchange of 1.2495 US dollars, in accordance with Resolution GC (49)/RES/5.

9. Cash for the Regular Budget Fund, including the Working Capital Fund (WCF), decreased from €66.6 (\$78.8) million in 2005 to €46.3 million in 2006. Therefore the cash flow for the year was less satisfactory than in 2005. This is mainly due to non-receipt of expected contributions from a major donor.

10. Assessed contributions have decreased in comparison to the previous year. The current year's figure is €256.4 as compared with last year's figure of €267.4 (\$316.5) million. The main reason for

this decrease is the reduction in the value of the US dollar assessments in terms of euro due to the appreciation of the euro during the year.

11. I am pleased to announce that there was a cash surplus for 2005 amounting to €6.7 million. This was due mainly to the receipt of contributions relating to prior years amounting to €27.4 million.

12. The 2006 excess of income over expenditure of €3.2 million (2005: €4.8 (\$5.7) million) consists of the following:

	<u>Millions of Euro</u>	
	<u>2006</u>	<u>2005</u>
<b>Unused balance of appropriations (Statement IV)</b>	<b>0.1</b>	<b>1.2</b>
<b>Surplus (deficit) of actual resources over adjusted estimates (Annex A1)</b>	<b><u>3.1</u></b>	<b><u>3.5</u></b>
<b>Excess (Shortfall) of income over expenditure (Statement I)</b>	<b><u>3.2</u></b>	<b><u>4.8</u></b>

### **A.3. Fund Group II. General Fund - Technical Cooperation Fund**

13. The Fund's resources increased with total pledges amounting to \$72.6 million (2005: \$69.4 million) against a target of \$77.5 million (2005: \$77.5 million). Cash held was less than last year at \$56.3 (€42.8) million (2005: \$58.9 million). Approximately 15.5% of this cash is held in difficult to use currencies. The Agency is continuing its efforts to reduce these holdings.

### **A.4. Other Fund groups**

14. The financial situation of Fund groups III, IV 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.

15. Fund group V, United Nations Development Programme (UNDP), has been included for presentation purposes in Fund group IV.

(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 2006**

**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 Cooperation 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) GARY A. EIDET  
Director, Division of Budget and Finance

Vienna, Austria, 23 March 2007

# PART I

## **Letter from the External Auditor to the Chairman of the Board of Governors**

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

30 March 2007

Sir,

I have the honour to transmit the financial statements of the International Atomic Energy Agency for the year ended 31 December 2006 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 2006.

Accept Sir, the assurances of my highest consideration.

(signed) Norbert Hauser  
Vice-President of the Federal Court of Audit  
Germany  
External Auditor



# AUDIT OPINION

## CERTIFICATE OF THE EXTERNAL AUDITOR ON THE ACCOUNTS OF THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2006

### **To the General Conference of the International Atomic Energy Agency**

I have audited the accompanying financial statements, comprising Statements I to IV (supplementary B), Schedules S1 to S12 and the supporting Notes of the International Atomic Energy Agency for the financial period ended 31 December 2006. 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, the Specialised 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, 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.

As a result of my examination, I certify that, in my opinion:

- (a) The financial statements reflect properly the recorded financial transactions for the biennium ended 31 December 2006 and present fairly, in all material respects, the Organisation's financial position as at 31 December 2006;
- (b) The financial transactions reflected in the statements, which I have tested as part of my audit, have in all significant respects been in accordance with the applicable Financial Regulations and Legislative Authority;
- (c) The financial statements have been prepared in accordance with the stated accounting policies and procedures set out in note 2, which were applied on a basis consistent with that of the preceding financial period.

In accordance with Article XII of the Financial Regulations, I have also issued a long-form Report on my audit of the International Atomic Agency's financial statements containing additional information and comments on the financial statements and this opinion.

(signed)      Norbert Hauser  
Vice-President of the Federal Court of Audit  
Germany  
External Auditor

Bonn, 30th March 2007



# **REPORT OF THE EXTERNAL AUDITOR ON THE AUDIT OF THE ACCOUNTS OF THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR THE YEAR ENDED 31 DECEMBER 2006**

Comprising:

➤	<b>A Executive summary</b>	<b>(paragraphs 1 - 56)</b>
	<b>A.1 Main audit findings and recommendations</b>	<b>(paragraphs 1 - 47)</b>
	<b>A.2 Scope and approach of the audit</b>	<b>(paragraphs 48 - 56)</b>
➤	<b>B Analysis of the financial statements</b>	<b>(paragraphs 57 - 84)</b>
➤	<b>C Detailed findings for 2006</b>	<b>(paragraphs 85 - 202)</b>
	<b>- covering a comprehensive financial analysis, technical cooperation, information technology, safeguards, accounting procedures, administrative matters, and other issues of materiality.</b>	
➤	<b>D Follow-up on the results of my findings and recommendations in prior years</b>	<b>(paragraphs 203 - 251)</b>
➤	<b>E Other matters</b>	<b>(paragraphs 252 - 256)</b>
	<b>E.1 Cases of fraud or presumptive fraud</b>	<b>(paragraphs 252 - 254)</b>
	<b>E.2 Losses, write-offs and ex-gratia payments</b>	<b>(paragraphs 255 - 256)</b>
➤	<b>F Acknowledgement</b>	<b>(paragraph 257)</b>



## A. EXECUTIVE SUMMARY

### A.1. MAIN AUDIT FINDINGS AND RECOMMENDATIONS

#### A.1.1. Overall results of the audit

My staff and I have audited the accounts and performance of the IAEA.	1. My staff and I have audited the accounts and the performance of the International Atomic Energy Agency for the financial period 1 January to 31 December 2006 in accordance with the Financial Regulations. In line with my statement in paras. 113 and 114 of my report last year and with the consent of the Director General I discontinued the separate audits of the Vienna International Centre Commissary, the Seibersdorf Cafeteria and the Staff Welfare Fund. The responsibility for the audit of these funds was transferred to the Office of Internal Oversight Services (OIOS).
I placed an unqualified opinion on the financial statements.	2. My audit examination revealed no weaknesses or errors which I considered material to the accuracy, completeness and validity of the financial statements as a whole and I have placed an unqualified audit opinion on the Agency's financial statements for 2006.
Areas covered by this report:	3. My annual report includes observations and recommendations intended to contribute to the improvement of the Agency's financial management and control, arising under paragraph 5 of the Additional Terms of Reference Governing External Audit appended to the Financial Regulations. For 2006, my audit work has mainly covered the areas described in the following paragraphs.
Financial issues: Cash Management, International Public Sector Accounting Standards	4. My staff analysed the Agency's financial situation focusing on cash management and the timely in- and outflow of funds. The report also deals with the UN system's decision to adopt International Public Sector Accounting Standards (IPSAS) and the consequences of this for the Agency.
Performance issues: Information Technology, Publications	5. In addition, I report on several findings resulting from our regular audit process, such as our examination of organizational aspects of Information Technology (IT) and new proposals for improvements in the management of publications.
Problems in the Extrabudgetary Programme Fund	6. After reporting on the underutilization of contributions in the Nuclear Security Fund (NSF) in my 2005 report my staff turned to other aspects of the Extrabudgetary Programme Fund. A constantly growing cash balance also appears in the Extrabudgetary Safeguards (SG) activities.
Results of six field missions	7. In my report last year I presented, for immediate action, the most important preliminary results of field missions to three countries. I am now able to report in detail on the results of field missions to six countries after full discussion with Management.
I also comment on the overall financial situation.	8. In part B of this report, I comment on the overall financial situation of the organization, showing both positive aspects as well as those requiring improvement. Part C contains the most important findings of our audit work – including performance audits – where, in my view, there is room for further

Other matters and follow-up

Donor conditions that require on-the-spot checks and separately audited financial statements by and for the donor are unacceptable.

improvement and/or which might be of interest to Member States.

9. My report also includes a follow-up to audit recommendations contained in my report for 2005 and a commentary on other matters arising from the audit of the Agency's financial statements for 2006 (Parts D and E).

10. I regret that I feel forced to report on another kind of donor condition which is imposed on the Agency by one major donor to extrabudgetary activities. This donor urges the Agency to accept extremely costly conditions such as separate "verification visits" and on-the-spot checks, which are very close to audit and breach the UN wide single-audit principle and the Agency's Financial Regulations (12.04). Furthermore, the donor even requested additional, separately audited financial statements in respect of its contribution (section C.2.1).

## **A.1.2. Summary of findings and recommendations for the Secretariat**

### **A.1.2.1 Financial issues**

11. I note that Management developed an individual implementation proposal together with a timetable for the implementation of IPSAS and will bring it to the attention of Member States (paras. 85-89).

12. **I recommend** including After Service Health Insurance (ASHI) in the Agency's implementation proposal and timetable for the implementation of IPSAS and linking this with the recognition of capital assets (paras. 90-91).

13. The Agency's change in the currency for budgeting and reporting purposes from the dollar to the euro did not become effective in one step as had been planned. Up to the end of 2006, one dollar based and one euro based set of accounts were maintained (paras. 57-58).

14. As in prior years, outstanding assessed contributions are still at a high level. Although some payment plans were concluded and the related assessed contributions received, there is no reason to be satisfied. **I therefore recommend** further attempts to obtain at least the older debts. Particular efforts should be made before the implementation of IPSAS (paras. 60-64).

15. The Agency's liquidity is satisfactory, although there are months towards the end of the year in which the resources become low because the inflow of assessed contributions is not steady. **I recommend** that the Secretariat investigates how to ensure a more even distribution of cash inflows during the course of the year (paras. 71-77).

### **A.1.2.2. Administrative matters**

16. Extrabudgetary income is increasing in the Agency and has to be administered by staff paid from the Regular Budget Fund. As some progress has been made in the Secretariat (an expert's study on support costs has been carried out) **I reiterate** the proposal made in my 2004 report to consider introducing a support cost scheme for Extrabudgetary Funds in order to compensate the regular budget for its assistance (paras. 81-84).

17. Donors of extrabudgetary funds increasingly try to require separate audits for their voluntary contributions. The Financial and Administrative Framework Agreement (FAFA) concluded with one donor gives particularly cause for concern. **I recommend** revisiting the verification clause in the FAFA with the aim of preserving the single audit principle stated in the financial regulations (paras. 97-114).

18. Should a revision of the FAFA not be successful, **I recommend** refusing acceptance of a voluntary contribution under the condition of a separate audit exercise, regardless of how the donor may describe it. The Secretariat should bring such attempts to the attention of the Board of Governors for decision (paras. 115-118).

19. The time between an IAEA conference and the publication of the related conference documentation by the Agency often exceeds one year. The Secretariat announced corrective measures. **I encourage** the Agency to examine thoroughly the processes and procedures concerning the Proceedings Series workflow in order to publish in a more timely and efficient manner (paras. 122-128).

### A.1.2.3 Technical cooperation

20. The coordination of international cooperation activities in developing countries has improved. I appreciate the progress achieved and I recognize a broad consensus within the Agency. Therefore **I encourage** all parties to do their utmost to improve interaction with UN organizations and other institutions (paras. 144-147).

21. The Secretariat encourages relatively well developed countries requesting technical assistance to further support the TC programme by increasing their technical and financial contributions to it. In my opinion the **Secretariat should pursue** this approach. Member States with greater economic, financial and technological capacity are invited to make contributions at an increased level (paras. 148-150).

22. In my last report I already addressed the need to raise awareness among recipient countries that TC support cannot be continued indefinitely. The Secretariat stated that the new Programme Cycle Management Framework (PCMF) will increase its ability to monitor outcomes effectively, although criteria for the desired level of competence and possible modalities to assess this are still lacking. I am pleased to see that the Secretariat shared my view in principle. Nonetheless, **I recommend** that recurring projects based on similar project requests should be assessed more critically. Furthermore, the instruments necessary to achieve this should be established in an appropriate timeframe (paras. 151-153).

23. My team found out that TC projects were not always completed within the envisaged timeframe and with the planned objectives achieved. The title and description of TC projects were not always consistent and did not in all cases reflect the projects' contents. **I recommend** that projects should be formulated more accurately as regards content and designed realistically. Implementation should be consistent with the project's formulation. It remains to be seen whether the newly introduced PCMF will increase the quality of projects (paras. 154-157).

24. TC projects should relate to an area of defined need as described in the Country Programme Framework (CPF). As this is not always the case **I consider** it essential that CPFs are in force for all recipient countries. It is therefore important that all CPFs not yet finalized should be signed soon (paras. 158-161).

25. Our recent field missions and the 2005 review of TC projects revealed deficiencies in project monitoring, as in many cases Project Progress Reports (PPRs) were not provided properly or were missing. The Secretariat plans a more systematic approach to project monitoring in PCMF Phase III. **I welcome** the steps taken but **I still suggest** that the Secretariat should consider taking all possible measures in cases of non-compliance (paras. 162-164).

26. The role of TC is to make a contribution to sustainable development goals through the development and transfer of nuclear science and technology. TC projects do not always comply with this role, in that in some projects general purpose goods such as ordinary digital cameras or office equipment were supplied by the Secretariat. **I suggest** that government cost sharing should not be allowed as a means of using the Secretariat as “procurement service” (paras. 165-168).

27. In this context **I appreciate** the efforts made to introduce a programme support cost mechanism. **I further recommend** that the Secretariat’s support should focus on nuclear technology items. For other procurement services **I consider** an examination on a case-by-case basis to be essential (paras. 168-169).

28. TC project files did not always provide all relevant information for an assessment of the project. This was partly due to different modes of operation and responsibilities among the several sections involved. The Agency plans to move away from paper files to electronic files. The capacity to upload files is to be expanded in PCMF Phase III. **I welcome** the conceptual design to install one source of project-related information. Nevertheless, **it should be ensured** that filing directives are in place in order to guarantee a comprehensive database (paras. 170-173).

#### A.1.2.4. Information technology

29. I welcome the decision to create a single data centre in a secure area. As it can be implemented in conjunction with the asbestos removal there is now a unique opportunity to make this move. **I recommend** that a plan be established to ensure the security of the highly confidential safeguards data (para. 176).

30. I welcome the decision to introduce the post of a Chief Information Officer (CIO). **I consider** his independence essential in order to fill the role of a central authority for IT and IM issues. Moreover, the CIO must have the power to establish and execute the IT budget (paras. 177, 186-190).

31. The **Secretariat should clearly specify** to what extent it will centralize IT organization and what specific exceptions (e.g., for SGIT) it will allow. I will follow the process of centralization closely and if necessary continue to report on this issue (paras. 191-195).

32. In addition to partly existing regulations, e.g., in SGIT, the **Secretariat should formulate** a clear and appropriate IT policy. I do not consider the Information Management/Information Technology (IM/IT) Medium Term Strategy in its present form sufficient in itself. It needs to be supported by specific guidelines and made obligatory for all staff dealing with IT (paras. 196-198).

33. The **Secretariat should consider** the implementation of a separate IT and Information Management/Knowledge Management committee instead of establishing one committee only. Two specialized committees chaired by the CIO would be more effective (paras. 188-190).

#### A.1.2.5 Other

34. Extrabudgetary Funds received in prior years for SG equipment could not be spent without prior agreement by the donor and thus increased the cash balance. The donor finally agreed to spend all the amounts credited during the last six years. **I encourage** the Secretariat to ensure that in future the unencumbered balances of prior years are used first for the procurement of SG equipment (paras. 129-133).

35. In recent years, contributions for the Safeguards Research and Development Programme have increased - mainly in kind, rather than in cash. The **Agency should** retain its control over all items donated in kind (paras. 134-138).

36. **I recommend** developing a method for valuing in kind contributions as soon as possible. Under IPSAS a valuation of in kind items will have to be carried out in any case (paras. 139-141).

#### A.1.3. Recommendations for consideration by the Member States

37. **I welcome** the conclusion of the UN General Assembly on the application of IPSAS and **recommend** that Member States of the IAEA **may also consider** the Secretariat's proposal to implement IPSAS (GOV/2007/10) as the goal for an improved accounting framework to further enhance accountability and transparency (C.1.1).

38. The implementation of biennial budgeting still needs formal acceptance by the Member States to come into force. My appeal last year to change the relevant statute resulted in only one more ratification. **I recommend again** that efforts be made by Member States to complete the ratification process (paras. 78-80).

39. **I continue to recommend** that Member States should recognize and approve planned essential replacement projects in the Buildings Management Fund (BMF) within a due budgetary process in the Agency after a decision in the United Nations Industrial Development Organization (UNIDO) Board has been taken (para. 208).

#### A.1.4. Recommendations resulting from prior years' findings

40. **I continue to recommend** considering what measures could be taken to encourage Member States with permanent arrears of outstanding assessed contributions to pay the amounts still owed by them and to implement appropriate measures to achieve this (paras. 60-64).

41. I reported that UNIDO claims to have a receivable of 6.6 million euros from IAEA for Buildings Management Services (BMS), while IAEA shows no corresponding liability. Although I continue to agree with the Agency's position not to record this as an account payable to UNIDO, the **Secretariat should again** take up negotiations with UNIDO concerning the financial balance of payments into the BMF (paras. 205-207).

42. **I encourage** the Secretariat to maintain its efforts to establish a due process of approving major repair work and full accountability in the BMS. **I continue to recommend** that Member States should recognize and approve in a due budgetary process planned essential replacement projects as they finally will have to provide 53 % of the funds (para. 208).

43. After merging two procurement offices a single procurement software system still has to be chosen. In this context I take note of the study for an Agency-wide Information System for Programme Support (AIPS). **I recommend** taking advantage of the synergy effects of the merger as soon as possible (paras. 216-218).

44. **I welcome** the Secretariat's agreement to my recommendation regarding physical IT-security in the VIC and **encourage** the Agency to maintain its efforts to further improve physical IT-security (paras. 219-222).

45. Although progress has been achieved in improving the security situation in the Agency's laboratories in Seibersdorf there is still a great deal of work to be done. The **Secretariat should** speed up this process and apply the same security standards in the Seibersdorf laboratory premises as apply in Headquarters (paras. 238-248).

46. I discovered that it was unclear how many personnel are functioning in IT positions. As a consequence these costs could not be assessed accurately. As there is still an inaccuracy in the number of IT and IT related staff **I recommend** reviewing all job descriptions in conjunction with the implementation of my recommendations regarding IT organisation (paras. 223-227).

47. I appreciate the success achieved with the implementation of the National Participation Costs (NPC) mechanism. Analysis of the current status of payments for 2005 shows that the application of the NPC mechanism has been generally satisfactory so far. As the status of payment for 2006 is less satisfactory, it should be subject to further improvements. **I still consider** an evaluation of the process after an adequate period to be necessary (paras. 230-234).

## A.2. SCOPE AND APPROACH OF THE AUDIT

### A.2.1. Scope of the audit

Principles governing  
my audit

48. I have audited the accounts of the International Atomic Energy Agency for the financial period 1 January to 31 December 2006 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 (UN), 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.

Audit of separate funds	49. I have discontinued the previous practice of carrying out separate audits of Funds for which the Agency has management responsibility: the Vienna International Centre Commissary, the Seibersdorf Cafeteria and the Staff Welfare Fund. As of 31 December 2006 these funds are being audited by OIOS.
Audit of the financial statements	50. The financial statements for the IAEA, together with my audit report and the audit opinion, have been submitted to the Director General as provided for by the relevant financial regulation. In his answer, the Director General stated that he fully agrees with the contents of my report.
Performance audits	51. In addition to my audit of the Agency's accounts and financial transactions, I carried out reviews under paragraph 5 of the Additional Terms of Reference Governing External Audit whereby I may make such observations as I deem necessary on the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, on the financial consequences of existing administrative practices.

### **A.2.2. Audit objective**

Financial audit to form the audit opinion	52. The main purpose of the audit was to enable me to form an opinion on whether expenditure recorded for the year 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 2006.
Value-for-money audit to give proactive advice	53. In addition, to a large extent I also examined the Agency's performance in order to assess whether expenditures are being incurred according to the principles of economy, efficiency and effectiveness. This enables me to follow my objective of giving constructive advice rather than criticizing after the event.

### **A.2.3. Audit approach**

Substantive testing convinced me of the correctness of the Agency's records.	54. My examination was based on a test audit, in which all areas of the financial statements were subject to 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.
My staff tested the accounting records as necessary.	55. 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.

### **A.2.4. Audit conclusion**

There were no material weaknesses that affected the audit opinion.	56. 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. During 2006, in accordance with normal practice, my staff reported additional findings in two management letters to the Agency's senior management. None of these matters affects my audit opinion on the Agency's financial statements and schedules, and I have placed an unqualified opinion on the Agency's financial statements for 2006.
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## B. ANALYSIS OF THE FINANCIAL STATEMENTS

### B.1. GENERAL

The changeover from the dollar to the euro was not done in one step.

57. With effect from 1 January 2006, the Agency changed the currency used for budgeting and reporting purposes from the dollar to the euro. This step should also facilitate comparison. Due to the need for some technical changes to IT systems, the Secretariat did not manage to reflect this change completely in the accounting. Additional accounts had to be opened and consequently reconciled for this purpose. The number of accounting entries increased considerably (C.1.1.2, refers).

One dollar-based and one euro-based set of accounts are still maintained in the accounting system.

58. The Secretariat decided to create two sets of accounts in its accounting system: one dollar-based for technical cooperation activities and one euro-based for the regular budget fund. It was not found to be possible to account exclusively in euros (as had previously been the case with the dollar). The main purpose of the changeover was not achieved until 1 January 2007.

I report on the Agency's financial development over several years.

59. In the following paragraphs I provide information showing trends, tendencies and background information over the years since I started my audit of the Agency in 2004. For that purpose my staff again carried out an analysis of several of the Agency's key figures and their development over these years.

### B.2. ASSETS

#### B.2.1. Assessed Contributions Receivable

Arrears of assessed contributions increased in 2006.

60. In 2006, the level of outstanding assessed contributions increased by roughly 15 million euros. This amount is mainly due from one major donor and is related to 2006. The level of the other arrears is nearly stable. Although some payment plans were concluded and contributions received, there is no reason to be satisfied.

Year	2004	2005	2006
Assessed Contributions Receivable	42,082	44,797	59,357

**Table 1: Assessed contributions receivable - ACR in thousand euros (source: Schedules S 1)**  
(For the purposes of comparison the values for 2004 and 2005 have been recalculated with the operational rate of exchange between US\$ and euros as at 31 December of the respective year)

There is still a large portion of outstanding assessed contributions.

61. The aging analysis (Note L. 42, refers) again shows that the largest part of all ACR (42.1 million euros) is due in respect of the year under review. It can be expected that most of these amounts will mainly be collectable. It is again the still considerable amount of old debts that requires action. Roughly 17 million euros originate from years before 2006. About 5 million euros concern years before 2000. Some arrears go back 41 years to 1965.

Measures to collect outstanding assessed contributions are not effective enough.

62. This leads me to the conclusion that measures (e.g., payment plans) that could be taken to encourage Member States with permanent arrears of outstanding assessed contributions to pay the amounts still owed by them remain insufficient.

One Member State paid off old debts of 40 years.

63. However, I am pleased to note that as a consequence of the Secretariat's initiative one of the least developed countries paid off its debts originating from 1961 to 2001 in one sum. The total of these 40 years amounted to 263,204 €

I recommend making every effort to collect old debts before the introduction of IPSAS.

64. I therefore recommend further efforts to recover at least the older debts. This should be achieved before the introduction of IPSAS. I would like to point out that according to IPSAS accounts receivable can only be maintained, if payment can realistically be expected.

### B.2.2. Cash and Term Deposits

Liquidity has to be ensured at all times.

65. An organization which relies on contributions and is not allowed to incur any debts has to ensure the timely in- and outflow of cash in order to be liquid at all times. The cash resources of the Agency developed as follows.

Year	Regular Budget Fund Fund Group I	Technical Cooperation Fund Fund Group II	Extrabudgetary Programme Fund Fund Group III	Member States and int. organizations Fund Group IV	Trust Funds Fund Group VI
(1)	(2)	(3)	(4)	(5)	(6)
2004	52,670,408	35,320,917	54,673,776	13,610,367	934,125
2005	66,559,210	49,808,040	65,312,023	19,672,440	1,556,807
2006	46,276,865	42,764,541	58,933,530	18,240,010	2,640,876

**Table 2: Cash and term deposits in euros as at 31 December (source: Statement II);**

(For the purposes of comparison the values for 2004 and 2005 have been recalculated with the operational rate of exchange between US\$ and euros as at 31 December of the respective year)

The Regular Budget Fund's cash resources are mainly committed.

66. Roughly 46 million euros as at 31 December 2006 seem to indicate that the Regular Budget Fund (column I) is financially stable. However, a large portion of these funds is already committed for payments in 2007 or reserved under accounts payable. In budgetary terms, therefore, these funds are not available for further commitments.

Especially in November/December the Agency's Regular Budget Fund is depending on timely payments of assessed contributions and is forced to rely on advances.

67. Every year around November/December the Agency's Regular Budget Fund suffers from a lack of liquid funds and has to rely on the payment of some donors to be able to meet its obligations. The Secretariat even asks individual Member States for advance payments of next year's contribution to preserve liquidity. As long as the outstanding contributions are paid in a timely manner I foresee no problems coming up. However, should a major donor fail to pay, the Working Capital Fund (WCF) currently amounting to a maximum of 15.211 million euros would not be sufficient to compensate for the lack of liquidity (section B.4, refers).

Cash in the Technical Cooperation Fund is also earmarked or held in difficult to use currencies.

68. The amount of cash and term deposits held in the Technical Cooperation Fund at the end of 2006 is not freely available, because it is to a large extent committed. Furthermore, a considerable amount of financial resources (15.5 % equivalent to 6.6 million euros) is held in difficult to use currencies.

Cash in the Extrabudgetary Programme Fund increased for a number of reasons, such as the Secretariat's former practice not to fully budget for all available funds, reduced expenditures in SG funds, donor conditions and expenditures still pending.

69. The situation in the Extrabudgetary Programme Fund is different. As reported last year, the liquid cash in this fund has been continually increasing since the year 2000. The reasons for this are manifold: First of all, there was the failure of the Secretariat to fully budget for all funds available as at 31 December of the previous year. I am pleased to note that this practice is now being discontinued. Secondly, for certain expenditures for SG activities, the Secretariat needs special permission from the donating Member State to spend money, which is often partly refused (section C.2.4.1, refers). Thirdly, project execution still has to follow special conditions set by the donors which can be difficult to follow (such as separate verifications, section C.2.1, refers). Finally funds paid for the replacement of the IAEA Safeguards Information System (ISIS) are still on hand because major acquisitions have not yet been made. The effect of any improvements achieved will only be apparent in 2007.

### **B.3. LIABILITIES**

A claim of 6.6 million euros is not accepted by the Secretariat.

70. UNIDO still claims a receivable 6.6 million euros from IAEA for BMS. A debt which is not accepted by the Secretariat because the amounts are not considered due (for details see section D.1.1.b). The Secretariat has not yet solved this problem in consultation with UNIDO.

### **B.4. INCOME AND EXPENDITURE**

During 2006, my staff gave special consideration to liquidity.

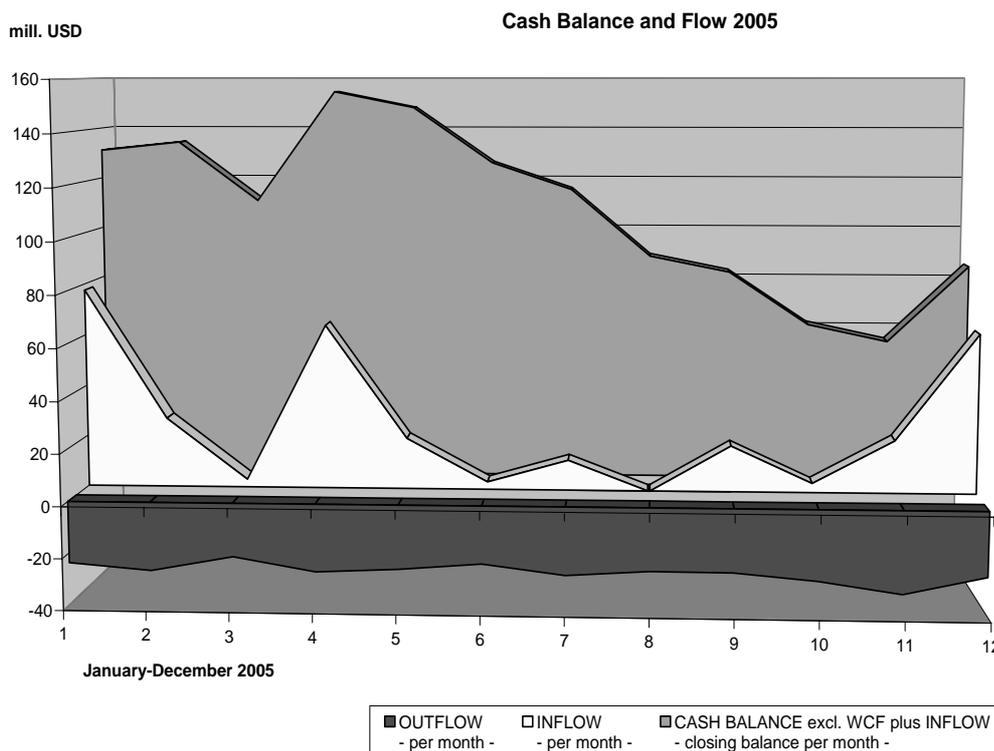
71. During 2006, my staff considered in detail the effects of cash in- and outflows and assessed whether sufficient liquidity was ensured over the year 2005. The following chart excludes the credit balance in the WCF.

Cash inflows are generally unpredictable and do not serve as a reliable basis for constant monthly expenditures.

72. The chart shows that the annual monthly cash inflow averaged about 26 million euros. However, every year there are some peaks in January, April and November/December, while in the summer months cash inflows are rather low. Cash outflows amount to around 25.3 million euros per month. The level of cash outflows is relatively constant, since the major outflows are monthly salary payments.

The following chart shows this effect.

73. The chart shows the constant level of outflows, the extremely volatile cash inflows and the cash balances consisting of cash inflows and credits taken over from the previous period.



**Chart: Monthly cash balances 2005 (source: Secretariat)**

Cash outflows are quite constant while the inflows differ considerably from month to month.

Assessed contributions are due on 1 January; the Secretariat had received only one fourth of its total inflows in January.

Member States paying later in the year are nevertheless not in arrears.

A more steady inflow of funds should be achieved.

74. The Agency's outflows in the Regular Budget mainly consist of staff and staff related costs at a roughly constant level. However, the Agency's cash inflows into the Regular Budget mainly depend on the member states' payments of assessed contributions and these amounts vary considerably from month to month.

75. Assessed contributions (and advances to the WCF) are considered due and payable in full within thirty days of the receipt of the communication of the Director General, or as of the first day of the financial year to which they relate, whichever is the later (Financial Regulation 5.05). This is normally 1 January of the following year. In spite of this regulation the Secretariat received only one fourth of its total inflows during the first month of the year 2005.

76. Nevertheless, Member States are not considered to be in arrears with their assessed contributions until the end of the fiscal year. This rule results in the Secretariat spending a great deal of efforts in administering and reconciling the cash inflows with the outflows. Especially around the month of November resources become scarce and the Agency has to rely fully on the major contributions usually coming at the end of November to be able to pay its December salaries and other obligations.

77. For that reason I would like to recommend that the Secretariat should try to conclude arrangements with contributors which ensure a more steady inflow of cash, bearing in mind that several Member States are bound by their own budgetary provisions which may not allow earlier payments. Before the introduction of IPSAS every effort should be made to collect at least the older debts.

## B.5. INTRODUCTION OF BIENNIAL BUDGETING

The implementation of biennial budgeting still needs formal acceptance by the Member States to come into force.

My appeal last year to change the statute resulted in only one more ratification.

Also under IPSAS biennial budgeting is preferable.

78. In my Audit Report for 2004, I noted that the Agency aims at aligning its budgeting cycles with those common within the UN system. The Agency has taken the necessary steps to introduce biennial budgeting. At its session of June 1999 the Board of Governors approved the Secretariat's proposal to change the Agency's budget cycle to a biennial one.

79. The amendment to Article XIV.A of the Statute to allow biennial budgeting has been approved by the General Conference in 1999 and must be ratified by two-thirds of the Member States (96 out of 143; status October 2006) in accordance with their respective constitutional processes, before it enters into force (Article XVIII.C (ii) of the Statute). Although more than six years have passed since the General Conference resolution, it is still not in force due to a shortfall in its ratification by Member States. By September 2006 only 39 Member States (this is only one Member State more than one year ago, while in the same time period four more states acceded to the Agency) had accepted the change in the Statute by the deposit of acceptance instruments with the depositary Government referred to in Article XXI.C of the Statute.

80. The implementation is not affected by the adoption of IPSAS, because IPSAS accounting policies only require annual reporting but not annual budgeting. I recommend again that efforts be made by Member States to complete the ratification process.

## B.6. EXTRABUDGETARY PROGRAMME FUND

Zero-real-growth requirement leads to attempts to obtain more voluntary contributions.

81. For a number of years the Regular Budget Fund has been subject to zero-real-growth. As demands for the Agency's services have at the same time been growing, the Secretariat increasingly seeks to receive voluntary contributions. In the case of the Agency Member States were responsive and increased their voluntary contributions, especially in the Extrabudgetary Programme Fund.

	2004	2005	2006
<b>Technical Cooperation Fund</b>	49,717,625	62,562,302	60,847,122
<b>Extrabudgetary Programme Fund</b>	39,937,857	33,262,587	29,042,936
<b>Technical Coop. Extrabudg. Fund</b>			
- Member States / Int. Organizations	7,599,980	11,045,253	14,872,011
- UNDP	-69,167	0	0
- Trust Funds and Reserve Funds	259,078	687,153	4,437,145
<b>Total</b>	<b>97,445,373</b>	<b>107,557,295</b>	<b>109,199,214</b>

**Table 3: TC and extrabudgetary activities - total income in euros (source: Statement I)**

(For the purposes of comparison the values for 2004 and 2005 have been recalculated with the operational rate of exchange between US\$ and euros as at 31 December of the respective year)

	2004	2005	2006
<b>Technical Cooperation Fund</b>	48,319,949	61,136,120	66,061,986
<b>Extrabudgetary Programme Fund</b>	28,866,380	31,291,944	31,351,337
<b>Technical Coop. Extrabudg. Fund</b>			
- Member States / Int. Organizations	5,953,584	9,430,799	16,962,882
- UNDP	14,840		0
- Trust Funds and Reserve Funds	189,182	244,542	3,390,029
<b>Total</b>	<b>83,343,935</b>	<b>102,103,405</b>	<b>117,766,234</b>

**Table 4: TC and extrabudgetary activities – total expenditure in euros (source: Statement I)**

(For the purposes of comparison the values for 2004 and 2005 have been recalculated with the operational rate of exchange between US\$ and euros as at 31 December of the respective year)

An increase in voluntary contributions can also bring the risk of more extensive donor conditions.

The Agency reconsidered the implementation of a support cost system for extrabudgetary funds other than the TCF.

Legally a support cost scheme is already provided. A study showed that the level should be 13 %.

82. As the example of the Extrabudgetary Programme Fund shows the Secretariat was not always able to cope with the increased amounts in the past. At the same time, donors are in an even better position to impose conditions on the Secretariat which are not in line with the Agency's stated policy (for example, "verification visits"; section C.2.1, refers).

83. Extrabudgetary Funds need to be administered by staff and resources financed from the Regular Programme Fund. In the absence of a support cost mechanism the burden of administering these activities grows at the expense of the Agency's core activities. Therefore I support the Agency's endeavour to consider implementing a support cost system for the Extrabudgetary Programme. The Technical Cooperation Fund (TCF) itself should not be affected by this scheme.

84. In this respect I would like to point out that a support cost mechanism is already provided for in Financial Rule 108.02 and confirmed in INFCIRC 370/Rev.2. The legal ability to charge support costs is provided, but is currently only executed in rare cases. According to a study the Secretariat has carried out, support costs should be charged at a level of 13 %.

## C. DETAILED FINDINGS FOR 2006

### C.1. FINANCIAL ISSUES

#### C.1.1. International Public Sector Accounting Standards

The UN General Assembly decided to apply IPSAS as of 2010. The Secretariat has proposed to adopt IPSAS by the Agency with effect from 1 January 2010.

85. The UN General Assembly decided in 2006 to apply IPSAS as of the year 2010. A UN wide Task Force is reviewing the IPSAS accounting policies. The system-wide project's aim is to provide guidance to ensure consistent IPSAS application across the UN system, support an efficient resolution of common issues and communicate inter alia with stakeholders such as the Panel of External Auditors. The Agency is actively involved in this process. The Secretariat has now proposed to the Board of Governors the adoption of IPSAS from 1 January 2010 (GOV/2007/10).

The Governing Bodies of the IAEA should consider adopting IPSAS. For an introduction in 2010, a decision still in 2007 will be needed.

The adoption of IPSAS might lead to IT system's changes, which could be coordinated at best by a Chief Information Officer.

Budget preparation needs to take into account the change to IPSAS.

I encourage the IAEA to continue to work on IPSAS adoption.

The Agency should start with individual aspects of the implementation earlier.

ASHI should be recognized and financed in the context of the recognition of capital assets in the financial statements.

86. In my report last year (paras. 97 ff, refer), I outlined the advantages and implications of the adoption of IPSAS. I encouraged Member States of the IAEA to consider IPSAS to further enhance accountability and transparency. I encourage the Governing Bodies of the IAEA to follow the Secretariat's proposal and decide on the adoption of IPSAS within the year 2007. This timing will be necessary in order to be able to apply IPSAS as from the year 2010. Following this approval to go ahead, the Agency will have to analyse the impact on the Financial Rules and Regulations. They will need to be changed in the year 2008 in order to take effect in time for the adoption of IPSAS. An adoption this year will enable the Secretariat to provide a budget in accordance with IPSAS principles for years after 2009.

87. For the change over to IPSAS, the IT system's requirements need to be defined and addressed shortly. The adoption of IPSAS will lead to the need for an upgraded or new financial system environment. This decision should take into account not only compliance with IPSAS, but also budget constraints and consistency within the IT environment. A CIO could be helpful in coordinating this (section C.4.3, refers). I encourage the Agency to take into account these considerations with regards to IT consistency and governance.

88. The change to IPSAS will not only affect the accounting, but also the budget procedures. This includes taking into account depreciation expenses and cash needed to acquire capital assets which will not be recorded in full as expenditure. It will be crucial to have the programme budget 2010/11 prepared on an accrual basis in order to control and report on budget compared to actual expenditure. This means that the preparation needs to start in 2008.

89. The Agency is actively involved (e.g., in the UN IPSAS steering committee) in the UN-wide process for IPSAS adoption (section C.1.1, refers). It has also prepared a project set-up and timetable in an implementation proposal for the Member States. Should the decision to adopt IPSAS be taken, I will work closely with the Agency and the Panel of External Auditors on this. I encourage the Agency to continue to work on IPSAS adoption.

90. I further encourage the Agency to start with the implementation of individual aspects of IPSAS, such as After Service Health Insurance (ASHI) earlier than 2010, following a detailed implementation plan in order to avoid having to cope with the full effects of IPSAS in one year.

91. The General Assembly of the UN decided last year to recognize ASHI in the Financial Statements. Therefore, the Agency will most probably also have to follow this decision. I recommend setting up an ASHI financing plan and, at the same time, recognizing capital assets in the financial statements. Thus the appearance of a negative equity could be mitigated. In such a plan, accounting for the reserve and accounting for the newly recognized assets could be introduced step by step.

### **C.1.2. Basis for the certification of the financial statements**

The certification of the financial statements was based on sample checking.

92. As part of the certification process, I had to assess the accounting principles applied as well as the transactions made during 2006. My staff did so by means of sample checking which provides evidence supporting the amounts and disclosures in the financial statements.

My staff dealt with more than half a million accounting entries for two different types of transactions.

The sample did not disclose material errors.

Additionally, all cash accounts were checked and reconciled.

The unqualified audit opinion has a sound basis.

93. For the 2006 audit, my staff had to consider 604,492 accounting entries (compared to 474,841 in the previous year) in the general ledger for two different types of transactions - 127,656 for transactions recorded in US\$ and 476,836 for euro transactions. They checked them in a mathematical-statistical sample according to common auditing standards.

94. Our examination did not disclose any material accounting errors. All transactions entered by the Division of Budget and Finance (MTBF) were thoroughly checked before being entered into the Agency's Financial Information Management System (AFIMS).

95. With a probability of 90 % the sample check allows us to state that there are no material errors in the Agency's accounting entries as a whole. Furthermore, this statement is supported by other checks carried out by my staff during their performance audits. Additionally, all cash accounts were fully checked and reconciled without any material discrepancy.

96. Based on the sample check, the check of all major items of the financial statements using the audit software WinIDEA and a complete check of all cash accounts, I am able to express an unqualified audit opinion on the financial statements for the year 2006.

## C.2. MANAGEMENT ISSUES

### C.2.1. Single-audit principle

The elected external auditor shall be solely responsible for external audit.

No additional audit shall take place in relation to individual contributions.

A separate verification visit was announced.

The donor announced an on-the-spot-check and intended to send auditors from a private firm.

97. According to Art. 12 of the Financial Regulations the external auditor shall be "completely independent and solely responsible for the conduct of the audit". The Additional Terms of Reference thereto specify that the external auditor appointed by the Member States shall be the "sole judge as to the acceptance in whole or in part of certifications by or on behalf of the Director General". This constitutes the principle that there should be only one external auditor for the organization and his/her audit opinion shall be submitted to and with effect for all Member States. Following the recommendation of the Secretary General the so called single-audit principle was endorsed by the General Assembly of the UN (Res. 49/216).

98. The rationale for this principle is to protect the organization against possible intentions of Member States to send their own auditors with the mandate to verify expenditure that were incurred in relation to their individual contribution. This would be cost-intensive for the Secretariat and would keep management busy with unnecessary and ineffective work.

99. In spite of the clear regulations, one major donor to the NSF insisted on a separate verification visit after the first of three parts of a joint action plan had been implemented. The second instalment of roughly 7 million euros was due to be paid. The Secretariat had the choice to decide whether to accept this visit or eventually lose a considerable voluntary contribution.

100. The donor stated in a letter dated 28 July 2006 that it had requested an external firm to conduct a check and control of the Agency's financial accounts and internal controls. The "auditors" would require full access to all the files and documents they deem necessary. The on-the-spot-check would last for two weeks.

Reference is made to the Financial and Administrative Framework Agreement.

The "verification clause" has three paragraphs and is attached to FAFA.

There is a contradiction between clauses (a) and (c).

The Panel of External Auditors objects to any breach of the single audit principle.

There were three objectives for the visit.

101. The donor referred to the General Conditions of the Contribution Agreement and the FAFA, which was concluded between the donor and the UN on 29 April 2003, to which the Agency acceded on 17 September 2004. FAFA sets out a framework for the UN and the donor to enhance their cooperation including programmatic partnership. According to information I received from the Secretariat the UN (and the Agency) acceded to the FAFA under immense political pressure and with the understanding that audits would not be conducted. "Verifications" were considered to be substantially less than audits.

102. The verification clause attached to FAFA stipulates in part (a) that: financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of the UN. A copy of the audited financial statements shall be submitted to the donor by the UN.

103. Part (b) of the clause reads that the UN shall keep financial and accounting documents concerning the activities financed by the donor and make available to the competent bodies of the donor, upon request, all relevant financial information, including statements of accounts concerning the programme/project, where they are executed by the UN or by subcontracting.

104. The donor in conformity with its own Financial Regulations may undertake checks (including on-the-spot) related to the operations financed by him (part (c)).

105. Clause (a) contains the overarching principle that the donor acknowledges the mandated primacy of the Agency's oversight and control systems, including the principle of exclusive or single audit by the appointed External Auditor, and will endeavour to build reliance on these systems. Clause (c), however, requires the donor to undertake its own on-the-spot checks.

106. I and my seven colleagues in the Panel of External Auditors (UK, France, Canada, India, South Africa, the Philippines and Switzerland) are concerned with clause (c) in that it may breach the "single audit" principle which promotes the idea that subsidiary auditors should not duplicate the work of the primary auditor but rather should place reliance on it.

107. To resolve the problem and not to risk losing the contribution the Secretariat eventually entered into negotiations with the donor and agreed on terms of reference for the visit. They basically defined three objectives for the visit:

- to obtain an understanding, with appropriate concrete examples, of how the projects and corresponding accounts are managed and to obtain reasonable assurance that the funds have been used according to the agreement
- to obtain an assurance that an adequate system of accountability is in place
- to confirm that the donor's visibility requirements have been properly implemented.

The visit was carried out during one week in which the Secretariat provided presentations and gave access to project data.

The findings were mostly immaterial. One finding about “pre-commitments” was already addressed in my report last year.

The costs all Member States had to bear for the visit amounted to 21,000 euros.

I consider this to be a waste of funds because the donor’s checks aim at the same certification I already submitted to the Member States.

I give my certification on the basis of 700 working days. An additional short audit will not lead to differing results.

FAFA should be reconsidered to ensure that audit work is not doubled.

108. The visit took place during one week in October. Presentations were given by the Agency on the nuclear security plan, the accounting system and procedures, internal and external auditing procedures and the procurement procedures. The visitors were further informed about databases and the electronic support systems as well as about the four projects that the visitors had chosen to check. During two days they carried out what they called a “walk-through-exercise”. The last day was reserved for the exit meeting where they presented their results.

109. The verification undertaken by the private firm was clearly audit. It went well beyond gaining assurance of systems and controls. The verification team focused on transaction testing. Their “findings”, which were in our view mostly immaterial, ranged from a different assessment of unliquidated obligations over missing boarding passes supporting travel expenses to the question which exchange rate should be used between the US\$ and the euro. The only real finding was the inclusion of “pre-commitments” in the calculation of expenditure - an issue I already addressed and brought forward to the Board in my report last year (paras. 131 f, refers).

110. According to the Secretariat’s estimates, the visit (without the further reporting procedure) cost the Agency roughly 21,000 euros, apart from the loss of time that the senior staff spent on the demands of one donor which could have been devoted to other important tasks in the interest of all Member States. It is the community of Member States which pays for this exercise.

111. I consider this to be a waste of public funds. Once an organization is audited by public auditors there is no room for another audit which aims at basically the same certification that has already been provided. My audit opinion encapsulates the statement that  
(a) the financial statements reflect properly the recorded financial transactions for the biennium ended 31 December 2006 and present fairly, in all material respects, the Organization’s financial position as at 31 December 2006 and  
(b) the financial transactions reflected in the statements have in all significant respects been in accordance with the applicable Financial Regulations and Legislative Authority.

112. My staff and I invest about 700 working days per year, during which we focus on internal control systems and accountability. This is a good basis for the certification of the accounts and the extra assurance that the transactions were in line with stated policy and regulations and rules. I recommend relying on this statement instead of trying to obtain the same assurance in a short visit, which is expensive for the Agency and consumes management capacity.

113. I recommend revisiting the verification clause in the FAFA and clarifying what it exactly means. A Member State providing funds should of course be informed about the use of the money by receiving proper and extensive reporting. However, a visit by representatives of the donor should not conflict with the provision that the elected external auditor should be the sole judge for the assessment of the Agency’s performance and financial reporting.

The single-audit principle protects the Agency and other organizations from extra audits.

I recommend considering to refuse a contribution under this condition but to bring it to the attention of the Board of Governors.

Verification visits, if needed at all, should be carried out as cost-conscious as possible and not repeated regularly.

A reclaim of funds after a verification visit was carried out has to be refused in any case.

A separate certification of the specific donation should be refused in any case.

114. Otherwise other donors could follow this example and also carry out separate audit visits. One rationale of the single-audit principle is to prevent the organization from the extra workload caused by additional audits. Additionally, the donor in question could also be encouraged to carry out further audits in other UN organizations which would be an additional burden for the whole UN system.

115. I further recommend refusing acceptance of a voluntary contribution under the condition of a separate audit exercise, regardless of how the donor may describe it. The Secretariat should bring such attempts to the attention of the Board of Governors for decision. It should be kept in mind that it is not only the organization that is interested in receiving the funds. As can be seen from the visibility requirement, the donor also is interested in providing funds for that purpose. To my knowledge, in the field of Nuclear Security the Agency plays a unique role.

116. Should the Board, after consultation, feel that a special verification is considered necessary the donor should keep cost implications for the recipient organization in mind. A visit should be carried out as cost-effectively as possible. After one verification visit has taken place, another attempt should be refused, because the verification which was the donor's objective would have already been achieved. In the absence of changes in the internal control framework, regular visits would not reveal any new information concerning the organization's accountability and internal control framework; they would be merely additional audits.

117. Any attempt by the donor to disallow expenditure following the verification should in any case be refused. The donor can draw conclusions for the future. But a refund of funds cannot be financed from the contribution when the money has already been spent. It would have to be paid out of the regular budget - at the expense of all Member States.

118. I can also see no justification for the most recent wish of the same donor to receive an audited statement covering its contribution. I would like to point out that my audit opinion includes the whole financial statements of the organization with effect for all Member States. There is no room for further certifications.

### **C.2.2. Person days of inspection**

Person days of inspection are supposed to be a performance indicator.

The Secretariat is seeking other parameters.

I appreciate this idea.

119. In 2005, my staff examined the concept of Person Days of Inspection (PDI). PDI data were used as a performance indicator although they are not suited for this purpose. I therefore regarded the PDI concept as a subject for further investigation and intended to give more detailed information about our findings in this report.

120. For management, planning, budgeting, assessment and internal reporting purposes the Agency is currently trying to find other parameters for a better reflection of all SG activities.

121. I appreciate the Agency's efforts. As the PDI concept is an ongoing task I will follow this process and report on this issue when a conclusion has been reached.

### C.2.3. Publications

Proceedings Series were published at an average of more than 15 months after the particular conference.

Redundant steps in the workflow and low priority contribute to the lengthy publishing process.

The Agency should restrict editing and proofreading of the Proceedings Series in MTCD to exceptional cases.

Early decisions on the necessity of editing and flexible setting of priorities can abbreviate the production process.

MTCD stated this problem was clearly structural.

MTCD recommended that the Publishing Section should install an editor as project manager for every conference.

The Agency should re-examine its processes and procedures concerning the workflow of the Proceedings Series.

122. My staff analysed the workflow of the publishing process with the main focus on the Proceedings Series. According to this analysis, it took on average 17 months in 2005 and about 15 months in 2006 from the date of the particular IAEA conference to the publication of the Proceedings Series by the Agency. In several cases the date of issuance was 20 months or more after the actual event. In my opinion the scientific benefit, and accordingly the potential readers' interest will probably decline if publication of particular proceedings is not issued in a timely manner.

123. Regarding mainly the phase of production in the Division of Conference and Document Services (MTCD), there are several reasons for the long time needed for publishing. In particular, a number of interfaces and steps seem to be redundant. In addition, the need for high quality and the low priority of the Proceedings Series compared to other publications also contribute to the long delay in publishing. My staff recommended the reduction of interfaces and production steps wherever possible. Editing and proofreading should be mainly examined in this connection.

124. Although I support IAEA's demand for high-quality publications, the Agency should consider the possible loss of scientific benefit, caused by the time and effort consumed by editing and proof-reading the Proceedings Series in MTCD again. I am convinced that these steps in MTCD could be restricted to exceptional cases.

125. To avoid unnecessary production steps and delays, I recommended an early decision of the Publications Committee whether the particular Proceedings Series should be published in edited form. Additionally, a more flexible setting of priorities concerning the workflow inside MTCD can abbreviate the overall production time.

126. MTCD shares many of my views, accepts in principle most of my proposals and concurs to a large extent with my overall conclusions. As stated by MTCD the problem is clearly structural and in its result unacceptable.

127. In several cases, publications in the Proceedings Series were issued within six or seven months. As crucial to a significant abbreviation of the production process of the Proceedings Series MTCD mentioned good planning, tight management and close coordination between the originating department and MTCD. In the case of edited proceedings MTCD appreciates the proposal to revert to the practice of assigning an editor from the Publishing Section as project manager to every conference. Additionally the originating division should consult the Publications Committee before the conference on whether the proceedings should be published in edited or unedited form.

128. I appreciate this perception of MTCD and encourage the Agency to re-examine the processes and procedures concerning the Proceedings Series workflow in order to publish in a more timely and efficient manner. I will continue to examine whether any improvements concerning the workflow of Proceedings Series can be identified.

## C.2.4. Voluntary contributions for safeguards purposes

### C.2.4.1 Safeguards Equipment

Over the last years there has been a constant growth of cash balances in the Extrabudgetary Programme Fund.

Funds for SG equipment received in former years could not be spent.

129. In section B.2.2 I reported on the increase of cash at banks resulting from unspent balances of voluntary contributions to the Extrabudgetary Programme Fund. A part of this increase comes from unspent amounts contributed for the procurement of SG equipment.

130. In recent years the Agency has been receiving voluntary contributions for the procurement of SG equipment mainly from one donor. Based on the contributions, the Agency assembles every year a list of equipment needs which has to be approved by the donor. Regularly, the Secretariat was unable to spend the available funds, because the changing needs for the purchase of equipment were not fully approved by the donor. As a consequence, an increasing amount of unspent funds accrued in the bank account. In the following table I give an overview of the unused balances of the contributions for the years 2001 to 2006:

<b>Voluntary Contribution</b>	<b>from 2001</b>	<b>from 2002</b>	<b>from 2003</b>	<b>from 2004</b>	<b>from 2005</b>	<b>from 2006</b>
<b>Unused Balance as of 31 December 2006</b>	<b>32,833</b>	<b>26,244</b>	<b>1,547,958</b>	<b>2,352,149</b>	<b>4,241,850</b>	<b>1,684,357</b>
<b>Accumulated amount</b>	<b>32,833</b>	<b>59,077</b>	<b>1,607,035</b>	<b>3,959,184</b>	<b>8,201,034</b>	<b>9,885,391</b>

**Table 5: Unused balances of voluntary contributions in US\$ (source: Secretariat)**

Contribution accounts could not be closed over six years.

The problem has been resolved in November 2006.

Funds received in former years should be drawn on first.

131. The problems described led to a great number of contributions which could not be spent for several years (e.g. the account of the 2001 contribution was still open at 31 December 2006).

132. As a result of discussions between the SG Department and the donor this problem has been resolved in November 2006 when the donor allowed the use of unencumbered balances of funds received in 2001, 2002, 2003, 2004 and 2005, accumulating to over 8.2 million US\$.

133. I very much welcome this achievement because it leads to an improved utilization of funds. I encourage the Agency to ensure also in future that primarily the unencumbered balances of former years are used to procure SG equipment.

### C.2.4.2 Member States Support Programmes

In recent years, contributions in kind for the Safeguards Research and Development Programme have increased.

Twenty Member States contribute to that Programme.

134. Implementing strengthened SG is an ongoing process which is supported by the Research and Development Programme (R&D Programme). This Programme identifies areas where research and/or development are needed for the Agency's Department of SG to continue to meet its objectives. It is planned on a biennial basis according to the budget cycle (the current version is the R&D Programme for Nuclear Verification 2006-2007).

135. Twenty Member States support the R&D Programme by contributing either in cash or in kind or in a combination of both. Member State Support Programmes help the Agency to meet SG goals.

Contributions have mainly increased in kind, not in cash.

136. I discovered that in recent years the contributions to the R&D Programme have slightly increased, but the proportion of contributions in cash has decreased. About two thirds of the supporting Member States make their contributions in kind.

R&D Programme at the level of state-of-the-art science and technology is necessary.

137. If the increase of contributions in kind is an ongoing process I see two main problems for the Agency. A successful R&D Programme very much depends on the state-of-the-art science and technology of the assigned researchers and developers. As the Agency is asked to define standards in various technical areas, it is essential that the Agency take part in the decision-making process in which experts are selected for a particular task. Member States' decision to contribute in kind limits the Agency's possibility to ensure that the best possible contractor is selected.

The Agency should retain its influence on all items donated in kind.

138. The Agency should make every possible attempt to make sure that research and development for SG purposes are carried out at the level of state-of-the-art science and technology and retain its influence on all items donated in kind, e.g., the selection of experts.

Developing a method for evaluating in kind contributions is indispensable.

139. Another problem is linked to the planned implementation of the IPSAS. In its resolution adopted on 22 September 2006 (GC(50)/RES/12) concerning "Strengthening of the Agency's technical cooperation activities" the General Conference requested the Secretariat, among other things, to find efficient ways of accurately evaluating in kind contributions before implementing IPSAS.

Under IPSAS an evaluation of in kind items will have to be carried out.

140. As the implementation of IPSAS is currently on the agenda, the Department of SG should be prepared to evaluate contributions in kind. There are various ways of handling this when the fair value cannot be assessed accurately, e.g.:

- quoted market prices for similar assets
- asset's replacement cost
- independent appraisals of the asset's fair value
- other valuation techniques, such as discounting the estimated future cash flow.

The type of valuation should be determined.

141. I encourage the Agency to determine, as early as possible and in consultation with the Member States supporting the R&D Programme, in which way contributions in kind will be evaluated after implementation of IPSAS.

### C.3. TECHNICAL COOPERATION

I informed the Secretariat of the final comments on six field missions.

142. A short overview of the preliminary results of the field missions in 2005 was included in my previous report. My team carried out six field missions in 2005 and 2006. The final reports were presented to the Secretariat in a separate communication. The Secretariat responded to my comments.

The Secretariat recognized the need for further progress in most of the areas addressed.

143. The Secretariat recognized the need for further progress in most of the areas addressed. The Department of Technical Cooperation (TCD) had undertaken steps to improve the areas highlighted. TCD would be establishing a systematic approach to quality management in 2007. Based on this the Secretariat expected an improvement in effectiveness. The following section refers to the entire number of field missions executed.

### C.3.1. Interaction with UN organizations and other institutions

In my report of 2005 I recommended stronger cooperation with all institutions that are involved in similar sectors of Technical Cooperation.

The 2006 field missions support the previous findings.

The Secretariat points out that the coordination of international cooperation is a complex issue.

All parties should do their utmost to improve inter-action with UN-organizations and other institutions.

144. In my report of 2005 (Ref. C.2.1) I already had addressed shortcomings in interaction with other UN-organizations as well as bilateral and multilateral support programmes. In this context I had recommended stronger coordination and cooperation with all institutions that are involved in similar sectors of Technical Cooperation (TC). The Secretariat should embrace the objectives of United Nations Development Assistance Framework (UNDAF). My recommendation was endorsed on several occasions. The EU shared my view in the 144<sup>th</sup> Technical Assistance and Cooperation Committee (TACC) Meeting<sup>1</sup>. In this context I also refer to the recommendations of the report “Delivering as One”<sup>2</sup>.

145. The 2006 field missions showed similar findings and corroborate my recommendations mentioned above. The countries visited received bilateral or multilateral support from organizations within the UN-family as well as from other countries or the EU. Coordination of any such support - UN-related or not - from an early project stage and continued cooperation through a project’s life cycle enables all parties concerned to benefit from synergies and to avoid duplication of efforts.

146. The Secretariat supports my recommendation and points out measures taken to emphasize this approach. However, the Secretariat made the point that the coordination of international cooperation in developing countries is a large and complex problem to which there is no simple solution. Furthermore, Member States were free to choose if they needed cooperation from any other UN organization or partner.

147. I appreciate this development and recognize a broad consensus within the Agency. Therefore I encourage all parties to do their utmost to improve interaction with UN organizations and other institutions.

### C.3.2. Support for relatively well-developed Countries

Technical assistance shall be allocated primarily to meet the needs of developing countries, yet relatively well-developed countries were also supported.

148. According to the ‘Revised Guiding Principles and General Operating Rules to govern the Provision of Technical Assistance’<sup>3</sup> the Agency’s resources for technical assistance shall be allocated primarily to meet the needs of developing countries. Several of the countries visited within the scope of the field missions were in a comfortable economic and financial situation.

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<sup>1</sup> GOV/COM. 8/OR.144 page 4 No. 30

<sup>2</sup> “Delivering as One” – Report of the UN Secretary-General’s High-Level Panel on UN System-Wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment (GOV/INF/2006/22)

<sup>3</sup> INFCIRC/267 of March 1979

The Secretariat encourages relatively well-developed Member States to further support the TC programme by increasing their contributions.

Member States with greater economic capacity are invited to make contributions at a higher level.

149. The Secretariat clarified that in accordance with the Agency's Statutes any Member State can request assistance. Member States that have greater economic, financial and technological capacity, particularly in the European region, had expressed their wish to continue participation in the TC programme as recipients. The Secretariat encourages these Member States to further support the TC programme by increasing their technical and financial contributions to it.

150. In my opinion the Secretariat should pursue this approach. Member States with greater economic, financial and technological capacity are invited to make contributions at a higher level.

### C.3.3. Series of TC projects

I already addressed the need to raise awareness among recipient countries that Agency support cannot be continued indefinitely.

The new PCMF will help to ascertain the level of technical competence achieved.

Nonetheless, recurring projects should be assessed more critically. Appropriate instruments to achieve this should be developed.

151. In my last report (Sections C.2.2 and C.2.3) I had already addressed the need to raise awareness among recipient countries that Agency support cannot be continued indefinitely. Financial funds for follow-up support should be raised from the country's own or other sources. This can be illustrated by the case of one country visited. In the TC-field "Food and Agriculture" the Agency financed altogether 22 projects in the period from 1977 to 2006. During this period this country had achieved a high standard in this field of activity.

152. The Secretariat stated that the new PCMF will increase the ability to monitor outcomes effectively and thus ascertain the level of technical competence achieved. One centre of reference could be established in a country and encouraged to support the development of the capacity of other institutions. The Secretariat drew attention to the fact that criteria for the desired level of competence and possible modalities to assess this were still lacking.

153. I am pleased that the Secretariat shared my view in principle. Nonetheless, I recommend that recurring projects based on similar project requests should be assessed more critically. Furthermore, the instruments necessary to achieve this should be developed in an appropriate timeframe.

### C.3.4. Project Title and Design

The project title and description should be consistent and reflect the project's contents.

Projects were not completed within the envisaged timeframe, but "carried over" to new projects.

154. The project title and description provide essential information on a project at first sight. Therefore the project title and description should be consistent and reflect the project's contents. Projects should be designed realistically.

155. My team found that projects were not completed within the envisaged timeframe and with the planned objectives achieved. Instead, their objectives were "carried over" to new projects - sometimes openly, sometimes with a different project description. In several cases, outstanding tasks from completed projects were financed under new projects, no matter whether the project description matched or not.

The new PCMF will lead to better project design and more realistic work plans.

It remains to be seen whether the newly introduced PCMF is going to increase the quality of projects.

156. The Secretariat pointed out that a comprehensive, transparent approach was now followed in the PCMF. The project design should be strengthened and more realistic work plans and budgets achieved by application of the Logical Framework Matrix.

157. I recommend that the projects should be formulated more accurately as regards content and designed realistically. Implementation should be consistent with project formulation. It remains to be seen whether the newly-introduced PCMF is going to increase the quality of projects.

### C.3.5. Country Programme Framework

Projects should relate to an area of defined need as described in the CPF.

The topics of the audited projects did not in all cases correspond to the contents of the respective CPF.

Currently 100 CPFs exist, thereof 78 have been signed.

CPF's should be in force for all recipient countries.

158. I refer to the comments in my last report (Ref. C.2.5) under the heading "National Priorities". In this context I stated that projects should relate to an area of defined need. National priority needs, interests and socio-economic objectives are described in the CPF. 'Country Programme Framework Operational Guidelines' were issued in August 2006.

159. In addition to the last findings my staff found that the topics of the audited projects did not in all cases correspond to the contents of the respective CPF as far as this existed at all.

160. The Secretariat explained that currently 100 CPFs exist, of which 22 are in draft and 78 are signed. Further, TCD adopted the new guidelines. CPFs older than four years are being updated. Nevertheless, the Secretariat argued that CPFs were not mandatory or legally binding.

161. I consider it necessary for CPFs to be in force for all recipient countries. It is therefore important that any CPFs still not finalized CPFs should be signed soon. Some Member States also emphasized the importance of CPFs<sup>4</sup>.

### C.3.6. Project Progress Report

Although PPRs are key elements of project monitoring they are not always properly completed.

PCMF should lead to a more systematic approach.

The Secretariat should consider all possible measures in cases of non-compliance.

162. Key elements of the Secretariat's project monitoring are PPRs. The 2005 review of the projects showed that counterparts failed in many cases to complete them properly. Furthermore the recent field missions in 2006 revealed a complete lack in some project files. This issue was already part of my report in 2005 (Ref. C.2.6).

163. The Secretariat stated that TCD reminded counterparts to submit PPRs. A more systematic approach would be facilitated in PCMF Phase III.

164. I welcome the steps taken but I still suggest that the Secretariat should take into consideration all possible measures in cases of non-compliance. We will make this issue part of future audits.

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<sup>4</sup> Board of Governors, Chairman's Conclusion on Item 4; dated 13.06.2006

### C.3.7. Compliance with TC-procedures

TC procedures should be complied with.

165. The role of TC is to make a contribution to sustainable development goals through the development and transfer of nuclear science and technology. The Secretariat has established procedures for the request and appraisal of projects that are to be followed. Government cost sharing as a means of funding TC projects is important in delivering the TC programme.

Under a misleading project title equipment was procured by government cost sharing. General purpose goods were supplied.

166. My team found that one project was not submitted by a formal project request. Its title was rather vague. It suggested that human resource formation was the main project objective, whereas the project mainly funded the procurement of equipment through government cost sharing only. In the framework of TC projects the Secretariat supplied general purpose goods such as ordinary digital cameras or office equipment.

According to the Secretariat there is a need to provide non-nuclear items to enable the use of nuclear items.

167. The Secretariat stated that the Agency added value to procurement by providing various support. It was sometimes necessary to provide non-nuclear items as part of the equipment package to enable the use of nuclear items. This needed to be examined on a case-by-case basis, within the Agency's Financial Rules and Regulations. Nevertheless, as a general rule, assistance should be directed towards specialized items. Moreover, the Secretariat stated that it was working on a support cost mechanism.

Government cost sharing should not be allowed to become a means of using the Secretariat as "procurement service".

168. I suggest that government cost sharing should not be allowed to become simply a means of using the Secretariat as a "procurement service". I appreciate the efforts made to install a support cost mechanism in order to defray the additional administrative costs associated with such activities.

The Secretariat's support should focus on nuclear technology items.

169. I further recommend that the Secretariat's support should focus on nuclear technology items. For further procurement services I consider an examination on case-by-case basis to be essential.

### C.3.8. Inadequate Project Files

Project files should provide all relevant information to allow an assessment of a project.

170. The TC project files should provide all relevant information on a project's initiation and progress and allow an assessment of a project at any given time. Main documents are the project request, project appraisals and mission reports.

Some project files did not contain all relevant information.

171. My team found that some files of the projects under review did not contain all the relevant information – partly because the papers did not exist, partly because they were filed in other places or their existence was unclear. My team could not find any directives on filing procedures.

Filing directives were not available. The Agency plans to move away from paper files to electronic files.

172. The Secretariat responded that duplication of paper files had been reduced considerably through the integration of programming and implementation functions. In addition, TCD was moving away from paper files to electronic files. The capacity to upload files already existed in TC PRIME, as well as document management functionality on the PCMF website. This functionality would be expanded in PCMF Phase III to support the concept of one source of project-related information.

It should be ensured that filing directives are in place to guarantee a comprehensive database.

173. I welcome the conceptual design to install one source of project related information. Nevertheless, it should be ensured that filing directives are in place to guarantee a comprehensive database.

## C.4. INFORMATION TECHNOLOGY

Main scope of my IT audit

174. As announced to the Governors in my report last year my staff and I continued to examine the Agency's Information Technology to give to the Secretariat more detailed information on our findings. Therefore, my staff investigated IT governance, focused on IT policy, IT management, IT organization, IT operation and IT security.

The Secretariat was responsive in this respect and eventually adopted many of my proposals.

175. I appreciate that the Secretariat was responsive in this respect and eventually considered the proposals made in my communication on IT in December 2006. The necessary decisions, including the establishment of a centralized data centre in the secure area in C-1 and some organizational improvements such as consolidating common services were taken by the Director General in January 2007. Some other necessary improvements have also been accepted by the Secretariat. However, the required steps to be taken have still to be discussed.

I welcome the decision to move the data centres to C-1.

176. I very much welcome the decision to move the data centres to C-1. For the improvement of security it would be a huge step to make use of this existing highly secure and reliable technical area. I recommend establishing a concept on how to ensure the security of the highly confidential SG data.

The CIO should be the central authority for IT and IM issues. He/she must have the power to execute decisions and run the system independently.

177. I welcome the implementation of the post of a CIO. However, I consider the independence of the CIO essential in order to fill the role of a central authority for IT and IM issues. He/she must have the power to execute strategic decisions made by the PCC and run the system independently. Moreover, the CIO must have the power to establish and execute the IT budget. The issues will have to be further discussed with the Secretariat.

### C.4.1. IT Policy

The absence of a clear IT policy led to a number of deficiencies.

178. My staff and I noted the absence of a clear and appropriate IT policy documented in a corresponding IT policy framework. This led to a number of deficiencies especially in connection with:

- the description of the existing structures, procedures and systems,
- the implementation and application of norms,
- the transparency of IT staffing,
- requirement analyses for IT Systems and IT Projects,
- coordinated implementation strategies,
- service management,
- IT security plan and
- economic feasibility studies.

The Agency's IT planning was not sufficiently aligned.

179. Moreover, the Agency's general goals and IT planning were not sufficiently aligned. There were e.g., different time frames for the long-range plans (existing "Medium-Term Strategies") dealing with the overall organization on one hand and IM/IT on the other hand.

I recommend that the Agency set up an adequate overall IT plan.

180. I recommended that the Agency set up an adequate overall IT plan, documented in an IT/IM policy framework. Amongst others, this framework should cover the following topics:

- organizational structures,
- applied norms,
- existing procedures and systems,
- staff requirements,
- description of the assignments that have to be supported or executed by IT (Requirements analysis),
- goals of IT utilization,
- running and planning IT projects, including timelines,
- planning and procedures for IT security and
- statements concerning efficiency.

IT/IM policy should be better aligned with the Agency's general goals.

181. Furthermore, the IT/IM policy should be better aligned with the Agency's general goals and strategies. Management should ensure that the IT/IM policy framework is periodically updated and communicated to all relevant parties across the organization. It should also monitor the implementation of IT plans within the framework and evaluate the results.

In the Secretariat's view there is no need for an independent IM/IT policy framework beyond the guidance provided by the IM/IT Medium Term Strategy.

182. In its response to my report on IT the Secretariat drew attention to the Agency's IM/IT Medium Term Strategy (MTS). The Secretariat made it clear that it does not support my proposal to create an independent IM/IT policy framework beyond the guidance provided by the IM/IT MTS.

I can accept this if the MTS includes specific and obligatory guidelines for all staff.

183. The MTS has not yet been finalized. In this case I consider it essential that the IM/IT MTS includes specific guidelines, including a policy framework, and is made obligatory for all staff dealing with IT. I will follow the Agency's efforts concerning the development of a clear and appropriate IT policy and if necessary refer to it in my next report.

#### **C.4.2. Implementation and Application of Norms**

There were no consistent standards implemented for IT.

184. The Agency has not established generally binding, consistent rules, standards, guidelines or methodologies to be applied to all IT/IM issues. This caused inefficient multiple structures and developments as well as IT security problems.

The Secretariat meanwhile decided to establish appropriate standards.

185. I recommended that the Secretariat establish appropriate and consistent standards for its IT/IM environment. I take note that the Secretariat meanwhile decided to establish standards, which are based on internationally accepted standards or, where the Agency's special requirements justify an exception, are defined and documented by the Secretariat itself.

### C.4.3. IT Management - Leadership and Responsibilities

The present IT management and decision structures in the Agency were not adequate to the demands of an effective, requirement-oriented IT.

I strongly recommend that the Agency establish a Chief Information Officer ("CIO") who is independent and empowered by the Director General.

The committees dealing with IT should be rearranged. Deliberations about technical issues should be separated from management requirements.

The CIO's post will be filled with the Director IT.

This measure alone does not give the CIO the power to implement necessary measures.

186. To meet best practice standards in IT Management, clear structures with clear responsibilities and competences are required. The present IT management and decision structures in the Agency are not adequate to the demands of an effective, requirement-oriented IT because there is no independent IT governing body with decision-making authority. Neither the Director of the central IT division MTIT nor the existing IT committee (ITC) are able to make and enforce Agency-wide decisions. Decisions relating to IT are still being made by different policy makers (officials and/or committees) so that the IT environment had become extremely inconsistent, partly ineffective and insecure. Responsible managers of the Agency identified this as the key problem in the Agency's IT governance.

187. I strongly recommended that the Agency should establish a CIO as a central authority for IT and also IM issues in the Agency. The CIO should be given the authority, the supervising responsibility and the power to take decisions dealing with IT Agency-wide. In addition, he/she should be empowered to establish and execute the IT budget. His assignment should include tasks to

- set up an adequate IT/IM policy framework (see section C.4.1),
- coordinate the Agency's general goals and IT planning,
- set up consistent standards for the IT/IM environment (see section C.4.2),
- create clear IT management structures and a powerful integrative IT direction and
- reform and optimize the present IT organization (see section C.4.4).

The CIO should be independent of the Agency's departments and should report directly to the Director General.

188. I also recommended that the Agency rearrange its committees dealing with IT and IM with respect to their roles and functions. I further recommend that this reorganization be coordinated by the CIO. The ITC should be restructured as an advisory body to take into account the interests of the departments and to make proposals to the CIO relating to IT technical issues. The non-technical content-oriented aspects of IM and knowledge management (KM) should be handled separately, e.g. in a combined "IM/KM Committee", where departments should have an influential role.

189. In response to my report on IT the Secretariat pointed out that the role of the CIO will be filled by the DIR-MTIT who will also be a member of the Programme Co-ordination Committee (PCC). It did not support the establishment of separate IT and IM/KM committees.

190. I welcome the decision to introduce a CIO. I consider the independence of the CIO essential in order to fill the role of a central authority for IT and IM issues. Moreover, the CIO must have the power to execute the PCC's strategic decisions and to establish and execute the IT budget. I will watch closely the establishment of the CIO and if required I will revert to this point again in next year's report. The establishment of only one IT committee is in my view less effective, but this question should be discussed further.

#### C.4.4. IT Organization, IT Operation

All Agency departments run their own IT units with decentralized budgeting and without central coordination and common regulations.

The present split organizational structures have led to a variety of different IT systems. The way of operating IT in the Agency is most expensive.

The CIO should reform the present IT organization.

For the area of security and common services the Secretariat agrees.

There is no specification to which extent centralization is envisaged.

191. Although MTIT has been set up as a central IT Division to provide all common services concerning IT, all departments have other IT units which partly run their own application development, operate their own servers or even offer Agency-wide common services without central guidelines or central comprehensive policies. Moreover, there is no Agency-wide integrative budgeting of IT. Instead, budgeting and funding of IT are executed separately in a number of different programmes within all Major Programmes.

192. In combination with the management deficiencies described above, the present IT organizational structures have led to a variety of different operating systems, databases, hardware products and applications within the Agency. In this environment of 'IT-islands' administration is very intricate, e.g., in data exchange and the creation of interfaces. This complexity also generates problems of availability and other IT security considerations. The split structures led to a method of operating IT which is - compared to other possible solutions - most expensive. Moreover the Agency-wide distribution of IT functions caused inconsistencies in the staff appointment scheme. In consequence, it is unclear how many personnel are functioning in IT positions and what IT services are provided. Hence IT costs are far from being transparent and cannot be accurately assessed.

193. I recommended reforming and optimizing the present IT organization. The CIO should oversee the migration of the presently decentralized IT organization into a more centralized one. Therefore, definition of central and decentralized IT functions and of common and special services should be made corresponding to the future IT policy framework mentioned above. In particular, the operation of common IT services should be consolidated to achieve greater effectiveness.

194. The Secretariat agrees that there is some opportunity to consolidate IT operations e. g. in the areas of security and common services. However, it will maintain software development resources in individual departments.

195. The Secretariat does not specify to which extent it will centralize IT organization and which specific exceptions it will allow. I will follow the process of centralization and if necessary continue reporting on this issue next year.

#### C.4.5. IT Infrastructure, IT Security

There are still IT security problems, mainly in the IT environment outside SGIT, which may in the worst case cause a breakdown of IT and communication systems.

The Agency's attention is mainly directed against external intruders, although mostly damage is done from inside.

The Agency should implement my recommendations in detail.

I provided detailed information on the audit of IT topics. .

196. As SGIT is run separately and in a more secure environment than the other IT units, most deficiencies in the IT infrastructure do not affect SG. The exceptions are mainly fire and water protection. This and the possibility for better protection against external intruders led to my recommendation to move the data centres to C-1. Several of the deficiencies revealed concerning IT Security and communication security run the risk of destroying the Agency's working ability in part or even as a whole. Although the situation has been improved since my report last year, the central issues addressed in my previous audits still remain unresolved:

- The Agency still runs two big Data Centres and about ten server rooms which are located in normal office floors without surveillance of electromagnetic radiation or adequate protection against damage from outside.
- There is still a need to improve security measures concerning access control and fire and water protection in these locations.
- There is no adequate back-up strategy. The Agency still lacks a back-up data centre. Back-up practices, e.g. the storing of data media, were not always properly implemented.
- The Agency has neither a system for monitoring the use of external data storage mediums, e.g. USB memory sticks or CDs, nor a procedure to protect removable data media i.e. with encryption tools. As all staff can use all forms of external storage devices, there is a high risk of data misuse.
- Despite the efforts regarding the building's refurbishment, the physical security of the network distribution cabinets used in the Agency is still insufficient.

197. Regardless of these security deficiencies, most of the present rules, regulations and procedures dealing with IT security focus only on external attackers and intruders, although many international investigations have defined internal attackers as a more probable risk. This orientation combined with the inadequate protection of the IT operation's availability generates an unnecessary high risk potential for a breakdown of IT and communication systems. Penetration tests carried out every year help to protect the access to the IT systems from outside interference, but are not effective against internal attacks against physical IT security.

198. The Secretariat agreed to my findings and proposals. It states, however, that budgetary constraints might cause some delays in implementation. Apart from that, IT security questions were included in the Agency's MTS. I do not consider the MTS sufficient, because it is not a binding directive for IT staff. I therefore strongly recommend that the Agency follow the recommendations made in my various reports of 2005 and 2006.

#### C.4.6. Communication on the Audit of IT

199. More detailed information on these issues is provided in my communication on the Audit of IT in the IAEA as of December 6, 2006. Additionally, I conveyed to the Secretariat further information and recommendations on IT-related issues which I have not addressed in this report.

The Secretariat agrees to the main proposals and announces necessary steps to realize improvements.

The Secretariat sometimes slightly departed from my recommendations.

Steps will have to be taken to establish an appropriate IT system within the Agency.

200. The Secretariat in principle agrees to my main proposals concerning IT. It recognizes many of the deficiencies pointed out and has announced steps which are necessary to achieve improvements concerning IT policy, organization of IT, IT management, operation of IT and IT security.

201. In some cases, the Secretariat's solutions, however, are not precise enough or do not seem to be planned in an adequate time-frame. In other cases, they depart from my proposals so that in my opinion they are not sufficient to improve the IT situation effectively.

202. I will continue to discuss with the Secretariat steps which have to be taken in order to establish an IT system within the Agency that is suitable for the mission of the Agency as an important, independent, international institution. I will follow the reorganization of the Agency's IT as an on-going process and revert to this topic in my report next year.

## **D. FOLLOW-UP ON THE RESULTS OF MY FINDINGS AND RECOMMENDATIONS IN PRIOR YEARS**

### **D.1. FINANCIAL ISSUES**

#### **D.1.1. Financial Statements**

##### **a) Completeness of the financial statements**

The financial statements for three separate funds are not part of the financial statements submitted to Member States.

These funds will be audited by OIOS.

203. I recommended that the funds for the VIC Commissary, for the Seibersdorf Cafeteria and the Staff Welfare Fund should be audited by OIOS, as they are not included in the annual report to Member States. (C.1.1.3).

204. For the year ended 31 December 2006 the financial statements for the Commissary, the Staff Welfare Fund and the Seibersdorf Cafeteria will be audited by OIOS. The rules for these funds will be changed accordingly. I welcome this development and appreciate the Agency's cooperation.

## b) Buildings Management Fund

UNIDO still claims a receivable of 6.6 million euros from IAEA for Buildings Management Services

205. I reported that UNIDO claims a receivable of 6.6 million euros from IAEA for BMS, while IAEA shows no corresponding liability. I supported the Secretariat's position not to record this as an account payable to UNIDO and recommended that the Secretariat should request UNIDO to establish a due process of approving essential replacement measures other than maintenance in the Consultative Committee on Common Services (CCCS) using the advisory mechanism of the Buildings Management Advisory Committee (BMAC) and providing CCCS with decision-making capacity. Should further difficulties become apparent, I recommended renegotiating the underlying Memorandum of Understanding (MoU) in order to avoid ongoing disputes among UN organizations.

Discussions are ongoing, but the differing opinions still exist. As of 2008 the Agency budgets for essential investments separately.

206. The Agency informed me that as the adoption of IPSAS will necessitate agreement between the Agency and UNIDO on this topic, discussions are ongoing on an issue-by-issue basis. The Agency is committed to paying its share of the costs of the work that is completed on its behalf, whereas UNIDO claims the amounts needed before entering into contracts. A timetable has been set up to ensure the coordination of 2008 budget requests among Vienna-based Organizations. A revised MoU was submitted to CCCS, but not agreed upon. The MoU will be tabled again when the opportunity arises. The CCCS Terms of Reference have been updated and strengthened. The Agency's 2008/2009 Budget submission to Member States will show "essential investments" as a separate category that will include essential replacement projects.

A due process of approving major investments is still not ensured.

207. I welcome the Agency's efforts to resolve the ongoing difficulties and to include fundamental/important replacement projects as essential investments in its budget. I encourage the Agency to maintain its efforts to establish a due process of approving major repairs and full accountability to the CCCS. The ongoing dispute with UNIDO might eventually be obviated under the IPSAS regime.

Essential replacements need to be approved by the Member States.

208. I continue to recommend that Member States should recognize and approve planned essential replacement projects in the BMF in a due budgetary process in the Agency after a decision has been taken in the UNIDO Board. They finally will have to provide 53 % of the funds.

### D.1.2. Accounting Standards

IPSAS implementation has a special section.

209. I describe the progress in the implementation of IPSAS under section C.1.1.

### D.1.3. Nuclear Security Fund

Pre-commitments will be disclosed in a suitable report.

210. The Agency agreed with my suggestion and will produce a narrative report of the NSF with information on incoming payments, expenditures and pre-commitments (for each year from 2006), so that Member States can better assess the NSF's performance.

Also in the verification visit carried out by a major donor pre-commitments played a role. They should be disclosed.

I encourage further discussions on donor conditions.

The Agency has obtained greater flexibility and internal planning to implement contributions will start as soon as the pledge is made.

The Secretariat has discontinued its cautious approach to the commitment of funds and expenditures greatly increased as a result.

211. It is interesting to note that the verification team sent by a major donor (paras. 97-118, refer) also criticized undisclosed pre-commitments which were included in the calculation of a defined amount of expenditure as a condition for the next instalment. I agree that account must be taken of pre-commitments in dealing with voluntary contributions. However, I would like to recommend a full disclosure of these amounts.

212. Moreover I encouraged further discussions on donor conditions to gain greater flexibility and to improve the implementation of projects. I invited the Secretariat to be less cautious and to utilize available funds as far as they have not been pre-committed for expenditure in future years (C.1.3).

213. The Agency requested donors to provide greater flexibility on the use of their voluntary financial contributions and has obtained greater flexibility as the result of interaction and consultations with major donors. Moreover, the Agency confirmed that internal planning to implement contributions will start as soon as the pledge is made. I welcome this development and encourage the Agency to maintain its efforts.

214. The Secretariat reacted to my recommendation that it should be less cautious and should not restrict budgets only to those funds that were available in bank accounts at the end of the preceding year and were not pre-committed for future expenditure. As can be seen from table 6 below, as a result of this change in approach, expenditures greatly increased, leaving a carry forward to 2007 of only 8.9 million US\$ (compared to over 20 million US\$ in 2005).

	2003	2004	2005	2006
<b>Income</b>		17,600,000	8,813,883	8,210,445
<b>Expenditures</b>		8,131,070	10,395,804	19,454,582
<b>Carry Forward</b>	<b>11,300,000</b>	<b>21,768,030</b>	<b>20,186,109</b>	<b>8,941,072</b>

**Table 6: Figures of the Nuclear Security Fund in US\$ (source: Secretariat)**

The budget for 2007 is financed from existing resources and income pledged for 2007.

215. The change in policy is underlined by the budget estimate for 2007 amounting to 14,976,837 US\$ exceeding the funds available at the bank account as at 31 December 2006 by about 6 million US\$. Consequently, the budget includes income of 2007. That was the target of my recommendation in my last two reports. I am grateful that the Secretariat took up this matter.

## **D.2. ADMINISTRATIVE ISSUES**

### **D.2.1. Procurement**

I appreciate the Agency's efforts regarding the procurement function and strategy.

216. I appreciated the Agency's efforts to optimize the organizational structures of the procurement function and to establish a strategic approach to procurement planning. I encouraged the Agency to maintain its efforts and to develop further the strategies already worked out until they can be implemented.

A single procurement software system still has to be chosen. The AIPS study has been completed.

I appreciate the introduction of a new structure.

217. The Agency informed me that the revised organizational structure has been approved, but a single procurement software system still has to be chosen. The feasibility study for an Agency-wide Information System for Programme Support (AIPS) has very recently been completed. The first decisions on the study's recommendation for a new structure have been made.

218. I appreciate the Agency's efforts and will follow the introduction of the new structure.

## **D.2.2. Information Technology**

### **D.2.2.1 IT physical Security**

I report separately about IT issues.

IT physical security was inadequate.

The Secretariat has reacted and relocated equipment to a central server room.

There is still work to be done. It should be carried out under the leadership of the CIO.

219. I deal in detail with the issues of IT-related Staff and IT-Infrastructure in section C.4 above.

220. I recommended repeatedly that physical IT security should be improved. Furthermore, I suggested following accepted international standards (C.4).

221. In the meantime the Agency has relocated its servers to the central server room. Moreover, network racks have been relocated and new racks were purchased and installed. BMS was requested to carry out the sealing-off work. Further relocating will, however, only take place only after the asbestos removal.

222. I welcome this development and encourage the Agency to maintain its efforts to further improve physical IT security. Improvements, starting with definition of risks and further implementation of appropriate actions, should be made in conjunction with the appointment of a central IT Authority (CIO) and the implementation of my recommendations regarding IT management and IT organisation (see section C.4).

### **D.2.2.2 IT Related Staff**

It is unclear how many personnel are functioning in IT positions. Therefore the costs cannot be assessed accurately.

I welcome the initiative to request an ICSC review of the job descriptions in fast paced fields like the IT.

223. In my report last year I mentioned that the deficiencies in the number of IT staff and consequently in the assessment of the costs for IT personnel and IT services partially originate from the use of outdated job descriptions. Two PerMIS reports (one issued in 2005 and one in 2006) underlined my findings and revealed that a significant percentage of staff in the Agency were IT-related (more than 10 % of the total staff). Furthermore most of the requested Divisions reported numbers of IT staff which were different to the PerMIS analysis. I recommended that the Agency should analyse for each department which and how many staff members work in IT or IT related positions. The Agency should also review and update all job descriptions concerning the above-mentioned jobs. In addition, I have sent a more detailed audit observation to the Secretariat concerning this issue.

224. The Secretariat explained in its answer that only the International Civil Service Commission (ICSC) can establish new Common Classification of Occupational Groups (CCOG) codes. These codes were last updated in 1996. I welcome the initiative of the Secretariat to request an ICSC review of the job descriptions in quickly changing fields such as IT.

I disagree with the exclusion of IT-related staff on the basis of the funding of salary or the duration of recruitment.

225. According to the Agency's answer, the PerMIS report was partly revised in order to update the statistical aspects of the report. I disagree with the exclusion of some of the IT-related staff from the statistics on the basis only of the funding of their salary or because of the duration of their recruitment. A sound overall view of IT personnel and IT costs will only be possible if all relevant expenditures are included, e. g., costs for IT consulting or IT development agreements.

There is still a possible inaccuracy in the number of IT and IT-related staff.

226. The Agency corrected some obvious errors in applying the CCOG codes in the PerMIS report. However I recommended reviewing the job descriptions of all IT-related staff by also requesting all divisions about newly assigned staff. As we were informed about staff members in different Divisions, who are not named as IT-related but partly charged with IT duties, we noticed that there is still a possible inaccuracy in the PerMIS report.

I recommend reviewing all job descriptions in conjunction with the implementation of my recommendations regarding IT organisation.

227. I reiterate my previous recommendation from my report last year (para. 141), that MTPR initiate a review of all job descriptions of recognized IT and IT-related staff. This task may be done in conjunction with the appointment of a central IT Authority (CIO) and the implementation of my recommendations regarding the IT organisation (section C.4.4, refers).

### **D.2.3. Technical cooperation and extrabudgetary fund management**

Last year's findings concerning technical cooperation are addressed separately.

228. Last year I reported on the coordination of TC activities with other organizations; technology transfer; future financing of IAEA project work; national commitment; national priorities and project management (C 2.1 – C 2.6).

Details see under section C.3

229. These issues are discussed under section C.3. I refer to this section to my report.

#### **D.2.3.1 Assessed Programme Costs / National Participation Costs**

Assessed Programme Costs were outstanding.

230. I recommended that the Agency should take further steps to encourage Member States with still outstanding Assessed Programme Costs (APC) to meet their obligations as soon as possible (C 2.7).

APC arrears have been reduced.

231. The APC arrears amounted to \$ 4.7 million in October 2005. Currently they stand at \$ 3.8 million in February 2007. This represents a reduction of \$ 0.9 million (18.8 %) within 16 months.

Member States are asked to meet their obligations.

232. I appreciate this development but still consider that the Secretariat should intensify efforts to call on Member States to meet their obligations.

The implementation of the NPC mechanism has so far been successful.

233. I appreciate the success achieved with the implementation of the NPC mechanism. The status of payments for 2005 allows a generally satisfactory assessment of the NPC mechanism so far. As the status of payment for 2006 is less satisfactory (55.9 % of payments assessed amounting to 110,566 euro), it should be subject to further improvements.

The process should be evaluated after an adequate period of time.

234. However, I recommend keeping the NPC scheme under review to avoid shortcomings in project execution due to late or non-payment by recipients. I consider that an evaluation of the process after an adequate period is necessary.

### D.2.3.2 Application of the Due Account Mechanism

There were deficiencies in the application of the due account mechanism.

235. I pointed out the drawbacks of the present implementation modes and deficiencies in the application of the due account mechanism. I recommended that the Secretariat consider the consequences of adjustments for project implementation (project quality, necessary redesign). Furthermore, I suggested that implementation details be made transparent to the Agency's decision-making bodies on the TC programme (C 2.8).

The Secretariat claims sole responsibility for the application due account.

236. While the Secretariat agreed that there had been some negative effects on project implementation, it set priorities on the success of the due account mechanism as an incentive for full payment of TCF contributions. Since the application of the due account mechanism is seen as an issue between the Secretariat and the individual Member State, the Secretariat does not believe it is necessary or appropriate for the Board to take decisions in this regard.

Negative effects are outweighed by the payment incentive.

237. I accept that negative effects are outweighed by the payment incentive of the due account mechanism. Nonetheless, inconsistencies in the application should be eliminated. I invite Member States to consider whether they consider additional detailed information to be necessary.

### D.2.4. Security at the IAEA Seibersdorf Laboratories

Crucial elements of a comprehensive protection system for the Seibersdorf laboratory compound have not yet been fully established.

238. In my last two reports (for the years 2004 and 2005) I have reported on dangers arising from the security situation of the IAEA's laboratory compound in Seibersdorf. In 2006 my team noticed some progress in the physical protection of the Seibersdorf premises. Crucial elements of a comprehensive protection system have not yet been fully established. The Secretariat shared my concerns about weaknesses but has not yet made the necessary progress in eliminating them.

Three major items remained unsolved.

239. Compared to 2005 some improvement measures have been implemented or the implementation has already started. Nevertheless three major protection items remained unsolved also in 2006

The access control is inadequate.

240. The access control for all personnel to the Agency's laboratory compound is provided through the Austrian Research Centre (ARC) main gate. The screening of car drivers and car passengers entering the ARC area remains deficient. The Secretariat shares this point of view and has brought the matter to the attention of the ARC authorities. The Secretariat has announced it will resume discussions with the ARC and the ministries concerned.

The perimeter fence has not yet been completed.

241. The perimeter fence around the Agency's premises has not yet been completed. Despite several meetings between the Agency's and Austrian representatives (from ARC and authorities) a final solution has not yet been found. The Secretariat points out that there are problems in defining the boundaries of the Agency's compound and that the negotiations were complicated by the fact that the ownership of the ARC changed during the course of negotiations.

14 parking places in front of the Safeguards Analytical Laboratory create a considerable risk.

242. Fourteen parking places in front of the Safeguards Analytical Laboratory (SAL) are still in use. Therefore, the danger of placing explosive devices in cars parking very close to the building is still present. Detonations caused by such a car bomb could devastate the building and the staff working there. The Secretariat also arrived at this conclusion. It is attempting to impress on the ARC authorities the importance of eliminating the associated risks.

The combination of the three main deficiencies creates unacceptable risks.

High security standards should also be applied in the Seibersdorf laboratory premises.

The Secretariat does not advocate its own security requirements with the necessary emphasis.

More efforts are needed to close the three loopholes left.

The cooperation between the IAEA and Austrian bodies should allow quick reactions to recognized threats.

Updated threat assessments should be received more frequently and regularly.

243. The inadequate access control for vehicles at the main gate combined with the incomplete perimeter fence and the parking situation in front of the SAL, creates unpredictable and unacceptable risks.

244. An efficient access control for all persons entering the IAEA premises as well as a complete perimeter around it and parking places at a safe distance from offices should be a common standard at the Vienna Headquarters as well as at the IAEA Seibersdorf Laboratories. Recent incidents such as a bomb threat in the VIC in February 2007 and a violent incursion by 52 demonstrators on the VIC property in March 2007 showed a considerable threat potential for the Agency. It is unacceptable that it sometimes takes months or even years to eliminate deficiencies concerning security. Once weaknesses are identified they must be remedied without delay.

245. The main reason for the considerable delays in implementing the measures to improve the physical protection of the Seibersdorf laboratory compound (closing the perimeter fence, strengthening access control to ARC, removal of the parking places in front of the SAL) appears to be disagreements between the Agency and the ARC. It seems that the Secretariat does not advocate its own security requirements with the necessary emphasis.

246. I consider it essential that vigorous efforts again be made to close the perimeter fence, to improve the access screening and to remove the parking places from the vicinity of the SAL's building.

247. Proper cooperation between the IAEA, Austrian authorities and ARC should enable the Agency to react immediately to recognized threats by implementing appropriate security measures without any delay.

248. Furthermore, I consider it necessary to receive updated threat assessments from the Austrian security authorities and the United Nations Security and Safety Services regularly, as well as to draw conclusions from them.

#### **D.2.5. Nuclear Security Fund**

I will verify improvements in fund management this year.

249. I very much appreciate the Agency's efforts to improve the performance of NSF projects. In 2007, I will examine whether these improvements lead to accelerated implementation. I will present the results of this examination in my next report.

### **D.3. OTHER RECOMMENDATIONS MADE IN PRIOR YEARS WHICH NEED TO BE ADDRESSED IN THIS REPORT**

#### **Recommendation**

#### **Action taken by Management**

The Agency should keep the assessed contributions due from the former Federal Republic of Yugoslavia under review.

250. Any action in this regard is subject to coordination with the UN. The Secretariat is monitoring developments at the UN. A decision will probably only be taken in the context of the IPSAS implementation.

The Agency should draft a model agreement for the acceptance of voluntary contributions which would avoid the imposition of conditions by donors.

251. An initial draft has been prepared by the Secretariat and a preliminary review of that draft has been made by the Office of Legal Affairs. It is expected that the proposals contained in the document will come into effect very shortly. However, the terms of the model agreement necessarily conflict with e.g., the verification clause of the FAFA, which is also a model agreement.

## **E. OTHER MATTERS**

### **E.1. CASES OF FRAUD OR PRESUMPTIVE FRAUD**

In 2006 there was no evidence of fraud. There were eight cases of presumptive fraud. Six are still under investigation.

There were three cases of possible abuse of Commissary privileges.

There were five cases of possible irregularities in the procurement of goods and services.

252. In 2006 OIOS did not detect or report any fraud. However, there were eight cases of concern: three allegations of abuse of Commissary privileges and five allegations of irregularities in the Agency procurement of goods and services which are detailed below.

253. One case of possible abuse of Commissary privileges was reviewed by OIOS. There was no evidence of abuse. The other two cases are still under review.

254. OIOS has completed the review of one procurement case and found insufficient evidence to substantiate any fraud or presumptive fraud. OIOS is still undertaking reviews of the four remaining cases.

### **E.2. LOSSES, WRITE-OFFS AND EX-GRATIA PAYMENTS**

Items with a total value of approximately 36,000 euros were reported as stolen or damaged in 2006.

There were no ex-gratia payments.

255. A total of seven SG equipment items purchased at a cost of 7,710 euros with a book value of 4,022 euros were reported as stolen during 2006. Further, 11 non-expendable items at a cost of 22,320 euros and a book value of 4,101 euros were reported as stolen. Two items with a purchase cost of 2,052 euros and zero book value were reported as damaged.

256. No ex-gratia payments were made during 2006.

## F. ACKNOWLEDGEMENT

257. I wish to record my appreciation for the cooperation and assistance extended by the Director General, and the management and staff of the International Atomic Energy Agency. I am very grateful for their assistance during the whole external audit process.

(signed)

Norbert Hauser  
Vice-President of the Federal Court of Auditors  
Germany  
External Auditor

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## PART II

### Statements

#### **Text of a Letter dated 23 March 2007 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 2006, 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 I

STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES  
for the period ending 31 December 2006  
(expressed in euro)

	G E N E R A L F U N D												
	REGULAR BUDGET FUND AND WORKING CAPITAL FUND			TECHNICAL COOPERATION FUND		EXTRABUDGETARY PROGRAMME FUND		TECHNICAL COOPERATION EXTRABUDGETARY FUND		TRUST FUNDS RESERVE FUNDS AND SPECIAL FUNDS		T O T A L	
	Schedule/ Note	2006	2005	Schedule/ Note	2006	2005	2006	2005	2006	2005	Schedule	2006	2005
<b>I N C O M E</b>													
Assessed contributions	S1	256 414 059	264 972 171	-	-	-	-	-	-	-	-	256 414 059	264 972 171
Supplementary assessed contributions:		-	2 447 619	-	-	-	-	-	-	-	-	-	2 447 619
Additional appropriation from 2003 cash surplus		-	2 481 739	-	-	-	-	-	-	-	-	-	2 481 739
Voluntary contributions:		-	-	-	-	-	-	-	-	-	-	-	-
Assessed programme costs	S8	58 034 097	58 604 199	27 138 287	32 445 619	-	-	-	-	4 437 145	-	105 548 245	103 910 307
National participation costs	S9a	549 785	700 864	-	-	-	-	-	-	-	-	549 785	700 864
Other/Miscellaneous income:	S9b	643 933	2 846 351	-	-	-	-	-	-	-	-	643 933	2 846 351
Revenue producing activities	N - E. (a)	662 887	789 959	-	-	-	-	-	-	-	-	662 887	789 959
Funds received under inter-organization arrangements		-	-	-	-	-	-	-	-	-	-	-	-
Jointly financed activities:	N - E. (b)	2 651 700	2 194 145	-	-	-	-	-	-	-	-	(1 544 894)	(1 295 784)
Income for services rendered:		-	61 594	-	-	-	-	-	-	-	-	2 651 700	2 194 145
Interest income		4 234 559	2 660 376	1 641 420	998 771	1 904 649	816 968	-	-	-	-	8 258 817	4 643 915
Currency exchange adjustment:		369 755	(728 052)	(22 113)	(17 131)	-	-	-	-	-	-	369 755	(1 298 804)
Other/Miscellaneous		570 808	524 580	-	-	-	-	-	-	-	-	548 695	507 449
<b>TOTAL INCOME</b>		264 903 768	275 404 131	60 847 122	62 562 302	29 042 956	33 262 587	14 872 011	11 045 253	4 437 145	687 152	374 102 982	382 961 425
<b>TOTAL EXPENDITURE</b>	S6	251 171 688	264 350 849	66 061 986	61 136 119	31 351 337	31 291 944	16 962 882	9 430 799	3 390 028	244 542	368 037 921	366 454 253
Provision for unobligated balances of appropriations	S4	10 560 011	-	-	-	-	-	-	-	-	-	10 560 011	-
Provision for Phase II Security Enhancements		-	6 228 614	-	-	-	-	-	-	-	-	-	6 228 614
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>	S4	3 172 069	4 824 668	(5 214 864)	1 426 183	(2 308 401)	1 970 643	(2 090 871)	1 614 454	1 047 117	442 610	(5 394 950)	10 278 558
Prior period adjustments	N - G. (a)	(1 194 356)	399 985	592 699	1 479 406	-	-	-	-	-	-	(601 657)	1 879 391
Reserve for uncollected contributions		1 035 529	(2 864 679)	-	-	-	-	-	-	-	-	1 035 529	(2 864 679)
<b>NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>		3 013 262	2 359 974	(4 622 165)	2 905 589	(2 308 401)	1 970 643	(2 090 871)	1 614 454	1 047 117	442 610	(4 961 058)	9 293 270
Savings on or cancellation of prior periods' obligations	S4	2 830 471	1 486 623	1 412 306	3 084 638	270 688	760 118	489 855	228 361	6 154	2 175	5 009 474	5 561 915
Savings on unobligated balances of 200x appropriations brought forward	S4	244 046	133 212	-	-	-	-	-	-	-	-	244 046	133 212
Transfers to reserves	N - L1	609 901	487 221	-	-	-	-	-	-	-	-	609 901	487 221
Transfers from reserves	N - L2	(1 501 221)	-	-	-	-	-	-	-	-	-	(1 501 221)	-
Net increase (decrease) in Working Capital Fund	S2	456	304	-	-	-	-	-	-	-	-	456	304
Commissary Working Capital	N - K.	(118 533)	(118 533)	-	-	-	-	-	-	-	-	(118 533)	(118 533)
Credits to Member States	S3, N - H.	(5 090 168)	(2 577 856)	-	-	-	-	-	-	-	-	(5 090 168)	(2 577 856)
Change in cash surplus euro valuator		(423 294)	-	(3 806 383)	-	(5 020 266)	-	(1 344 475)	-	-	-	(423 294)	-
Currency translation adjustments		-	-	21 931 500	15 941 273	52 957 967	50 227 206	10 274 461	8 431 646	1 484 303	1 039 518	130 980 655	118 201 122
Fund balance, beginning of period		44 332 424	42 561 479	14 915 258	21 931 500	45 899 988	52 957 967	7 328 970	10 274 461	2 537 574	1 484 303	114 697 667	130 980 655
<b>RESERVES AND FUND BALANCES, END OF PERIOD</b>		44 015 877	44 332 424	14 915 258	21 931 500	45 899 988	52 957 967	7 328 970	10 274 461	2 537 574	1 484 303	114 697 667	130 980 655

(signed) GARY A. EIDET  
Director, Division of Budget and Finance

**STATEMENT II**

**STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCES**  
as at 31 December 2006  
(expressed in euro)

	G E N E R A L F U N D										T O T A L								
	REGULAR BUDGET FUND AND WORKING CAPITAL FUND		TECHNICAL COOPERATION FUND		EXTRABUDGETARY PROGRAMME FUND		TECHNICAL COOPERATION EXTRABUDGETARY FUND		TRUST FUNDS RESERVE FUNDS AND SPECIAL FUNDS										
	Schedule/Note	2006	2005	Schedule/Note	2006	2005	2006	2005	2006	2005		Schedule	2006	2005					
<b>ASSETS</b>																			
Cash and term deposits		46 276 885	66 559 210		42 764 541	49 808 040		58 933 530	65 312 023		18 240 010	19 672 440		2 640 876	1 556 807		S12	168 855 822	202 908 520
Interfund account		(243 985)	-		243 985	-		-	-		-	-		-	-			808 879	808 879
Investment in commissary	N - K.	808 879	808 879		-	-		-	-		-	-		-	-			-	-
Accounts receivable																			
Assessed contributions receivable																			
from Member States	S1 & N - L.	59 357 277	44 796 940		-	-		-	-		-	-		-	-			59 357 277	44 796 940
Voluntary contributions receivable	S8	-	-		1 248 376	1 384 592		-	-		-	-		-	-			1 248 376	1 384 592
Assessed programme costs receivable	S9a	-	-		2 921 172	3 827 515		-	-		-	-		-	-			2 921 172	3 827 515
National participation costs receivable	S9b	-	-		293 729	896 571		-	-		-	-		-	-			293 729	896 571
Other	N - M.1.	9 082 943	7 936 509		4 566 634	3 554 287		978 071	535 788		898 716	433 533		3 832	27			15 530 196	12 460 144
<b>TOTAL ASSETS</b>		115 281 979	120 101 538		52 038 437	59 471 005		59 911 601	65 847 811		19 138 726	20 105 973		2 644 708	1 556 834			249 015 451	267 083 161
<b>LIABILITIES</b>																			
Contributions received in advance	S1	18 778 332	14 866 239		2 431 469	2 030 269		46 101	30 320		-	3 376		-	-			21 255 902	16 930 204
Unliquidated obligations	N - N.	28 625 352	41 618 240		31 290 513	30 690 055		11 071 807	10 029 626		11 796 262	9 828 136		107 134	72 531			82 891 068	92 238 888
Provision for revaluation of balance sheet	N - P.	10 095 287	12 009 287		-	-		-	-		-	-		-	-			10 095 287	12 009 287
Provision for unobligated balances																			
of appropriations	S4	10 560 011	-		-	-		-	-		-	-		-	-			10 560 011	-
Provision for Phase II Security Enhancement		1 912 654	6 228 614		-	-		-	-		-	-		-	-			1 912 654	6 228 614
Uncollected assessed programme costs	S9a	-	-		2 921 172	3 827 515		-	-		-	-		-	-			2 921 172	3 827 515
Uncollected National participation costs	S9b	-	-		293 729	896 571		-	-		-	-		-	-			293 729	896 571
Accounts payable																			
Other	N - O.1.	1 294 466	1 046 734		186 296	95 095		2 893 705	2 829 898		13 494	-		-	-			4 387 961	3 971 727
<b>TOTAL LIABILITIES</b>		71 266 102	75 769 114		37 123 179	37 539 505		14 011 613	12 889 844		11 809 756	9 831 512		107 134	72 531			134 317 784	136 102 506
<b>RESERVES AND FUND BALANCES</b>																			
Uncollected assessed contributions																			
Other reserves	S1	17 257 545	16 222 015		-	-		-	-		-	-		-	-			17 257 545	16 222 015
Working Capital Funds	N - I	609 901	1 501 221		-	-		-	-		-	-		-	-			609 901	1 501 221
Commissary Working Capital	S2, S3	15 210 760	15 210 304		-	-		-	-		-	-		-	-			15 210 760	15 210 304
Surplus (deficits)	N - K.	808 879	808 879		-	-		-	-		-	-		-	-			808 879	808 879
Fund balances	S4	10 128 792	10 590 005		-	-		-	-		-	-		-	-			10 128 792	10 590 005
<b>TOTAL RESERVES AND FUND BALANCES</b>		44 015 877	44 332 424		14 915 258	21 931 500		45 899 988	52 957 967		7 328 970	10 274 461		2 537 574	1 484 303			70 681 790	86 648 231
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCES</b>		115 281 979	120 101 538		52 038 437	59 471 005		59 911 601	65 847 811		19 138 726	20 105 973		2 644 708	1 556 834			249 015 451	267 083 161

(signed) GARY A. EIDET  
Director, Division of Budget and Finance

## STATEMENT III

**STATEMENT OF CASH FLOW**  
**for the period ending 31 December 2006**  
(expressed in euro)

	2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net excess (shortfall) of income over expenditure (Statement I)	(4 961 058)	9 293 270
(Increase) decrease in contributions receivable	(12 914 936)	3 970 786
(Increase) decrease in other accounts receivable	(3 070 052)	(1 711 350)
Increase (decrease) in contributions received in advance	4 325 698	3 944 751
Increase (decrease) in unliquidated obligations	(9 347 520)	24 783 169
Increase (decrease) in accounts payable	416 234	( 359 969)
Increase (decrease) in other liabilities	4 330 051	(21 030 285)
Less: Interest income	(8 258 817)	(4 643 915)
Currency exchange adjustments	( 369 755)	1 298 804
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(29 850 155)</b>	<b>15 545 261</b>
<b>CASH FLOW FROM INVESTING AND FINANCING ACTIVITIES:</b>		
(Increase) decrease in investment in commissary	-	118 533
Plus: Interest income	8 258 817	4 643 915
Currency exchange adjustments	369 755	(1 298 804)
<b>NET CASH FROM INVESTING AND FINANCING ACTIVITIES</b>	<b>8 628 572</b>	<b>3 463 644</b>
<b>CASH FLOW FROM OTHER SOURCES:</b>		
Savings on or cancellation of prior periods' obligations	5 009 474	5 561 915
Savings on unobligated balances of 2004 appropriations brought forward	244 046	133 212
Increase (decrease) in provision for uncollected assessed programme and national participation costs (TCF)	(1 509 185)	195 707
Transfers to reserves	609 901	487 221
Transfers from reserves	(1 501 221)	-
Net increase (decrease) in Working Capital Fund	456	304
Net increase (decrease) in Commissary Working Capital	-	( 118 533)
Credits to Member States	(5 090 168)	(2 577 856)
Change in cash surplus euro valuation	( 423 294)	-
Currency translation adjustments	(10 171 124)	-
<b>NET CASH FROM OTHER SOURCES</b>	<b>(12 831 115)</b>	<b>3 681 970</b>
<b>NET INCREASE (DECREASE) IN CASH AND TERM DEPOSITS</b>	<b>(34 052 698)</b>	<b>22 690 875</b>
<b>CASH AND TERM DEPOSITS, BEGINNING OF PERIOD</b>	<b>202 908 520</b>	<b>180 217 645</b>
<b>TOTAL CASH AND TERM DEPOSITS, END OF PERIOD (Schedule S12)</b>	<b>168 855 822</b>	<b>202 908 520</b>
consisting of:		
Fund Group I - Regular Budget Fund and Working Capital Fund	46 276 865	66 559 210
Fund Group II - Technical Cooperation Fund	42 764 541	49 808 040
Fund Group III - Extrabudgetary Programme Fund	58 933 530	65 312 023
Fund Group IV - Technical Cooperation Extrabudgetary Fund	18 240 010	19 672 440
Fund Group VI - Trust Funds, Reserve Funds and Special Funds	2 640 876	1 556 807
	168 855 822	202 908 520

(signed) GARY A. EIDET  
Director, Division of Budget and Finance

**STATEMENT IV**

**STATEMENT OF REGULAR BUDGET APPROPRIATIONS  
for the period ending 31 December 2006**

(expressed in euro)

Description of major programme	Appropriations		Expenditure				Unobligated balances of appropriations	Balance
	Adjusted	Disbursements	Unliquidated obligations	Unliquidated obligations for shared services and laboratory activities	Total			
1. Nuclear Power, Fuel Cycle and Nuclear Science	25 029 000	22 895 259	1 262 243	322 097	24 479 599	549 401	-	
2. Nuclear Techniques for Development and Environmental Protection	28 483 000	24 879 261	2 781 783	819 753	28 480 797	2 203	-	
3. Nuclear Safety and Security	21 259 000	20 319 635	657 498	237 629	21 214 762	44 238	-	
4. Nuclear Verification	101 677 000	84 102 034	7 950 402	1 009 718	93 062 154	8 614 846	-	
5. Information Support Services	15 496 000	13 632 892	143 334	1 257 133	15 033 359	462 641	-	
6. Management of Technical Cooperation for Development	14 886 000	14 212 133	291 146	29 668	14 532 947	353 053	-	
7. Policy and General Management	49 820 000	44 143 231	4 806 045	490 747	49 440 023	379 977	-	
	256 650 000	224 184 445	17 892 451	4 166 745	246 243 641	10 406 359	-	
8. Special Appropriation for Security Enhancements	2 430 000	2 174 911	101 437	-	2 276 348	153 652	-	
Appropriation Budget	259 080 000	226 359 356	17 993 888	4 166 745	248 519 989	10 560 011	-	
9. Reimbursable work for others	2 703 000	2 621 641	-	30 058	2 651 699	-	51 301	
<b>T O T A L</b>	<b>261 783 000</b>	<b>228 980 997</b>	<b>17 993 888</b>	<b>4 196 803 a/</b>	<b>251 171 688</b>	<b>10 560 011</b>	<b>51 301</b>	

a/ This amount represents € 996 336 relating to the Agency's Shared Support Costs, € 186 589 to the Agency's Seibersdorf Laboratory and € 3 878 to the IAEA Marine Environment Laboratories, Monaco.

(signed) GARY A. EIDET  
Director, Division of Budget and Finance

**STATEMENT IV (SUPPLEMENTARY A)**

**STATEMENT OF UNOBLIGATED BALANCES OF 2004 APPROPRIATIONS  
for the period ending 31 December 2006**

(expressed in euro)

Description of major programme	Unliquidated obligations brought forward from 2005 b/	Expenditure			Unused balance	Balance
		Disbursements	Unliquidated obligations	Total		
1. Nuclear Power, Fuel Cycle and Nuclear Science	132 245	110 659	15 200	125 859	-	6 386
2. Nuclear Techniques for Development and Environmental Protection	273 685	243 108	11 780	254 888	-	18 797
3. Nuclear Safety and Security	250 879	238 992	-	238 992	-	11 887
4. Nuclear Verification	4 942 975	4 788 514	-	4 788 514	-	154 461
5. Information Support Services	918 411	918 411	-	918 411	-	-
6. Management of Technical Cooperation for Development	436 289	385 568	-	385 568	-	50 721
7. Policy and General Management a/	3 646 558	797 527	2 845 006	3 642 533	2 231	1 794
<b>TOTAL</b>	<b>10 601 042</b>	<b>7 482 779</b>	<b>2 871 986</b>	<b>10 354 765</b>	<b>2 231</b>	<b>244 046</b>

a/ Includes Supplementary Appropriation H-MOSS in accordance with GOV/2004/58-GC(48)/16. Out of the € 646 558 - unliquidated balance brought forward from 2005 - € 429 509 is related to H-MOSS. From the latter amount, € 231 is unspent and will be carried over to year 2007.

b/ €10 601 042 is equivalent to the 2005 unliquidated balance of \$12 545 612 (at 2005 December UN rate of exchange of €0.845 to the US dollar).

(signed) GARY A. EIDET

Director, Division of Budget and Finance

**STATEMENT IV (SUPPLEMENTARY B)**

**STATEMENT OF PHASE II - SECURITY ENHANCEMENT  
for the period ending 31 December 2006**

(expressed in euro)

Description of major programme	Unobligated balances of appropriations brought forward from 2005 a/	Expenditure			Unused balance
		Disbursements	Unliquidated obligations	Total	
1. Nuclear Power, Fuel Cycle and Nuclear Science	-	-	-	-	-
2. Nuclear Techniques for Development and Environmental Protection	-	-	-	-	-
3. Nuclear Safety and Security	-	-	-	-	-
4. Nuclear Verification	-	-	-	-	-
5. Information Support Services	-	-	-	-	-
6. Management of Technical Cooperation for Development	-	-	-	-	-
7. Policy and General Management	6 228 614	1 370 082	2 945 878	4 315 960	1 912 654
<b>TOTAL</b>	<b>6 228 614</b>	<b>1 370 082</b>	<b>2 945 878</b>	<b>4 315 960</b>	<b>1 912 654</b>

a/ €6 228 614 is equivalent to the unobligated balance of \$7 371 141 (at 2005 December UN rate of exchange of €0.845 to the US dollar).

(signed) GARY A. EIDET  
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 2006**  
(expressed in Euro)

Member State	2006			Prior years		Total outstanding at €0.760	Advance payments and credits for 2007 c/
	Assessed	Advance payments and credits a/	Payments	Outstanding at €0.760	Payments and credits in 2006 b/		
Afghanistan, Islamic Republic of	3 905	-	3 905	-	9 980	74 201	51
Albania	9 803	-	9 803	-	122	-	102
Algeria	141 223	-	141 223	-	1 787	-	-
Angola	1 953	-	1 953	-	24	-	-
Argentina	1 774 241	-	-	1 774 241	2 222 857	3 442 805	-
Armenia	3 919	-	3 919	-	31 405	67 338	4 162
Australia	4 134 624	4 134 624	-	-	-	-	4 215 154
Austria	2 220 274	-	2 220 274	-	20 294	-	47 442
Azerbaijan	9 641	153	9 488	9 641	122	-	151
Bangladesh	19 435	-	19 435	-	245	-	355
Belarus	33 199	-	33 199	-	1 113	-	712
Belgium	2 731 517	-	2 731 517	-	64 753	-	56 586
Benin	3 848	-	-	3 848	-	4 310	-
Bolivia	17 319	-	-	17 319	-	47 867	-
Bosnia and Herzegovina	5 882	-	5 882	-	74	-	151
Botswana	23 235	-	23 235	-	294	-	355
Brazil	2 826 854	-	-	2 826 854	1 257 238	5 827 854	-
Bulgaria	30 913	-	30 913	-	-	-	-
Burkina Faso	3 848	-	-	3 848	101	3 344	7 192
Cameroon	15 395	-	-	15 395	356	14 854	30 249
Canada	7 305 579	7 305 579	-	-	-	-	7 447 809
Central African Republic	1 925	-	-	1 925	-	9 011	-
Chile	413 733	-	-	413 733	594 943	78 296	10 936
China	3 832 359	-	3 832 359	-	48 495	-	492 029
Colombia	288 249	-	288 249	-	302 564	-	41 494
Costa Rica	55 806	-	-	55 806	-	229 260	1 808
Côte d'Ivoire	19 243	-	-	19 243	-	111 452	-
Croatia	70 656	70 656	-	-	-	-	285 066
Cuba	78 898	-	-	78 898	54 198	130 672	130 695
Cyprus	101 286	-	101 286	-	930	-	60 952
Czech Republic	343 703	-	343 703	-	4 309	-	209 570
Democratic Republic of the Congo	5 774	-	-	5 774	-	-	5 766
Denmark	1 856 035	-	1 856 035	-	16 965	177 565	-
Dominican Republic	65 428	-	-	65 428	-	707 432	183 339
Ecuador	34 838	-	34 838	-	72 139	-	1 901 767
Egypt	224 045	-	215 654	8 391	2 840	-	-
El Salvador	40 412	-	-	40 412	-	282 315	8 391
Eritrea	1 963	1 963	-	-	-	-	322 727
Estonia	23 552	23 552	-	-	-	-	51
Ethiopia	7 842	-	7 842	-	98	-	3 945



## SCHEDULE S1 (continued)

Member State	2006			Prior years		Total outstanding at €0.760	Advance payments and credits for 2007 c/
	Assessed	Advance payments and credits a/	Payments	Outstanding at €0.760	Payments and credits in 2006 b/		
Morocco	87 132	-	87 132	-	7 717	-	12 762
Myanmar	19 362	67	19 295	-	384	-	289
Namibia	11 776	11 776	-	-	-	-	-
Netherlands	4 365 563	-	4 365 563	-	39 902	-	87 063
New Zealand	573 355	573 355	-	-	-	-	584 529
Nicaragua	1 933	-	1 933	-	24	-	-
Niger	1 925	-	-	1 925	2 385	57 073	58 998
Nigeria	76 973	-	-	76 973	-	85 386	162 359
Norway	1 763 135	1 763 135	-	-	-	-	-
Pakistan	103 503	-	103 503	-	1 298	-	1 797 322
Panama	34 638	-	-	34 638	15 509	27 703	62 341
Paraguay	23 092	-	-	23 092	-	179 875	202 967
Peru	171 267	-	-	171 267	370 738	8 265	179 532
Philippines	177 039	-	-	177 039	190 116	49 981	227 020
Poland	872 437	-	872 437	-	10 894	-	100
Portugal	956 740	-	956 740	-	30 077	-	-
Qatar	166 049	-	166 049	-	1 518	-	1 676
Republic of Moldova	1 925	-	-	1 925	-	313 362	-
Romania	112 303	-	112 303	-	1 420	-	-
Russian Federation	2 852 265	-	2 852 265	-	25 973	-	60 091
Saudi Arabia	1 337 128	-	1 337 128	-	16 842	-	-
Senegal	9 622	-	-	9 622	204	1 420	11 042
Serbia d/	34 792	-	34 792	-	34 945	-	-
Seychelles	3 848	-	-	3 848	6 405	5 136	8 984
Sierra Leone	1 925	-	-	1 925	-	132 751	134 676
Singapore	1 006 740	1 006 740	-	-	-	-	18 895
Slovakia	95 691	-	95 691	-	1 191	-	1 626
Slovenia	212 378	-	212 378	-	1 934	-	-
South Africa	550 709	-	550 709	-	6 903	-	-
Spain	6 535 206	-	6 535 206	-	59 511	-	89 270
Sri Lanka	30 926	-	30 926	-	1 200	-	-
Sudan	15 395	-	-	15 395	21 171	24 753	40 148
Sweden	2 579 165	-	2 579 165	-	23 574	-	51 405
Switzerland	3 105 644	-	3 105 644	-	28 274	-	-
Syrian Arab Republic	71 484	-	71 484	-	906	-	-
Tajikistan	1 937	51	1 849	37	343	-	37
Thailand	393 981	-	393 981	-	4 945	-	152
The Former Yugoslav Republic of Macedonia	11 546	-	-	11 546	11 470	163	11 709
Tunisia	59 893	532	59 361	59 893	-	-	-
Turkey	694 794	12 455	676 028	6 311	-	-	-
Uganda	11 546	-	-	11 546	-	162 137	173 683
Ukraine	73 579	-	73 579	-	930	-	-
United Arab Emirates	605 022	-	605 022	-	5 557	-	10 108
United Kingdom of Great Britain and Northern Ireland	15 893 897	-	15 893 897	-	144 701	-	277 342
United Republic of Tanzania	11 546	50	50	11 496	103	-	-

**SCHEDULE S1 (continued)**

Member State	2006			Prior years		Total outstanding at €0.760	Advance payments and credits for 2007 c/
	Assessed	Advance payments and credits a/	Payments	Total	Outstanding at €0.760		
United States of America	65 976 561	1 315 820	34 592 089	35 907 909	30 068 652	13 765 804	-
Uruguay	88 519	-	-	-	88 519	-	-
Uzbekistan	25 017	-	-	-	25 017	-	-
Venezuela, Bolivarian Republic of	318 921	-	318 921	318 921	-	300 392	-
Vietnam	38 640	-	38 640	38 640	-	490	610
Yemen	11 610	254	11 356	11 610	-	147	105
Zambia	3 868	-	3 868	3 868	-	49	102
Zimbabwe	13 471	-	-	-	13 471	-	-
<b>Sub-total</b>	<b>256 404 434</b>	<b>16 349 550</b>	<b>197 964 777</b>	<b>214 314 327</b>	<b>42 090 107</b>	<b>27 380 588</b>	<b>18 778 332</b>
<b>New Members:</b>							
Belize e/	1 925	-	-	-	1 925	-	-
Chad f/	1 925	-	-	-	1 925	-	-
Malawi g/	1 925	-	-	-	1 925	-	-
Montenegro h/	1 925	-	-	-	1 925	-	-
Mozambique i/	1 925	-	-	-	1 925	-	-
<b>Sub-total</b>	<b>9 625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 625</b>	<b>1 900</b>	<b>11 525</b>
<b>Former Members:</b>							
Cambodia j/	-	-	-	-	-	-	-
Democratic People's Republic of Korea k/	-	-	-	-	-	-	-
Yugoslavia l/	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>256 414 059</b>	<b>16 349 550</b>	<b>197 964 777</b>	<b>214 314 327</b>	<b>42 099 732</b>	<b>27 380 588</b>	<b>18 778 332</b>

a/ These amounts reflect advance payments received in 2005, both full and partial, of 2006 Regular Budget contributions (€14 946 525) and cash surplus credits (€1 403 025) applied against 2006 Regular Budget contributions.

b/ These amounts reflect payments received during 2006 (€27 316 185), cash surplus credits (€64 251) and Working Capital Fund credits (€152).

c/ These amounts reflect advance payments received in 2006, both full and partial, of 2007 Regular Budget contributions (€16 037 024) and cash surplus credits (€2 741 203) applied against 2007 Regular Budget contributions.

d/ Following the Declaration of Independence adopted by the National Assembly of Montenegro on 3 June 2006, the membership of "Serbia and Montenegro" in the International Atomic Energy Agency is being continued by the Republic of Serbia on the basis of Article 60 of the Constitutional Charter of Serbia and Montenegro.

e/ Belize became a Member of the Agency on 31 March 2006.

f/ Chad became a Member of the Agency on 2 November 2005.

g/ Malawi became a Member of the Agency on 2 October 2006.

h/ Montenegro became a Member of the Agency on 30 October 2006.

i/ Mozambique became a Member of the Agency on 18 September 2006.

j/ Cambodia withdrew from membership on 26 March 2003.

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

l/ Following the approval for membership of the Federal Republic of Yugoslavia on 17 September 2001, the former Yugoslavia ceased to be a Member State.

## SCHEDULE S2

**STATUS OF THE WORKING CAPITAL FUND**  
**AS AT 31 DECEMBER 2006**  
(expressed in euro)

	2006	2005
Balance as at 1 January	15 199 116	15 260 244
Receipts/(Refunds)		
From Member States	<u>2 131</u>	<u>( 61 128)</u>
Balance as at 31 December	<u>15 201 247</u>	<u>15 199 116</u>
Established Level	15 210 000	15 210 000
Add: Net increase due to new Member States assessments	<u>760</u>	<u>304</u>
Total (Statement II/Schedule S3)	15 210 760	15 210 304
Less: Due from Member States (Schedule S3)	<u>( 9 513)</u>	<u>( 11 188)</u>
Balance as at 31 December	<u>15 201 247</u>	<u>15 199 116</u>

**SCHEDULE S3**

**STATUS OF ADVANCES TO THE WORKING CAPITAL FUND  
AS AT 31 DECEMBER 2006**

(expressed in euro)

Member State	Assessed	Paid	Outstanding
Afghanistan, Islamic Republic of	304	304	-
Albania	761	761	-
Algeria	11 103	11 103	-
Angola	152	152	-
Argentina	140 236	140 236	-
Armenia	304	304	-
Australia	233 626	233 626	-
Austria	126 091	126 091	-
Azerbaijan	761	761	-
Bangladesh	1 521	1 521	-
Belarus	2 586	2 586	-
Belgium	156 815	156 815	-
Benin	304	304	-
Bolivia	1 369	1 217	152
Bosnia and Herzegovina	456	456	-
Botswana	1 825	1 825	-
Brazil	223 435	223 435	-
Bulgaria	2 434	2 434	-
Burkina Faso	304	304	-
Cameroon	1 217	1 217	-
Canada	412 799	412 799	-
Central African Republic	152	-	152
Chile	32 702	32 702	-
China	301 310	301 310	-
Colombia	22 663	22 663	-
Costa Rica	4 411	2 890	1 521
Côte d'Ivoire	1 521	1 217	304
Croatia	5 476	5 476	-
Cuba	6 236	6 236	-
Cyprus	5 780	5 780	-
Czech Republic	26 770	26 770	-
Democratic Republic of the Congo	456	456	-
Denmark	105 405	105 405	-
Dominican Republic	5 171	1 352	3 819
Ecuador	2 738	2 738	-
Egypt	17 644	17 644	-
El Salvador	3 194	845	2 349
Eritrea	152	152	-
Estonia	1 825	1 825	-
Ethiopia	608	608	-
Finland	78 179	78 179	-
France	884 766	884 766	-
Gabon	1 369	1 369	-
Georgia	456	456	-
Germany	1 271 100	1 271 100	-

**SCHEDULE S3 (continued)**

Member State	Assessed	Paid	Outstanding
Ghana	608	608	-
Greece	77 723	77 723	-
Guatemala	4 411	4 411	-
Haiti	456	456	-
Holy See	152	152	-
Honduras	761	609	152
Hungary	18 404	18 404	-
Iceland	5 019	5 019	-
India	61 753	61 753	-
Indonesia	20 838	20 838	-
Iran, Islamic Republic of	22 967	22 967	-
Iraq	2 282	2 282	-
Ireland	51 410	51 410	-
Israel	68 445	68 445	-
Italy	716 847	716 847	-
Jamaica	1 217	1 217	-
Japan	2 856 742	2 856 742	-
Jordan	1 673	1 673	-
Kazakhstan	3 650	3 650	-
Kenya	1 369	1 369	-
Korea, Republic of	263 589	263 589	-
Kuwait	23 728	23 728	-
Kyrgyzstan	152	-	152
Latvia	2 129	2 129	-
Lebanon	3 498	3 498	-
Liberia	152	152	-
Libyan Arab Jamahiriya	19 317	19 317	-
Liechtenstein	761	761	-
Lithuania	3 498	3 498	-
Luxembourg	11 255	11 255	-
Madagascar	456	456	-
Malaysia	29 812	29 812	-
Mali	304	304	-
Malta	1 977	1 977	-
Marshall Islands	152	152	-
Mauritania, Islamic Republic of	152	-	152
Mauritius	1 673	1 673	-
Mexico	276 366	276 366	-
Monaco	456	456	-
Mongolia	152	152	-
Morocco	6 845	6 845	-
Myanmar	1 521	1 521	-
Namibia	913	913	-
Netherlands	247 923	247 923	-
New Zealand	32 397	32 397	-
Nicaragua	152	152	-
Niger	152	152	-
Nigeria	6 084	6 084	-
Norway	99 625	99 625	-
Pakistan	8 061	8 061	-
Panama	2 738	2 738	-
Paraguay	1 825	1 825	-
Peru	13 537	13 537	-
Philippines	13 993	13 993	-
Poland	67 684	67 684	-

**SCHEDULE S3 (continued)**

Member State	Assessed	Paid	Outstanding
Portugal	68 901	68 901	-
Qatar	9 430	9 430	-
Republic of Moldova	152	152	-
Romania	8 822	8 822	-
Russian Federation	161 378	161 378	-
Saudi Arabia	104 645	104 645	-
Senegal	761	761	-
Serbia a/	2 738	2 738	-
Seychelles	304	304	-
Sierra Leone	152	152	-
Singapore	56 885	56 885	-
Slovakia	7 453	7 453	-
Slovenia	12 016	12 016	-
South Africa	42 892	42 892	-
Spain	369 755	369 755	-
Sri Lanka	2 434	2 434	-
Sudan	1 217	1 217	-
Sweden	146 472	146 472	-
Switzerland	175 675	175 675	-
Syrian Arab Republic	5 628	5 628	-
Tajikistan	152	152	-
Thailand	30 572	30 572	-
The former Yugoslav Republic of Macedonia	913	913	-
Tunisia	4 715	4 715	-
Turkey	54 604	54 604	-
Uganda	913	913	-
Ukraine	5 780	5 780	-
United Arab Emirates	34 527	34 527	-
United Kingdom of Great Britain & Northern Ireland	899 063	899 063	-
United Republic of Tanzania	913	913	-
United States of America	3 802 500	3 802 500	-
Uruguay	6 997	6 997	-
Uzbekistan	1 977	1 977	-
Venezuela, Bolivarian Republic of	25 097	25 097	-
Vietnam	3 042	3 042	-
Yemen	913	913	-
Zambia	304	304	-
Zimbabwe	1 065	1 065	-
Sub-total	15 210 000	15 201 247	8 753
<b>New Members:</b>			
Belize b/	152	-	152
Chad c/	152	-	152
Malawi d/	152	-	152
Montenegro e/	152	-	152
Mozambique f/	152	-	152
Sub-total	760	-	760
<b>TOTAL</b>	<b>15 210 760</b>	<b>15 201 247</b>	<b>9 513</b>

a/ Following the declaration of Independence adopted by the National Assembly of Montenegro on 3 June 2006, the membership of "Serbia and Montenegro" in the IAEA is being continued by the Republic of Serbia on the basis of Article 60 of the Constitutional Charter of Serbia and Montenegro.

b/ Belize became a Member of the Agency on 31 March 2006.

c/ Chad became a Member of the Agency on 2 November 2005.

d/ Malawi became a Member of the Agency on 2 October 2006.

e/ Montenegro became a Member of the Agency on 30 October 2006.

f/ Mozambique became a Member of the Agency on 18 September 2006.

**SCHEDULE S4****REGULAR BUDGET FUND  
STATUS OF CASH SURPLUSES  
AS AT 31 DECEMBER 2006**

(expressed in euro)

	2006	2005
<u>Current year</u>		
Receipts	222 668 832	246 727 299
Disbursements (Statement IV)	<u>(228 980 997)</u>	<u>(234 182 240)</u>
Excess (shortfall) of receipts over disbursements	(6 312 165)	12 545 059
Unliquidated obligations (Statement IV)	(22 190 691)	(30 168 609)
Provision for unobligated balances of appropriations (Statements I and II)	(10 560 011)	-
Provision for Phase II Security Enhancement	<u>-</u>	<u>(6 228 615)</u>
Provisional deficit	(39 062 867)	(23 852 165)
Contributions receivable (Schedule S1)	42 099 732	28 574 925
Miscellaneous income receivable	<u>135 204</u>	<u>101 908</u>
Excess (shortfall) of income over expenditure - (Statement I)	3 172 069	4 824 668
<u>Disposition of prior year's provisional surplus (deficit)</u>		
Prior year provisional deficit	(23 852 165)	(25 819 516)
Receipt of:		
Contributions all prior years (Schedule S1)	27 380 588	29 562 056
Miscellaneous income	101 908	140 452
Savings on liquidation of prior years' obligations (Statement I)	2 830 471	1 486 623
Savings on unobligated balances of 2004 appropriations brought forward (Statement I)	<u>244 046</u>	<u>133 212</u>
Prior year cash surplus/(deficit) - 2005 Cash surplus	6 704 848	5 502 827
Other surpluses: (Schedule S5)		
Cash surpluses withheld pending receipt of contributions	<u>251 875</u>	<u>262 510</u>
<b>Total surplus (Statement II)</b>	<b>10 128 792</b>	<b>10 590 005</b>

**SCHEDULE S5**

**REGULAR BUDGET FUND**

**I. SHARES OF MEMBER STATES IN THE 2005 CASH SURPLUS**

(expressed in euro)

Member State	2005 Scale of assessment %	Allocation amount €
Afghanistan, Islamic Republic of	0.002	134
Albania	0.004	268
Algeria	0.056	3 755
Angola	0.001	67
Argentina	0.703	47 135
Armenia	0.002	134
Australia	1.596	107 009
Austria	0.861	57 729
Azerbaijan	0.004	268
Bangladesh	0.008	536
Belarus	0.013	872
Belgium	1.071	71 809
Benin	0.002	134
Bolivia	0.007	469
Bosnia and Herzegovina	0.002	134
Botswana	0.009	604
Brazil	1.121	75 161
Bulgaria	0.012	805
Burkina Faso	0.002	134
Cameroon	0.006	402
Canada	2.820	189 077
Central African Republic	0.001	67
Chad a/	0.001	67
Chile	0.164	10 996
China	1.512	101 377
Colombia	0.114	7 644
Costa Rica	0.022	1 475
Côte d'Ivoire	0.008	536
Croatia	0.027	1 810
Cuba	0.031	2 079
Cyprus	0.039	2 615
Czech Republic	0.134	8 985
Democratic Republic of the Congo	0.002	134
Denmark	0.720	48 275
Dominican Republic	0.026	1 743
Ecuador	0.014	939
Egypt	0.088	5 900
El Salvador	0.016	1 073
Eritrea	0.001	67
Estonia	0.009	604
Ethiopia	0.003	201
Finland	0.534	35 804
France	6.044	405 241
Gabon	0.007	469
Georgia	0.002	134

**SCHEDULE S5 (continued)**

Germany	8.683	582 182
Ghana	0.003	201
Greece	0.390	26 149
Guatemala	0.022	1 475
Haiti	0.002	134
Holy See	0.001	67
Honduras	0.004	268
Hungary	0.092	6 169
Iceland	0.034	2 280
India	0.310	20 785
Indonesia	0.104	6 973
Iran, Islamic Republic of	0.115	7 711
Iraq	0.011	738
Ireland	0.351	23 534
Israel	0.468	31 379
Italy	4.897	328 336
Jamaica	0.006	402
Japan	19.516	1 308 451
Jordan	0.008	536
Kazakhstan	0.018	1 207
Kenya	0.007	469
Korea, Republic of	1.322	88 638
Kuwait	0.162	10 862
Kyrgyzstan	0.001	67
Latvia	0.011	738
Lebanon	0.017	1 140
Liberia	0.001	67
Libyan Arab Jamahiriya	0.097	6 504
Liechtenstein	0.005	335
Lithuania	0.017	1 140
Luxembourg	0.077	5 163
Madagascar	0.002	134
Malaysia	0.150	10 057
Mali	0.002	134
Malta	0.010	671
Marshall Islands	0.001	67
Mauritania, Islamic Republic of a/	0.001	67
Mauritius	0.008	536
Mexico	1.386	92 929
Monaco	0.003	201
Mongolia	0.001	67
Morocco	0.034	2 280
Myanmar	0.008	536
Namibia	0.005	335
Netherlands	1.694	113 580
New Zealand	0.221	14 818
Nicaragua	0.001	67
Niger	0.001	67
Nigeria	0.030	2 012
Norway	0.681	45 660

**SCHEDULE S5 (continued)**

Pakistan	0.040	2 682
Panama	0.014	939
Paraguay	0.009	604
Peru	0.068	4 559
Philippines	0.070	4 693
Poland	0.340	22 797
Portugal	0.346	23 199
Qatar	0.064	4 291
Republic of Moldova	0.001	67
Romania	0.044	2 950
Russian Federation	1.102	73 887
Saudi Arabia	0.525	35 200
Senegal	0.004	268
Serbia	0.014	939
Seychelles	0.002	134
Sierra Leone	0.001	67
Singapore	0.389	26 082
Slovakia	0.037	2 481
Slovenia	0.082	5 498
South Africa	0.215	14 415
Spain	2.526	169 365
Sri Lanka	0.012	805
Sudan	0.006	402
Sweden	1.001	67 116
Switzerland	1.200	80 458
Syrian Arab Republic	0.028	1 877
Tajikistan	0.001	67
Thailand	0.154	10 326
The Former Yugoslav Republic of Macedonia	0.005	335
Tunisia	0.024	1 609
Turkey	0.274	18 371
Uganda	0.005	335
Ukraine	0.029	1 944
United Arab Emirates	0.236	15 823
United Kingdom of Great Britain and Northern Ireland	6.142	411 812
United Republic of Tanzania	0.005	335
United States of America	25.977	1 741 651
Uruguay	0.035	2 347
Uzbekistan	0.010	671
Venezuela, Bolivarian Republic of	0.126	8 448
Vietnam	0.015	1 006
Yemen	0.005	335
Zambia	0.002	134
Zimbabwe	0.005	335
<b>TOTAL (Schedule S4)</b>	<b>100.002 b/</b>	<b>6 704 848</b>

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

b/ 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 difference was taken into account.

**SCHEDULE S5 (continued)****II. STATUS OF OTHER CASH SURPLUSES WITHHELD PENDING**

(expressed in euro)

Budget years	31 December 2005	Surrendered	31 December 2006
1959-1968	1 053	767	286
1979-1990	68 888	8 258	60,630
1992	22 266	2 256	20,010
1993	13 923	443	13,480
1994	44 724	1 490	43,234
1995	2 107	156	1,951
1996	46 221	1 127	45,094
1997	23 895	516	23,379
1998	27 226	409	26,817
1999	8 274	56	8,218
2001	2 838	39	2,799
2002	1 095	198	897
2004	5 079 533 a/	5 074 453	5,080
<b>TOTAL (Schedule S4)</b>	<b>5 342 043</b>	<b>5 090 168</b>	<b>251 875</b>

a/ The Agency's accounts for 2005 reported in document GC(50)/8 were approved by the General Conference on 22 September 2006 (see GC(50)/RES/5). The 2004 cash surplus reported in that document amounts to \$6 512 221, which at the September 2006 UNROE, is equivalent to € 079 533. At the UNROE of 31 December 2005, the cash surplus was equivalent to € 502 827.

**SCHEDULE S6**

**REGULAR BUDGET FUND**  
**REGULAR BUDGET 2006**  
**SUMMARY BY ITEM OF EXPENDITURE**  
**AS AT 31 DECEMBER 2006**

(expressed in euro)

Item of expenditure	2006 Adjusted budget	Expenditures		Total expenditure	Unused (over-expended) balances b/	Balance
		Disbursements	Unliquidated obligations			
Salaries - established posts - P	61 896 100	61 123 637	-	61 123 637	772 463	-
Temporary assistance - P/MT	8 507 600	7 185 181	-	7 185 181	1 322 419	-
Temporary assistance - P/ST	943 800	667 624	-	667 624	276 176	-
Salaries - established posts - GS	30 838 700	30 887 193	-	30 887 193	( 48 493)	-
Temporary assistance - GS/MT	3 773 800	4 025 303	-	4 025 303	( 251 503)	-
Temporary assistance - GS/ST	387 800	831 944	-	831 944	( 444 144)	-
Common staff costs	44 334 000	45 246 201	-	45 246 201	( 912 201)	-
Overtime	264 500	420 766	-	420 766	( 156 266)	-
Sub-total: Staff costs	150 946 300	150 387 849	-	150 387 849	558 451	-
Travel - staff	11 179 200	7 078 936	2 983 961	10 062 897	1 116 303	-
Travel - non-staff	7 139 200	5 760 761	162 471	5 923 232	1 215 968	-
Sub-total: Travel costs	18 318 400	12 839 697	3 146 432	15 986 129	2 332 271	-
Interpretation Services	678 800	556 494	70 205	626 699	52 101	-
Representation and hospitality	229 800	250 304	1 312	251 616	( 21 816)	-
Training	1 037 900	609 643	237 895	847 538	190 362	-
Equipment: leased or rented	419 800	229 195	201 335	430 530	( 10 730)	-
Equipment: purchased/construction work	10 803 400	2 649 875	2 957 107	5 606 982	5 196 418	-
Supplies and materials	5 760 300	3 527 818	1 029 547	4 557 365	1 202 935	-
General operating expenses	21 805 300	16 603 597	4 430 874	21 034 471	770 829	-
Contracts	7 785 600	3 205 247	3 561 616	6 766 863	1 018 737	-
Short term Consultants/Experts	-	664 371	184 505	848 876	( 848 876)	-
Research and technical contracts	3 984 000	1 788 708	2 172 763	3 961 471	22 529	-
Miscellaneous	2 976 800	2 693 408	14 175	2 707 583	269 217	-
Sub-total: Other direct costs	55 481 700	32 778 660	14 861 334	47 639 994	7 841 706	-
Direct Implementation Costs	11 217 300	10 283 559	531 398	10 814 957	402 343	-
Management and Operation Costs	4 080 300	3 665 675	655 191	4 320 866	( 240 566)	-
Sub-total: Laboratory Activities	15 297 600	13 949 234	1 186 589	15 135 823	161 777	-
Translation and Records Services	5 371 100	5 075 947	72 525	5 148 472	222 628	-
Printing Services	2 084 900	2 033 922	625 681	2 659 603	( 574 703)	-
Data Processing Application Services	963 700	861 591	526 605	1 388 196	( 424 496)	-
Data Processing Central Services (unallocated)	6 610 600	5 167 399	1 118 930	6 286 329	324 271	-
Data Processing Central Services (SG fixed)	1 361 400	861 117	500 416	1 361 533	( 133)	-
Medical Services	911 000	826 856	31 465	858 321	52 679	-
Contracts Administration Services	611 000	527 789	27 951	555 740	55 260	-
Radiation Protection and Monitoring Services	1 122 300	1 049 295	62 705	1 112 000	10 300	-
Sub-total: Shared costs	19 036 000	16 403 916	2 966 278	19 370 194	( 334 194)	-
TOTAL Agency Programmes	259 080 000	226 359 356	22 160 633	248 519 989	10 560 011	-
Reimbursable Work for Others	2 703 000	2 621 641	30 058	2 651 699	-	51 301
<b>TOTAL Regular Budget (Statement I)</b>	<b>261 783 000</b>	<b>228 980 997</b>	<b>22 190 691</b>	<b>251 171 688</b>	<b>10 560 011</b>	<b>51 301</b>

a/ These amounts include €13 878 unliquidated obligations relating to the Monaco Laboratory.

b/ These figures represent the variation from the Adjusted Budget by item of expenditure. Further information on the unobligated balance of €10 560 011 can be found in Statement IV of the Agency's Accounts for 2006.

c/ Includes expenditure in the amount of €10 054 956 for building maintenance and €5 264 185 for security.

## SCHEDULE S6 (SUPPLEMENTARY A)

## UNOBLIGATED BALANCES OF 2004 APPROPRIATIONS

SUMMARY BY ITEM OF EXPENDITURE  
AS AT 31 DECEMBER 2006

(expressed in euro)

Item of expenditure	Unliquidated obligations brought forward from 2005	Expenditures		Total expenditure	Unused (over-expended) balances	Balance
		Disbursements	Unliquidated obligations			
Salaries - established posts - P	-	-	-	-	-	-
Temporary assistance - P/MT	-	-	-	-	-	-
Temporary assistance - P/ST	-	-	-	-	-	-
Salaries - established posts - GS	-	-	-	-	-	-
Temporary assistance - GS/MT	-	-	-	-	-	-
Temporary assistance - GS/ST	-	-	-	-	-	-
Common staff costs	-	-	-	-	-	-
Overtime	-	-	-	-	-	-
<b>Sub-total: Staff costs</b>	-	-	-	-	-	-
Travel - staff	82 620	74 571	-	74 571	-	8 049
Travel - non-staff	7 998	6 309	-	6 309	-	1 689
<b>Sub-total: Travel costs</b>	<b>90 618</b>	<b>80 880</b>	-	<b>80 880</b>	-	<b>9 738</b>
Interpretation Services	-	-	-	-	-	-
Representation and hospitality	249	244	-	244	-	5
Training	-	-	-	-	-	-
Equipment: leased or rented	-	-	-	-	-	-
Equipment: purchased/construction work	2 905 287	2 845 500	-	2 845 500	-	59 787
Supplies and materials	534 121	502 181	-	502 181	-	31 940
General operating expenses	3 405 345	544 558	2 845 006	3 389 564	a/ 2 231	13 550
Contracts	3 555 994	3 432 578	-	3 432 578	-	123 416
Research and technical contracts	84 078	52 028	26 980	79 008	-	5 070
Miscellaneous	25 350	24 810	-	24 810	-	540
<b>Sub-total: Other direct costs</b>	<b>10 510 424</b>	<b>7 401 899</b>	<b>2 871 986</b>	<b>10 273 885</b>	<b>2 231</b>	<b>234 308</b>
Direct Implementation Costs	-	-	-	-	-	-
Management and Operation Costs	-	-	-	-	-	-
<b>Sub-total: Laboratory Activities</b>	-	-	-	-	-	-
Translation and Records Services	-	-	-	-	-	-
Printing Services	-	-	-	-	-	-
Data Processing Application Services	-	-	-	-	-	-
Data Processing Central Services (unallocated)	-	-	-	-	-	-
Data Processing Central Services (SG fixed)	-	-	-	-	-	-
Medical Services	-	-	-	-	-	-
Contracts Administration Services	-	-	-	-	-	-
Radiation Protection and Monitoring Services	-	-	-	-	-	-
<b>Sub-total: Shared costs</b>	-	-	-	-	-	-
<b>TOTAL (Statement IV Supplementary A)</b>	<b>10 601 042</b> */	<b>7 482 779</b>	<b>2 871 986</b>	<b>10 354 765</b>	<b>2 231</b>	<b>244 046</b>

\*/ This amount includes Supplementary Appropriation H-MOSS in accordance with GOV/2004/58-GC(48)/16. Out of the €10 601 042 - unliquidated balance brought forward from 2005 - €3 429 509 is related to H-MOSS. From the latter amount, €231 is unspent and will be carried over to year 2007 (for additional information, please refer to Statement IV (Supplementary a)). [€10 601 042 is equivalent to the unliquidated obligation of \$12 545 612 calculated at 2005 December UN rate of exchange of €0.845 to the US dollar].

a/ Includes an amount of €3 372 753 for Security.

**SCHEDULE S6 (SUPPLEMENTARY B)**

**PHASE II - SECURITY ENHANCEMENT**  
**SUMMARY BY ITEM OF EXPENDITURE**  
**AS AT 31 DECEMBER 2006**

(expressed in euro)

Item of expenditure	Unobligated balances of appropriations brought forward from 2005	Expenditures			Unused (over-expended) balances
		Disbursements	Unliquidated obligations	Total expenditure	
Salaries - established posts - P	-	-	-	-	-
Temporary assistance - P/MT	-	-	-	-	-
Temporary assistance - P/ST	-	-	-	-	-
Salaries - established posts - GS	-	-	-	-	-
Temporary assistance - GS/MT	-	-	-	-	-
Temporary assistance - GS/ST	-	-	-	-	-
Common staff costs	-	-	-	-	-
Overtime	-	-	-	-	-
<b>Sub-total: Staff costs</b>	-	-	-	-	-
Travel - staff	-	-	-	-	-
Travel - non-staff	-	-	-	-	-
<b>Sub-total: Travel costs</b>	-	-	-	-	-
Interpretation Services	-	-	-	-	-
Representation and hospitality	-	-	-	-	-
Training	-	-	-	-	-
Equipment: leased or rented	-	-	-	-	-
Equipment: purchased/construction work	-	-	24 432	24 432	( 24 432)
Supplies and materials	-	278	-	278	( 278)
General operating expenses	6 228 614	1 369 804	2 921 446	4 291 250	b/ 1 937 364
Contracts	-	-	-	-	-
Research and technical contracts	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Sub-total: Other direct costs</b>	<b>6 228 614</b>	<b>1 370 082</b>	<b>2 945 878</b>	<b>4 315 960</b>	<b>1 912 654</b>
Direct Implementation Costs	-	-	-	-	-
Management and Operation Costs	-	-	-	-	-
<b>Sub-total: Laboratory Activities</b>	-	-	-	-	-
Translation and Records Services	-	-	-	-	-
Printing Services	-	-	-	-	-
Data Processing Application Services	-	-	-	-	-
Data Processing Central Services (unallocated)	-	-	-	-	-
Data Processing Central Services (SG fixed)	-	-	-	-	-
Medical Services	-	-	-	-	-
Contracts Administration Services	-	-	-	-	-
Radiation Protection and Monitoring Services	-	-	-	-	-
<b>Sub-total: Shared costs</b>	-	-	-	-	-
<b>TOTAL (Statement IV Supplementary B)</b>	<b>6 228 614</b>	<b>a/ 1 370 082</b>	<b>2 945 878</b>	<b>4 315 960</b>	<b>1 912 654</b>

a/ €6 228 614 is equivalent to the unobligated balance of \$7 371 141 (at 2005 December UN rate of exchange of €0.845 to the US dollar).

b/ Includes capital enhancements for security purposes implemented by UNOV in the amount of €3 243 845.

**SUMMARY OF EXPENDITURE BY MAJOR CATEGORY AND FUND GROUP  
AS AT 31 DECEMBER 2006**

(expressed in euro)

Category	2006						2005
	Regular Budget Fund and Working Capital Fund	General Fund				Trust Funds, Reserve Funds and Special Funds	TOTAL 2006
		Fund Group I	Technical Cooperation Fund	Extrabudgetary Programme Fund	Technical Cooperation Extrabudgetary Fund		
Salaries	107 730 987	-	-	-	-	-	108 245 633
Common Staff Costs	53 303 760	-	4 253 410	-	-	-	56 960 128
Temporary Assistance	14 280 152	-	8 363 018	-	-	-	23 816 887
<b>Total Staff Costs</b>	<b>175 314 899</b>	<b>-</b>	<b>12 616 428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187 931 327</b>
Equipment	8 561 359	25 989 779	4 773 494	13 760 011	115 225	53 199 868	49 513 216
Travel	16 328 081	15 667 992	7 219 891	917 642	-	40 133 606	39 682 545
Contracts	14 946 939	6 208 861	4 919 359	575 790	-	26 650 949	31 996 508
General Operating Expenses	24 662 597	766 665	97 950	62 325	94	25 589 631	25 275 584
Training	893 523	12 966 313	105 858	739 073	-	14 704 767	13 011 470
Supplies and Materials	6 822 343	3 707 942	212 001	753 157	160 709	11 656 152	12 705 670
Miscellaneous	3 641 947	754 434	1 406 356	154 884	3 114 000	9 071 621	5 246 613
<b>Total Other Costs</b>	<b>75 856 789</b>	<b>66 061 986</b>	<b>18 734 909</b>	<b>16 962 882</b>	<b>3 390 028</b>	<b>181 006 594</b>	<b>177 431 606</b>
<b>TOTAL EXPENDITURE (Statement I)</b>	<b>251 171 688</b>	<b>66 061 986</b>	<b>31 351 337</b>	<b>16 962 882</b>	<b>3 390 028</b>	<b>368 937 921</b>	<b>366 454 254</b> a/

a/ €366 454 254 is equivalent to the total 2005 Summary of Expenditure by Major Category and Fund Group of \$433 673 673 (calculated at 2005 December UN rate of exchange of €0.845 to the US dollar).

b/ includes expenditure in the amount of €10 054 956 for building maintenance and € 264 185 for security.

**SCHEDULE S7 (SUPPLEMENTARY A)**

**UNOBLIGATED BALANCES OF 2004 APPROPRIATIONS  
SUMMARY OF EXPENDITURE BY MAJOR CATEGORY**

**AS AT 31 DECEMBER 2006**

(expressed in euro)

Category	Expenditure
Salaries	-
Common Staff Costs	-
Temporary Assistance	-
<b>Total Staff Costs</b>	<b>-</b>
Equipment	2 845 500
Travel	80 880
Contracts	3 511 586
General Operating Expenses	3 389 564
Training	-
Supplies and Materials	502 181
Miscellaneous	25 054
<b>Total Other Costs</b>	<b>10 354 765</b>
<b>TOTAL EXPENDITURE (Schedule S6 - Supplementary A)</b>	<b>10 354 765</b>

**SCHEDULE S7 (SUPPLEMENTARY B)****PHASE II - SECURITY ENHANCEMENT  
SUMMARY OF EXPENDITURE BY MAJOR CATEGORY****AS AT 31 DECEMBER 2006**

(expressed in euro)

Category	Expenditure
Salaries	-
Common Staff Costs	-
Temporary Assistance	-
<b>Total Staff Costs</b>	<b>-</b>
Equipment	24 432
Travel	-
Contracts	-
General Operating Expenses	4 291 250 a/
Training	-
Supplies and Materials	278
Miscellaneous	-
<b>Total Other Costs</b>	<b>4 315 960</b>
<b>TOTAL EXPENDITURE (Schedule S6 - Supplementary B)</b>	<b>4 315 960</b>

a/ Includes capital enhancements for security purposes implemented by UNOV in the amount of €3 243 845.

**SCHEDULE S8**

**STATUS OF CONTRIBUTIONS TO THE TECHNICAL COOPERATION FUND  
AS AT 31 DECEMBER 2006**  
(expressed in United States dollars)

Member State	Base rate %	Share of \$77.5 million target for 2006 using base rate <sup>a/</sup>	2006		Prior years			Unpaid balance as at 1 January	Outstanding	Total outstanding	Advance payments for 2007
			Pledged	Paid against pledge	Paid without a formal pledge	Outstanding	% paid of target share				
Afghanistan, Islamic Republic of	0.002	1 550	-	-	-	-	-	-	-	-	-
Albania	0.005	3 875	4 000	4 000	-	-	-	103.2	-	-	-
Algeria	0.073	56 575	56 575	56 575	-	-	-	100.0	-	-	-
Angola	0.001	775	775	775	-	-	-	100.0	-	-	-
Argentina	0.922	714 550	150 000	150 000	-	-	-	21.0	-	-	-
Armenia	0.002	1 550	-	-	-	-	-	-	-	-	-
Australia	1.536	1 190 400	1 504 891	1 504 891	-	-	-	126.4	-	-	1 228 800
Austria	0.829	642 475	-	642 475	-	-	-	100.0	-	-	-
Azerbaijan	0.005	3 875	-	-	-	-	-	-	-	-	-
Bangladesh	0.010	7 750	-	7 725	-	-	-	99.7	-	-	-
Belarus	0.017	13 175	13 175	13 175	-	-	-	100.0	-	-	-
Belgium	1.031	799 025	-	905 956	-	-	-	113.4	-	-	-
Benin	0.002	1 550	1 550	-	-	-	-	-	1 550	-	-
Bolivia	0.009	6 975	-	-	-	-	-	-	-	-	-
Bosnia and Herzegovina	0.003	2 325	-	-	-	-	-	-	-	-	-
Botswana	0.012	9 300	9 300	9 300	-	-	-	100.0	-	-	-
Brazil	1.469	1 138 475	400 000	-	-	-	-	526 678	400 000	126 678	526 678
Bulgaria	0.016	12 400	12 400	12 400	-	-	-	100.0	-	-	-
Burkina Faso	0.002	1 550	1 550	-	-	-	-	-	1 550	-	-
Cameroon	0.008	6 200	6 200	-	-	-	-	6 200	-	6 035	12 235
Canada	2.714	2 103 350	2 157 895	2 157 895	-	-	-	102.6	-	-	-
Central African Republic	0.001	775	-	-	-	-	-	-	-	-	-
Chile	0.215	166 625	-	166 743	-	-	-	100.1	-	-	-
China	1.981	1 535 275	1 535 275	1 535 275	-	-	-	100.0	-	-	3 580
Colombia	0.149	115 475	-	103 927	-	-	-	90.0	-	-	-
Costa Rica	0.029	22 475	-	-	-	-	-	-	-	-	-
Côte d'Ivoire	0.010	7 750	-	-	-	-	-	6 570	-	6 570	-
Croatia	0.036	27 900	-	27 900	-	-	-	100.0	-	-	-
Cuba	0.041	31 775	31 775	31 775	-	-	-	100.0	-	-	-
Cyprus	0.038	29 450	-	29 450	-	-	-	100.0	-	-	-
Czech Republic	0.176	136 400	136 400	136 400	-	-	-	100.0	-	-	-
Democratic Republic of the Congo	0.003	2 325	-	-	-	-	-	6 490	-	6 490	-
Denmark	0.693	537 075	537 075	537 075	-	-	-	100.0	-	-	554 400
Dominican Republic	0.034	26 350	-	-	-	-	-	-	-	-	-
Ecuador	0.018	13 950	-	13 950	-	-	-	100.0	-	-	3 562
Egypt	0.116	89 900	89 900	89 900	-	-	-	100.0	-	-	-
El Salvador	0.021	16 275	-	-	-	-	-	-	-	-	-
Eritrea	0.001	775	-	-	-	-	-	-	-	-	-
Estonia	0.012	9 300	-	-	-	-	-	-	-	-	-
Ethiopia	0.004	3 100	3 100	3 100	-	-	-	100.0	-	-	-

**SCHEDULE S8 (continued)**

Member State	2006										Prior years		Advance payments for 2007
	Base rate %	Share of \$77.5 million target for 2006 using base rate a/	Pledged	Paid against pledge	Paid without a formal pledge	Outstanding	% paid of target share	Unpaid balance as at 1 January	Paid in 2006	Outstanding	Total outstanding		
Finland	0.514	398 350	398 350	398 350	-	-	100.0	-	-	-	-	-	
France	5.817	4 508 175	-	-	4 508 175	-	100.0	-	-	-	-	-	
Gabon	0.009	6 975	-	-	-	-	-	-	-	-	-	-	
Georgia	0.003	2 325	-	-	-	-	-	14 924 b/	-	14 924	14 924	-	
Germany	8.357	6 476 675	-	-	6 476 675	-	100.0	-	-	-	-	-	
Ghana	0.004	3 100	3 100	3 100	-	-	100.0	3 100	3 100	-	-	-	
Greece	0.511	396 025	-	-	396 025	-	100.0	-	-	-	-	-	
Guatemala	0.029	22 475	-	-	-	-	-	34 860	4 980	29 880	29 880	-	
Haiti	0.003	2 325	-	-	-	-	-	-	-	-	-	-	
Holy See	0.001	775	1 176	1 176	-	-	151.7	-	-	-	-	-	
Honduras	0.005	3 875	-	-	-	-	-	-	-	-	-	-	
Hungary	0.121	93 775	93 775	93 775	-	-	100.0	-	-	-	-	96 800	
Iceland	0.033	25 575	-	-	31 439	-	122.9	-	-	-	-	34 256	
India	0.406	314 650	314 650	314 650	-	-	100.0	-	-	-	-	10 058	
Indonesia	0.137	106 175	80 000	60 481	-	-	57.0	3 082	3 082	-	19 519	-	
Iran, Islamic Republic of	0.151	117 025	-	-	117 025	-	100.0	310 627 c/	310 627	-	-	-	
Iraq	0.015	11 625	-	-	-	-	-	54 600	-	54 600	54 600	-	
Ireland	0.358	261 950	-	-	261 950	-	100.0	-	-	-	-	-	
Israel	0.450	348 750	-	-	110 000	-	31.5	-	-	-	-	-	
Italy	4.713	3 652 575	-	-	3 652 575	-	100.0	-	-	-	-	-	
Jamaica	0.008	6 200	-	-	-	-	-	-	-	-	-	-	
Japan	18.782	14 556 050	-	-	14 556 050	-	100.0	-	-	-	-	-	
Jordan	0.011	8 525	8 525	8 525	-	-	100.0	-	-	-	-	-	
Kazakhstan	0.024	18 600	-	-	18 600	-	100.0	-	-	-	-	-	
Kenya	0.009	6 975	-	-	6 975	-	100.0	-	-	-	-	7 200	
Korea, Republic of	1.733	1 343 075	-	-	1 000 000	-	74.5	-	-	-	-	-	
Kuwait	0.156	120 900	-	-	120 900	-	100.0	-	-	-	-	-	
Kyrgyzstan	0.001	775	-	-	775	-	100.0	-	-	-	-	800	
Latvia	0.014	10 850	10 850	10 850	-	-	100.0	-	-	-	-	11 200	
Lebanon	0.023	17 825	-	-	-	-	-	80	-	80	80	-	
Liberia	0.001	775	-	-	-	-	-	-	-	-	-	-	
Libyan Arab Jamahiriya	0.127	98 425	-	-	-	-	-	-	-	-	-	-	
Liechtenstein	0.005	3 875	3 875	3 875	-	-	100.0	-	-	-	-	4 000	
Lithuania	0.023	17 825	18 000	18 000	-	-	101.0	-	-	-	-	19 500	
Luxembourg	0.074	57 350	-	-	57 329	-	100.0	-	-	-	-	-	
Madagascar	0.003	2 325	2 325	-	-	-	2 325	-	-	-	2 325	-	
Malaysia	0.196	151 900	151 900	151 900	-	-	100.0	-	-	-	-	-	
Mali	0.002	1 550	-	-	1 550	-	100.0	1 550 c/	1 550	-	-	-	
Malta	0.013	10 075	-	-	-	-	-	-	-	-	-	-	
Marshall Islands	0.001	775	-	-	-	-	-	-	-	-	-	-	
Mauritania, Islamic Republic of	0.001	775	-	-	-	-	-	-	-	-	-	-	
Mauritius	0.011	8 525	8 525	8 525	-	-	100.0	-	-	-	-	-	
Mexico	1.817	1 408 175	-	-	-	-	-	494 876 c/	494 876	-	-	-	
Monaco	0.003	2 325	-	-	-	-	-	-	-	-	-	-	
Mongolia	0.001	775	-	-	775	-	100.0	-	-	-	-	-	

**SCHEDULE S8 (continued)**

Member State	Base rate %	Share of \$77.5 million target for 2006 using base rate <sup>a/</sup>	2006			Prior years			Advance payments for 2007
			Pledged	Paid against pledge	Paid without a formal pledge	Outstanding	Paid in 2006	Outstanding	
						% paid of target share	Unpaid balance as at 1 January	Total outstanding	
Morocco	0.045	34 875	34 875	-	-	34 875	34 875	34 875	-
Myanmar	0.010	7 750	-	7 704	-	99.4	14 043 <sup>c/</sup>	-	-
Namibia	0.006	4 650	4 650	-	-	100.0	-	-	4 650
Netherlands	1.630	1 263 250	1 263 250	-	-	100.0	-	-	-
New Zealand	0.213	1 65 075	-	-	-	-	-	-	-
Nicaragua	0.001	775	-	775	-	100.0	-	-	-
Niger	0.001	775	775	-	-	100.0	12 285	12 285	800
Nigeria	0.040	31 000	31 000	-	-	31 000	18 490	18 490	49 490
Norway	0.655	507 625	-	507 625	-	100.0	-	-	524 000
Pakistan	0.053	41 075	41 075	-	-	100.0	-	-	305
Panama	0.018	13 950	-	-	-	-	-	-	-
Paraguay	0.012	9 300	-	-	-	-	6 800	6 800	6 800
Peru	0.089	68 975	-	-	-	-	-	-	-
Philippines	0.092	71 300	-	-	-	-	-	-	-
Poland	0.445	344 875	344 875	-	-	100.0	-	-	-
Portugal	0.453	351 075	-	100 000	-	28.5	-	-	-
Qatar	0.062	48 050	-	-	-	-	-	-	-
Republic of Moldova	0.001	775	-	775	-	100.0	-	-	-
Romania	0.058	44 950	44 950	-	-	100.0	-	-	-
Russian Federation	1.061	822 275	-	858 209	-	104.4	-	-	-
Saudi Arabia	0.688	533 200	-	-	-	-	-	-	16 505
Senegal	0.005	3 875	-	-	-	-	-	-	-
Serbia <sup>d/</sup>	0.018	13 950	-	-	-	-	13 950	13 950	-
Seychelles	0.002	1 550	-	-	-	-	-	-	-
Sierra Leone	0.001	775	-	-	-	-	-	-	-
Singapore	0.374	289 850	289 850	-	-	100.0	-	-	-
Slovakia	0.049	37 975	37 975	-	-	100.0	-	-	-
Slovenia	0.079	61 225	61 225	-	-	100.0	-	-	-
South Africa	0.282	218 550	218 550	-	-	100.0	-	-	-
Spain	2.431	1 884 025	1 884 025	-	-	100.0	-	-	-
Sri Lanka	0.016	12 400	-	-	-	-	-	-	-
Sudan	0.008	6 200	6 200	-	-	100.0	25 296	25 296	-
Sweden	0.963	746 325	746 325	-	-	100.0	-	-	-
Switzerland	1.155	895 125	-	895 125	-	100.0	-	-	-
Syrian Arab Republic	0.037	28 675	30 000	-	-	104.6	-	-	-
Tajikistan	0.001	775	-	775	-	100.0	-	-	-
Thailand	0.201	155 775	155 775	-	-	100.0	-	-	-
The Former Yugoslav Republic of Macedonia	0.006	4 650	-	-	-	-	-	-	-
Tunisia	0.031	24 025	24 025	-	-	100.0	-	-	-
Turkey	0.359	278 225	-	282 000	-	101.4	-	-	-
Uganda	0.006	4 650	-	-	-	-	-	-	-
Ukraine	0.038	29 450	-	-	-	-	-	-	-
United Arab Emirates	0.227	175 925	-	-	-	-	-	-	-
United Kingdom of Great Britain and Northern Ireland	5.911	4 581 025	-	4 581 025	-	100.0	-	-	-
United Republic of Tanzania	0.006	4 650	5 000	4 952	-	48	-	-	48

**SCHEDULE S8 (continued)**

Member State	Base rate %	Share of \$77.5 million target for 2006 using base rate a/	2006			Prior years			Advance payments for 2007			
			Pledged	Paid against pledge	Paid without a formal pledge	Outstanding	% paid of target share	Unpaid balance as at 1 January		Paid in 2006	Outstanding	Total outstanding
United States of America	25.000	19 375 000	19 127 216	19 127 216	-	-	-	-	-	-	-	
Uruguay	0.046	35 650	-	-	30 000	-	-	-	-	-	-	
Uzbekistan	0.013	10 075	-	-	-	-	-	-	-	-	-	
Venezuela, Bolivarian Republic of	0.165	127 875	-	-	-	-	-	-	-	-	-	
Vietnam	0.020	15 500	15 500	15 500	-	-	-	-	-	-	-	
Yemen	0.006	4 650	4 650	-	-	-	-	-	-	-	-	
Zambia	0.002	1 550	-	-	-	-	1 500	-	-	-	-	
Zimbabwe	0.007	5 425	5 425	-	-	5 425	-	-	5 425	10 850	-	
Sub-total	100.000	77 500 000	32 124 078	31 621 586	40 478 957	502 492	1 596 136	1 320 164	275 972	778 464	2 520 416	
<b>New Members:</b>												
Belize e/	0.001	775	-	-	-	-	-	-	-	-	-	
Chad f/	0.001	775	-	-	-	-	-	-	-	-	-	
Malawi g/	0.001	775	-	-	-	-	-	-	-	-	-	
Montenegro h/	0.001	775	-	-	-	-	-	-	-	-	-	
Mozambique i/	0.001	775	-	-	-	-	-	-	-	-	-	
Sub-total	0.005	3 875	-	-	-	-	-	-	-	-	-	
<b>Former Members:</b>												
Democratic People's Republic of Korea j/	-	-	-	-	-	-	-	-	-	29 635	29 635	
Yugoslavia k/	-	-	-	-	-	-	-	-	-	834 026	834 026	
Sub-total	-	-	-	-	-	-	-	-	-	863 661	863 661	
<b>GRAND TOTAL</b>	<b>100.005</b>	<b>77 503 875</b>	<b>32 124 078</b>	<b>31 621 586</b>	<b>40 478 957</b>	<b>502 492</b>	<b>93.0</b>	<b>2 459 797</b>	<b>1 320 164</b>	<b>1 139 633</b>	<b>1 642 125</b>	<b>2 520 416</b>
Statements I and II (in euro)			25 750 200	25 368 306	32 283 897	381 894		1 935 442	1 068 960	866 482	1 248 376	1 916 175

- a/ As recommended in GC(V)/RES/100 and amended in GC(XV)/RES/286.  
b/ Revalued pledge of contribution: Georgia pledge relating to 2000 - \$131  
c/ Pledged/paid a contribution in 2006 relating to 2005: Iran, Islamic Republic of - \$117 025; Mali - \$1 550; Mexico - \$494 876; Myanmar - \$7 534; relating to 2004: Iran, Islamic Republic of - \$193 602; Myanmar - \$6 509.  
d/ Following the Declaration of Independence adopted by the National Assembly of Montenegro on 3 June 2006, the membership of "Serbia and Montenegro" in the International Atomic Energy Agency is being continued by the Republic of Serbia on the basis of Article 60 of the Constitutional Charter of Serbia and Montenegro.  
e/ Belize became a Member of the Agency on 31 March 2006.  
f/ Chad became a Member of the Agency on 2 November 2005.  
g/ Malawi became a Member of the Agency on 2 October 2006.  
h/ Montenegro became a Member of the Agency on 30 October 2006.  
i/ Mozambique became a Member of the Agency on 18 September 2006.  
j/ The Democratic People's Republic of Korea withdrew from the Agency on 13 June 1994.  
k/ Following the approval for membership of the Federal Republic of Yugoslavia on 17 September 2001, the former Yugoslavia ceased to be a Member State.

**SCHEDULE S9a**

**TECHNICAL COOPERATION PROGRAMME**

**STATUS OF ASSESSED PROGRAMME COSTS  
AS AT 31 DECEMBER 2006**

(expressed in United States dollars)

Recipients	1984-2002			Credits
	Unpaid balance as at 1 January	Paid in 2006	Outstanding	
Armenia a/	140 574	10 970	129 604	-
Bolivia	278 078	-	278 078	-
Cameroon	21 302	-	21 302	-
Costa Rica a/	156 203	26 034	130 169	45 426 b/
Côte d'Ivoire	223 528	1 439	222 089	-
Dominican Republic	280 770	-	280 770	-
Ecuador	53 857	53 857	-	-
El Salvador	13 146	-	13 146	-
Gabon	7 707	-	7 707	-
Georgia a/	128 096	286	127 810	-
Ghana a/	498 860	104 654	394 206	-
Guatemala a/	206 802	30 142	176 660	-
Honduras	35	-	35	-
Iran, Islamic Republic of	89 957	89 957	-	-
Iraq	161 025	-	161 025	-
Israel	25 114	-	25 114	-
Jamaica	84 744	-	84 744	-
Kyrgyzstan	9 021	-	9 021	-
Malta	3 176	3 176	-	-
Mongolia	159 492	112 338	47 154	-
Panama	5 698	5 698	-	-
Paraguay	74 259	-	74 259	-
Peru	545 347	84 316	461 031	-
Philippines	22 579	-	22 579	-
Poland	-	-	-	619
Portugal	7 282	-	7 282	-
Qatar	2 162	-	2 162	-
Republic of Moldova	10 894	10 894	-	-
Romania	54 261	2 362	51 899	-
Sri Lanka	378 901	59 026	319 875	-
Tunisia a/	232 005	71 291	160 714	-
Uzbekistan	145 099	19 518	125 581	-
Zimbabwe	87 206	-	87 206	-
<b>Sub-total</b>	<b>4 107 180</b>	<b>685 958</b>	<b>3 421 222</b>	<b>46 045</b>
<b>Former Members:</b>				
Democratic People's Republic of Korea c/	39 712	-	39 712	-
Yugoslavia d/	1 302	-	1 302	-
<b>Outstanding arrears:</b>				
Bosnia and Herzegovina, Croatia, Slovenia, The Former Yugoslav Republic of Macedonia and Yugoslavia d/	381 410	-	381 410	-
<b>TOTAL</b>	<b>4 529 604</b>	<b>685 958</b>	<b>3 843 646</b>	<b>46 045</b>
Statements I and II (in euro)	3 470 957	549 785	2 921 172	33 908

a/ Categorized as "New" contributor due to conclusion of payment plan agreements.

b/ This amount is being held to the credit of the Government and will be applied in accordance with the payment plan agreement

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

d/ Following the approval for membership of the Federal Republic of Yugoslavia on 17 September 2001, the former Yugoslavia ceased to be a Member State. For the period prior to 1992, unpaid assessed programme costs resulting from technical assistance provided to the former Socialist Federal Republic of Yugoslavia amounted to \$381 410. Subsequent to that date, additional technical assistance was provided to the former Yugoslavia for which \$1 302 assessed programme costs remain unpaid. Since that time, no technical assistance has been provided to the former Yugoslavia.

## SCHEDULE S9b

## TECHNICAL COOPERATION PROGRAMME

STATUS OF NATIONAL PARTICIPATION COSTS  
AS AT 31 DECEMBER 2006

(expressed in United States dollars)

Member	2006			2005			2007 Advance payments/ credits received
	Assessed	Paid in 2006	Outstanding	Unpaid balance as at 1 January	Paid in 2006	Outstanding	
Albania	1 608	1 608	-	16 192	16 192	-	-
Algeria	1 678	1 678	-	9 265	9 265	-	-
Argentina	5 038	5 038	-	-	-	-	61 909
Armenia	764	764	-	1 250	1 250	-	31 782
Azerbaijan	-	-	-	130	-	130	24 602
Belarus	390	390	-	36 460	36 460	-	-
Bolivia	1 784	1 784	-	7 506	7 506	-	-
Bosnia and Herzegovina	-	-	-	28 753	28 753	-	-
Botswana	-	-	-	-	-	-	-
Brazil	1 871	-	1 871	18 519	-	18 519	20 390
Bulgaria	2 350	2 350	-	-	-	-	-
Cameroon	3 103	-	3 103	30 906	-	30 906	34 009
Chile	1 238	-	1 238	-	-	-	1 238
China	2 598	2 598	-	-	-	-	2 598
Colombia	10 316	-	10 316	21 894	12 000	9 894	20 210
Costa Rica	2 373	-	2 373	-	-	-	2 373
Côte d'Ivoire	622	622	-	32 890	32 890	-	33 512
Croatia	839	839	-	-	-	-	839
Cuba	2 002	2 002	-	-	-	-	2 002
Cyprus	241	241	-	5 790	5 790	-	6 031
Czech Republic	1 005	1 005	-	-	-	-	1 005
Dominican Republic	1 106	16	1 090	2 653	2 653	-	2 669
Ecuador	513	513	-	4 994	4 994	-	5 507
Egypt	3 213	268	2 945	51 201	51 201	-	51 469
El Salvador	-	-	-	-	-	-	-
Estonia	-	-	-	9 482	-	9 482	-
Gabon	-	-	-	31 696	-	31 696	-
Georgia	-	-	-	26 478	26 478	-	38 544
Ghana	12 066	12 066	-	-	-	-	-
Greece	-	-	-	-	-	-	-

**SCHEDULE S9b (continued)**

Member	2006			2005		2007 Advance payments/ credits received
	Assessed	Paid in 2006	Outstanding	Unpaid balance as at 1 January	Paid in 2006	
Guatemala	1 233	-	1 233	-	-	-
Honduras	617	-	617	-	-	-
Hungary	640	640	-	-	640	11 075
Indonesia	2 517	2 517	-	6 300	8 817	12 000
Iran, Islamic Republic of	2 518	2 518	-	-	2 518	-
Iraq	-	-	-	32 303	26 991	5 312
Israel	642	642	-	-	642	-
Jamaica	-	-	-	11 317	5 458	5 859
Jordan	735	735	-	-	735	32 392
Kazakhstan	1 306	-	1 306	-	-	1 306
Kenya	3 889	3 889	-	-	3 889	19 810
Korea, Republic of	-	-	-	13 363	13 363	-
Kuwait	713	-	713	-	-	713
Kyrgyzstan	-	-	-	6 773	290	6 483
Latvia	784	784	-	-	784	17 640
Lebanon	675	-	675	18 133	18 133	675
Libyan Arab Jamahiriya	176	-	176	-	-	176
Lithuania	2 370	2 370	-	-	2 370	25 386
Malaysia	112	112	-	-	112	-
Malta	-	-	-	17 571	17 571	-
Mauritius	-	-	-	-	-	-
Mexico	790	-	790	19 667	-	20 457
Mongolia	184	-	184	-	-	184
Morocco	902	-	902	125 759	82 199	44 462
Namibia	1 166	1 166	-	-	1 166	-
Nicaragua	3 358	1 026	2 332	18 143	18 143	2 332
Nigeria	3 764	-	3 764	-	-	3 764
Pakistan	722	722	-	79 476	79 476	679
Panama	1 980	1 980	-	7 049	7 049	566
Paraguay	1 574	-	1 574	1 486	-	3 060
Peru	2 155	2 155	-	-	2 155	-
Philippines	517	-	517	49 021	-	49 538
Poland	7 734	2 003	5 731	26 209	1 177	30 763
Portugal	-	-	-	-	25 032	-
Qatar	284	284	-	-	284	-

## SCHEDULE S9b (continued)

Member	2006			2005		2007 Advance payments/ credits received
	Assessed	Paid in 2006	Outstanding	Unpaid balance as at 1 January	Paid in 2006	
Republic of Moldova	70	-	70	23 040	23 040	70
Romania	1 544	-	1 544	31 099	3 166	29 477
Russian Federation	1 315	-	1 315	-	27 933	1 315
Saudi Arabia	254	254	-	-	-	361
Serbia <sup>a/</sup>	2 158	2 158	-	9 828	9 828	13 893
Seychelles	-	-	-	-	-	-
Singapore	18	-	18	-	-	18
Slovakia	1 682	-	-	-	1 682	-
Slovenia	13 000	1 005	11 995	7 466 <sup>b/</sup>	7 466	19 461
South Africa	950	950	-	-	950	-
Sri Lanka	-	-	-	-	-	-
Syrian Arab Republic	8 935	8 935	-	28 422	28 422	37 357
Tajikistan	60	-	60	48 658	39 248	9 470
Thailand	1 602	-	1 602	19 088	-	20 690
The Former Yugoslav Republic of Macedonia	997	-	997	24 477	24 477	997
Tunisia	865	-	865	-	-	865
Turkey	1 006	1 006	-	-	1 006	-
Ukraine	1 971	1 971	-	29 450	29 450	31 421
United Arab Emirates	729	729	-	-	-	729
Uruguay	1 517	1 517	-	-	1 517	8 639
Uzbekistan	1 871	-	1 871	11 304	-	13 175
Venezuela, Bolivarian Republic of	160	-	160	-	-	160
Vietnam	233	-	233	-	-	233
Zimbabwe	-	-	-	38 322	16 568	21 754
Sub-total	141 712	77 532	64 180	1 039 783	717 477	386 486
New Member:						
Montenegro <sup>c/</sup>	-	-	-	-	-	-
<b>TOTAL</b>	<b>141 712</b>	<b>77 532</b>	<b>64 180</b>	<b>1 039 783</b>	<b>717 477</b>	<b>386 486</b>
Statement I and II (in euro)	110 566	61 789	48 777	827 096	582 144	293 729
					643 933	481 386

a/ Following the Declaration of Independence adopted by the National Assembly of Montenegro on 3 June 2006, the membership of "Serbia and Montenegro" in the International Atomic Energy Agency is being continued by the Republic of Serbia on the basis of Article 60 of the Constitutional Charter of Serbia and Montenegro.

b/ Reduction of \$21 248 due to cancellation of project SLO/4/004.

c/ Montenegro became a Member of the Agency on 30 October 2006.

**SCHEDULE S10**

**CURRENT ACCOUNTS AT BANKS  
AS AT 31 DECEMBER 2006**

Local currency	Amount in local currency	UN operational exchange rate	Euro equivalent
<u>Agency Funds</u>			
Australian dollars	22 520	1.671053	13 477
Brazilian reals	1 302	2.842105	458
Canadian dollars	2 538 316	1.526316	1 663 034
Chinese yuan renminbi	58 463 038	10.289474	5 681 829
Cuban pesos	1 205 158	1.315789	915 920
Democratic People's Republic of Korea won	1 680 579	182.894737	9 189
Euro	1 637 769	1.0000	1 637 769
Indian rupees	494 755	58.618421	8 440
Japanese yen	2 724 655	155.263158	17 549
Pakistani rupees	14 269 151	79.605263	179 249
Polish zlotys	81 024	3.815789	21 234
Romanian lei	119 979	3.368421	35 619
Slovak koruna	5 833	34.355263	170
Swedish kronor	111 288	9.039474	12 311
Swiss francs	31 101	1.605263	19 375
United Kingdom pounds	14 902	0.672368	22 164
United States dollars	2 227 354	1.315789	1 692 789
<b>TOTAL CURRENT ACCOUNTS AT BANKS</b>			<b>11 930 576</b>

NOTE: The free use by the Agency of some currencies is legally or otherwise restricted. At year-end, the euro equivalent of these currencies is € 642 557 based on the respective United Nations rate of exchange.

## SCHEDULE S11

## DEPOSIT ACCOUNTS AT BANKS

AS AT 31 DECEMBER 2006

Deposit	Interest rate p.a.	Maturity date	Amount in local currency	UN operational exchange rate	Euro equivalent
<u>Agency Funds</u>					
Anglo Irish Bank, Vienna	5.360 %	Call	US\$ 3 700 000	0.760	2 812 002
JPMorgan Chase, New York	4.320 %	Call	US\$ 4 000 000	0.760	3 040 000
Societe Generale, Vienna	3.520 %	Call	EUR 1 300 000	1.000	1 300 000
BACA AG, Vienna	2.750 %	Call	EUR 3 450 000	1.000	3 450 000
Investkredit, Vienna	3.580 %	Call	EUR 1 050 000	1.000	1 050 000
San Paolo Bank, Vienna	3.520 %	07-01-02	EUR 2 000 000	1.000	2 000 000
Tokyo-Mitsubishi, London	5.290 %	07-01-05	US\$ 2 000 000	0.760	1 520 000
Societe Generale, Vienna	5.280 %	07-01-05	US\$ 13 000 000	0.760	9 880 040
Tokyo-Mitsubishi, London	5.350 %	07-01-08	US\$ 5 000 000	0.760	3 800 000
Fortis Bank, Brussel	5.360 %	07-01-09	US\$ 2 000 000	0.760	1 520 000
San Paolo Bank, Vienna	3.550 %	07-01-09	EUR 2 000 000	1.000	2 000 000
San Paolo Bank, Vienna	3.555 %	07-01-16	EUR 2 000 000	1.000	2 000 000
SE Banken, London	5.370 %	07-01-16	US\$ 2 000 000	0.760	1 520 000
Dexia Bank, Brussel	5.340 %	07-01-18	US\$ 2 000 000	0.760	1 520 000
San Paolo Bank, Vienna	3.565 %	07-01-23	EUR 2 000 000	1.000	2 000 000
SMBC, London	5.400 %	07-01-23	US\$ 2 000 000	0.760	1 520 000
Dexia Bank, Brussel	5.300 %	07-01-29	US\$ 2 000 000	0.760	1 520 000
Dexia Bank, Brussel	3.630 %	07-01-29	EUR 2 000 000	1.000	2 000 000
San Paolo Bank, Vienna	3.570 %	07-01-29	EUR 3 000 000	1.000	3 000 000
Fortis Bank, Brussel	3.560 %	07-01-29	EUR 6 000 000	1.000	6 000 000
SMBC, London	5.300 %	07-01-30	US\$ 2 000 000	0.760	1 520 000
SMBC, London	5.400 %	07-01-30	US\$ 2 000 000	0.760	1 520 000
Investkredit, Vienna	3.560 %	07-01-31	EUR 1 000 000	1.000	1 000 000
Fortis Bank, Brussel	5.380 %	07-02-01	US\$ 3 000 000	0.760	2 280 000
Societe Generale, Vienna	5.330 %	07-02-01	US\$ 1 500 000	0.760	1 140 001
SMBC, London	5.400 %	07-02-06	US\$ 2 000 000	0.760	1 520 000
Tokyo-Mitsubishi, London	5.360 %	07-02-12	US\$ 2 000 000	0.760	1 520 000
SMBC, London	5.400 %	07-02-13	US\$ 2 000 000	0.760	1 520 000
Banco do Brasil, Vienna	5.430 %	07-02-14	US\$ 2 000 000	0.760	1 520 000
Anglo Irish Bank, Vienna	5.400 %	07-02-15	US\$ 3 000 000	0.760	2 280 000
Anglo Irish Bank, Vienna	5.390 %	07-02-19	US\$ 6 000 000	0.760	4 560 000
Dexia Bank, Brussel	3.640 %	07-02-26	EUR 3 000 000	1.000	3 000 000
Fortis Bank, Brussel	3.620 %	07-02-26	EUR 6 500 000	1.000	6 500 000
Tokyo-Mitsubishi, London	5.400 %	07-02-28	US\$ 3 000 000	0.760	2 280 000
Fortis Bank, Brussel	5.290 %	07-03-01	US\$ 5 000 000	0.760	3 800 000
Anglo Irish Bank, Vienna	5.350 %	07-03-02	US\$ 4 000 000	0.760	3 040 000
Citi Bank, Ireland	5.300 %	07-03-05	US\$ 6 000 000	0.760	4 560 000
Dexia Bank, Brussel	5.290 %	07-03-05	US\$ 3 000 000	0.760	2 280 000
Societe Generale, Vienna	5.280 %	07-03-05	US\$ 4 000 000	0.760	3 040 000
Dexia Bank, Brussel	5.290 %	07-03-07	US\$ 3 000 000	0.760	2 280 000
SE Banken, London	5.390 %	07-03-15	US\$ 2 000 000	0.760	1 520 000
Tokyo-Mitsubishi, London	5.320 %	07-03-26	US\$ 4 000 000	0.760	3 040 000
SMBC, London	5.320 %	07-03-26	US\$ 3 000 000	0.760	2 280 000
Anglo Irish Bank, Vienna	5.370 %	07-04-02	US\$ 2 000 000	0.760	1 520 000
Banco do Brasil, Vienna	5.400 %	07-04-03	US\$ 2 000 000	0.760	1 520 000
SE Banken, London	5.310 %	07-04-05	US\$ 6 000 000	0.760	4 560 000

**SCHEDULE S11 (continued)**

Deposit	Interest rate p.a.	Maturity date	Amount in local currency	UN operational exchange rate	Euro equivalent
Citi Bank, Ireland	5.310 %	07-04-10	US\$ 2 000 000	0.760	1 520 000
Banco do Brasil, Vienna	5.440 %	07-04-11	US\$ 1 000 000	0.760	760 000
Citi Bank, Ireland	5.340 %	07-04-16	US\$ 2 000 000	0.760	1 520 000
Banco do Brasil, Vienna	5.440 %	07-04-30	US\$ 1 000 000	0.760	760 000
Tokyo-Mitsubishi, London	5.310 %	07-04-30	US\$ 3 000 000	0.760	2 280 000
Citi Bank, Ireland	5.300 %	07-05-02	US\$ 2 000 000	0.760	1 520 000
SMBC, London	5.330 %	07-05-08	US\$ 5 000 000	0.760	3 800 000
Citi Bank, Ireland	5.300 %	07-05-14	US\$ 3 000 000	0.760	2 280 000
SE Banken, London	5.290 %	07-05-14	US\$ 3 000 000	0.760	2 280 000
Dexia Bank, Brussel	5.310 %	07-05-15	US\$ 2 000 000	0.760	1 520 000
SMBC, London	5.330 %	07-05-16	US\$ 1 500 000	0.760	1 140 001
Raiffeisen Landesbank, Vienna	5.290 %	07-05-22	US\$ 2 000 000	0.760	1 520 000
Dexia Bank, Brussel	5.310 %	07-06-01	US\$ 5 000 000	0.760	3 800 000
Anglo Irish Bank, Vienna	5.290 %	07-06-08	US\$ 2 000 000	0.760	1 520 000
Banco do Brasil, Vienna	5.300 %	07-06-08	US\$ 1 000 000	0.760	760 000
Banco do Brasil, Vienna	5.320 %	07-06-12	US\$ 1 000 000	0.760	760 000
Banco do Brasil, Vienna	5.360 %	07-06-18	US\$ 2 000 000	0.760	1 520 000
Citi Bank, Ireland	5.290 %	07-06-18	US\$ 10 000 000	0.760	7 600 000
Anglo Irish Bank, Vienna	5.330 %	07-06-22	US\$ 1 000 000	0.760	760 000
<b>TOTAL DEPOSIT ACCOUNTS</b>					<b>156 672 044</b>

## SCHEDULE S12

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

AS AT 31 DECEMBER 2006

(expressed in euro)

Fund Group	Cash in hand	Current and Deposit Accounts	Total
I Regular Budget Fund and Working Capital Fund	253 202	46 023 663	46 276 865
II Technical Co-operation Fund	-	42 764 541	42 764 541
III Extrabudgetary Programme Fund	-	58 933 530	58 933 530
IV Technical Cooperation Extrabudgetary Fund	-	18 240 010	18 240 010
VI Trust Funds, Reserve Funds and Special Funds	-	2 640 876	2 640 876
<b>TOTAL (Statement II)</b>	<b>253 202</b>	<b>168 602 620</b>	<b>168 855 822</b>



# **PART IV**

## **Notes to the Financial Statements**

### **A. Statement of the Agency's objectives**

1. 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. The IAEA is part of the United Nations Common System and the relationship with the United Nations is regulated by the "Agreement Governing the Relationship Between the United Nations and the International Atomic Energy Agency" which came into force on 14 November 1957. 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.

### **B. Significant accounting policies**

#### **B.1. Basis of presentation**

2. The financial statements of the Agency are presented in euro, for the first time, in accordance with the Board of Governors' decision to adopt the recommendations contained in document GOV/2003/27. They reflect the application of the IAEA's financial regulations and rules and they comply with the United Nations system accounting standards in all material respects.
3. The statements of the Technical Cooperation Fund (Fund group II) and Extrabudgetary Funds (Fund groups III and IV) are translated into euro from US dollars, which remains the functional currency of these funds, for purposes of preparing the Agency's consolidated financial statements. The methodology used for this translation is described in Note B.2 below.

#### **B.2. Translation and conversion of currencies**

4. Until 2005, the financial statements were presented in United States dollars. With effect from 1 January 2006, the presentation currency of the Accounts was changed to euro following the Board of Governors' decision to adopt the recommendations contained in document GOV/2003/27. The functional currency for the Regular Budget Fund, Working Capital Fund (Fund group I) and Trust, Reserve and Special Funds (Fund group VI) was changed from US dollars to euro while the US dollar was retained as the functional currency of the Technical Cooperation fund (Fund group II) and Extrabudgetary funds (Fund groups III and IV).

5. All assets, liabilities, reserves and fund balances of the Regular Budget Fund, Working Capital Fund and Trust, Reserve and Special Funds were converted to euro on 1 January 2006 using the UN rate of exchange at that date (\$1= €0.845).

6. In preparing the Agency's consolidated financial statements, the financial statements of the United States dollar based funds were translated into euro using generally accepted accounting practices as follows:

- Income, expenditure and changes in reserves and fund balances were stated in euro terms by applying the United Nations rate of exchange applicable at the date of the transaction.
- Assets and liabilities were converted to the euro equivalent using the United Nations rate of exchange at year end.
- All resulting exchange differences arising from the above methodology are classified as a component of fund balances as currency translation adjustments.

### **B.3. Fund grouping**

7. The Agency maintains separate accounts for each Fund which are combined into five 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.

8. 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.

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

10. 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.

11. The purpose of Fund group IV (General Fund - Technical Cooperation Extrabudgetary Fund) is to meet the obligations related to extrabudgetary activities of approved technical cooperation projects. Fund group IV is financed from special voluntary contributions from Member States, international organizations and the United Nations Development Programme, which are available for the approved projects until they are actually used, and in consultation with the donor.

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

## **B.4. Income recognition**

### **B.4.1. Fund group I**

13. 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.

### **B.4.2. Fund group II**

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

### **B.4.3. Fund groups III, IV and VI**

15. Income in these Fund groups is recorded on a cash basis, except for a receivable guaranteed by a Letter of Credit of €85 197 (\$375 259) (2005: €339 400 (\$401 657)).

## **B.5. Cash management**

16. Cash is managed globally for all Funds to maintain the currency mix required and reduce the purchase of currencies to enable the Agency to meet its financial obligations. Amounts due between Funds or Fund groups are settled by adjusting the cash holdings for each Fund group. Interest income is initially recorded in the Regular Budget Fund (Fund group I) and Technical Cooperation Fund (Fund group II). At the year-end, total interest is apportioned between Fund groups I, II, III and IV on the basis of the amounts in interest-bearing currencies held during the year and on the share of cash holdings of donors requesting interest income on their voluntary contributions.

## **B.6. Expenditure recognition**

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

18. 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.

## **B.7. Split appropriation/assessment system**

19. 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 euro component and a US dollar component expressed as a euro equivalent on the basis of the average US dollar-to-euro United Nations Rate of Exchange experienced during the budget year.

Therefore, the authority granted by the General Conference, expressed in euro, can only be determined at the end of the budget year.

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

### **B.8. Transactions in foreign currencies**

21. Transactions in foreign currencies are recorded in euro for all euro based funds and in US dollars for all US dollars based funds at the United Nations Rate of Exchange in effect on the date of the transaction.

22. The treatment of exchange gains and losses in terms of the respective functional currency is as follows:

#### **B.8.1. 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 for each of these Fund groups,
- Unrealized net gains resulting from the revaluation of balance sheet are recorded as a provision on the balance sheet, whereas net losses are charged to miscellaneous income for each of these Fund groups, and
- Unrealized gains and losses relating to the revaluation of unliquidated obligations are recorded as adjustments to the corresponding programme expenditure for each of these Fund groups.

#### **B.8.2. Fund groups III, IV and VI**

- For reporting purposes, all net gains and losses (realized and unrealized) in Fund groups III, IV and VI are included within their respective fund group.

### **B.9. Cash surpluses/deficits and fund balances**

23. 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.

24. 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.

### **B.10. Capital assets**

25. 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 € 000 or of a sensitive nature and a minimum estimated useful life of five years, or three years in the case of computer hardware. The value of the inventory is disclosed in Note R below.

### **B.11. Uncollected assessments and contributions received in advance**

26. A reserve 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.

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

### **B.12. Contributions in kind**

28. Contributions in kind — in the form of human resources, equipment, meetings and fellowships offered by Member States, United Nations, other international organizations and non-governmental sources — are not recorded in the accounts of the Agency. However, estimates of such contributions are disclosed in Note Q below.

### **B.13. Services without charge**

29. The Agency provides administrative and audit services to certain other euro based Funds without charge.

## **C. Pension fund participation**

30. The Agency is a member organization participating in the United Nations Joint Staff Pension Fund, (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined benefit plan. The financial obligations of the Agency to the UNJSPF consists of its mandated contribution at the rate established by the United Nations General Assembly together with any share of any actuarial deficiency payment under Article 26 of the Regulation of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payment based on an assessment of the actuarial sufficiency of the Fund as of the valuation date.

31. At the time of this report the United Nations General Assembly has not invoked this provision.

## **D. Common Fund for Major Repairs and Replacements**

32. 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 applied to the United Nations Industrial Development Organization (UNIDO) since 1986 when it became an independent organization.

33. As at 31 December 2006 the balance of the Fund, which is administered by UNIDO, was €1 546 798 (2005: €18 000).

## E. Other/Miscellaneous income by major categories

	<u>2006</u>	<u>2005</u>
<b>(a) Revenue producing activities</b>		
Publications of the Agency-INIS	46 340	62 653
Publications of the Agency-Other	242 613	315 995
Laboratory income	143 665	275 302
Amounts recoverable from safeguards agreements	229 931	135 079
Other service income	338	930
<b>Total (Statement I)</b>	<b><u>662 887</u></b>	<b><u>789 959</u></b>
<b>(b) Jointly financed activities</b>		
Data processing services	213 918	294 791
Printing services	878 490	625 322
Medical services	671 200	710 980
Radiation protection and monitoring services	96 694	103 632
Translation services	337 963	31 791
Nuclear Fusion journal	137 258	132 401
Laboratory services	294 215	261 578
Marine Environment Laboratory Services	21 962	33 650
<b>Total (Statement I)</b>	<b><u>2 651 700</u></b>	<b><u>2 194 145</u></b>

## F. Expenditure (Statement I)

34. Total expenditure of €6 061 986 for the Technical Cooperation Fund excludes obligations amounting to €1 022 481 against future year project budgets (2005: €2 366 491).

## G. Prior period adjustments

	2006	2005
<b>(a) Regular Budget Fund:</b>		
Excess of assessment collection over previous years' outstandings		
<b>Total (Statement I)</b>	<b>(1 194 336)</b>	399 985
<b>(b) Technical Cooperation Fund:</b>		
Pledges and adjustments to pledges related to prior years' programmes		
<b>Total (Statement I)</b>	<b>592 699</b>	1 479 406

## H. Credits to Member States

35. Cash surpluses surrendered amounted to € 090 168 (2005: € 577 856) (Statement I). This comprises the 2004 cash surplus in the amount of € 074 453 and prior years' cash surpluses in the amount of € 15 715. Out of the 2004 cash surplus, € 68 719 were transferred to PACT in accordance with the Board of Governors' decision (GOV/OR.1172) to adopt the recommendations contained in GOV/2006/25/Rev.2. The balance remaining was credited to the respective Member States' assessments.

## I. Reserves

### I.1. Transfers to reserves

36. An amount of € 609 901 was allocated to the Reserve for Equipment Replacement Fund 2009 (ERF2009) in 2006 as approved by Board of Governors (GOV/2005/22) (Statements I and II). 2006 is the first year for funding ERF2009.

### I.2. Transfers from reserves

37. The total amount of € 501 221 in the Reserve for Equipment Replacement 2005 (ERF2005) was transferred from the Regular Budget Fund to the Equipment Replacement Fund (Fund Group VI - Trust Funds, Reserve Funds and Special Funds) (Statement I).

## J. Trust Funds, Reserve Funds and Special Funds (Statement I)

38. Fund group VI contains two Trust Funds, one Reserve Fund and one Special Fund as follows:

	<b>Funds Available</b>	<b>Expenditure</b>	<b>Unused Balance</b>
<u>Trust Funds</u>			
Research Institute Trust Fund (RITF)	1 196 560	276 028	920 532
International Thermonuclear Experimental Reactor	3 114 000	3 114 000	-
<b>Total 2006</b>	<b>4 310 560</b>	<b>3 390 028</b>	<b>920 532</b>
<u>Reserve Fund</u>			
Equipment Replacement Fund	1 501 221	-	1 501 221
<b>Total 2006</b>	<b>1 501 221</b>	<b>-</b>	<b>1 501 221</b>
<u>Special Fund</u>			
IAEA Nobel Cancer and Nutrition Fund	115 822	-	115 822
<b>Total 2006</b>	<b>115 822</b>	<b>-</b>	<b>115 822</b>

## K. Investment in commissary

39. The Vienna International Centre (VIC) Commissary was established following an agreement effective 1 April 1972 between the International Atomic Energy Agency (IAEA) and the Republic of Austria. Pursuant to a Memorandum of Understanding dated 31 March 1977 between the IAEA, the UN and UNIDO concerning the allocation of common services at the VIC, the responsibility for managing and operating the Commissary was assigned to the IAEA.

40. The initial capital investment was provided in equal shares from the accumulated funds of the IAEA and UNIDO Commissaries available as of 1 October 1979.

41. As at 31 December 2006 the investment in the Commissary by the IAEA was €808 879 (2005: €808 879) (Statement II).

**L. Assessed contributions receivable**

42. Assessments outstanding by budget years amount to:

Budget Year	2006	2005
1961-1998	4 584 971	4 976 760
1999	441 634	444 056
2000	275 567	278 083
2001	256 221	259 134
2002	258 524	274 025
2003	472 170	2 761 390
2004	5 284 249	7 228 566
2005	5 684 209	28 574 924
	17 257 545	44 796 938
2006 (Schedule S1)	42 099 732	-
<b>Total (Statement II)</b>	<b>59 357 277</b>	<b>44 796 938</b>

**M. Accounts receivable – Other****M.1. Regular Budget Fund**

	2006	2005
Member States	3 621 247	3 299 684
United Nations, specialized agencies and other international organizations	918 491	133 579
Staff	2 722 309	1 355 907
Suppliers and contractors	340 277	510 370
Other accounts	1 471 105	2 625 782
Working Capital advances	9 514	11 188
<b>Total (Statement II)</b>	<b>9 082 943</b>	<b>7 936 510</b>

## M.2. Technical Cooperation Fund

	<u>2006</u>	<u>2005</u>
Member States	105 069	51 361
United Nations, specialized agencies and other international organizations	450 820	456 498
Staff	335 637	158 665
Suppliers and contractors	178 459	267 640
Funds with agents	3 496 649	2 620 123
<b>Total (Statement II)</b>	<b><u>4 566 634</u></b>	<b><u>3 554 287</u></b>

## N. Unliquidated Obligations - Regular Budget Fund

43. Unliquidated obligations relate to the budget years as follows:

	<u>2006</u>	<u>2005</u>
Current year	22 190 691	30 168 609
Prior years	616 797	848 589
Provision for unobligated balances of 2004 appropriations - for Phase I Security enhancement	2 871 986	10 601 042
Provision for Phase II Security enhancement	2,945,878	-
<b>Total (Statement II)</b>	<b><u>28 625 352</u></b>	<b><u>41 618 240</u></b>

**O. Accounts payable – Other****O.1. Regular Budget Fund**

	<u>2006</u>	<u>2005</u>
Member States	2,231	-
Staff	230 800	507 939
Other accounts	1 004 400	522 424
Suppliers and contractors	57 035	16 371
<b>Total (Statement II)</b>	<b><u>1 294 466</u></b>	<b><u>1 046 734</u></b>

**O.2. Technical Cooperation Fund**

	<u>2006</u>	<u>2005</u>
Staff	( 2 612)	( 2 318)
Other accounts	173 063	96 422
Suppliers and contractors	15 845	991
<b>Total (Statement II)</b>	<b><u>186 296</u></b>	<b><u>95 095</u></b>

**P. Provision for Revaluation of Balance Sheet (Statement II)**

44. The provision represents net unrealized gains from the revaluation of balance sheet accounts:

	<u>2006</u>	<u>2005</u>
Regular Budget Fund	10 095 287	12 009 287
<b>Total (Statement II)</b>	<b><u>10 095 287</u></b>	<b><u>12 009 287</u></b>

45. The strengthening of the euro against the US dollar led to a net decrease in unrealized gains for the Regular Budget Fund in comparison to last year.

## Q. Contributions in kind

46. Contributions in kind made by Member States, United Nations, other international organizations and non-governmental sources are as follows:

	Thousands of euro					
	Member States		United Nations, international organizations and non-governmental sources		Totals	
	2006	2005	2006	2005	2006	2005
Fellowships	578	650	-	-	578	650
Equipment and supplies	40	74	1	5	41	79
Meetings and other items	1 524	1 240	-	-	1 524	1 240
Human resources	10 676	11 288	60	23	10 736	11 311
<b>Total</b>	<b>12 818</b>	<b>13 252</b>	<b>61</b>	<b>28</b>	<b>12 879</b>	<b>13 280</b>

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

## R. Non-expendable equipment

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

	Thousands of euro	
	2006	2005
Scientific and technical equipment	13 935	13 657
Computer equipment	927	1 854
Office equipment	-	2
Transportation equipment	279	319
<b>Total</b>	<b>15 141</b>	<b>15 832</b>

49. Equipment for inventory purposes are all items with an original purchase value of € 000 or more, and all sensitive items, with the exception of the Department of Safeguards' assets in the field. These are reported in the annual Safeguards Implementation Report.

50. 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.

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

## **S. Contingent liability**

52. Three members of the General Service Staff of the Agency filed a complaint with the Administrative Tribunal of the International Labour Organisation seeking the reintroduction of a language allowance for General Service Staff members with effect from 1 April 2002. The Agency contested this claim and in early 2007 the case was decided in the Agency's favour. Therefore, there are no contingent liabilities for 2006.

## **T. Direct support costs to technical cooperation**

53. Technical cooperation support arises from two sources: (a) the budget of Major Programme 6, Management of Technical Cooperation for Development, and (b) the cost of scientific and technical expertise in support of the Technical Cooperation Programme provided by the other technical departments.

54. In the Programme and Budget for 2006–2007 (GC(49)/2), the amount of the regular budget dedicated to support the Technical Cooperation Programme for 2006 was estimated to be €29 460 000. This does not include indirect programme and administrative support costs.

## **U. Health Insurance Premium Reserve Fund**

55. Vanbreda International provides health insurance coverage to staff members. The Company is custodian of the Health Insurance Premium Reserve Fund. The purpose of the fund is to retain the excess of premiums paid over sums due to Vanbreda International and absorb future increases in premiums. The value of this fund as at 31 December 2006 was €2 024 622. The fund is owned jointly by the Agency and the plan participants on the basis of their contributions.

## V. Separation benefits

56. Under the 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 2006 are estimated as follows:

		Thousands of Euro	
		2006	2005
Repatriation	- grants	13 108	14 515
	- travel and household removal	9 331	8 310
Accrued annual leave		19 021	18 437
End-of-service allowances		16 637	16 440
<b>Total</b>		<b>58 097</b>	<b>57 702</b>

## W. Post-retirement benefits

57. Under the 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 €1 481 665 (2005: €1 514 268).

58. However, in order to gain a better understanding of the financial dimensions of the Agency's liabilities for after-service health insurance, an independent consulting actuary was engaged in 2006 to carry out an actuarial valuation of post-retirement health insurance benefits for periods ending in the years 2006–2009. The valuations method used was the projected unit credit cost technique. The accrued liability is projected as at 31 December 2006 to be €130 million (2005: €79 million) based on a discount rate of 4.1% and medical inflation rate of 6%.

## X. Nuclear Security Fund

	Thousands of US dollars	
	<u>Income</u>	<u>Expenditure</u>
EU	-	5 045
Others	8 210	14 410
<b>Total</b>	<b><u>8 210</u></b>	<b><u>19 455</u></b>

59. The figures above show the income and expenditures relating to the Nuclear Security Fund from the year 2006.



# PART V

## ANNEXES



## ANNEX A1

## REGULAR BUDGET FUND

## ESTIMATED AND ACTUAL RESOURCES FOR THE YEAR ENDED 31 DECEMBER 2006

(expressed in Euro)

	Budget estimates <sup>a/</sup>	Adjustments	Adjusted estimates	Actual Resources			Excess (shortfall) of actual resources over adjusted budget estimates
				Receipts	Outstanding	Total	
Assessed contribution from Member States	256 404 434	-	256 404 434	214 314 327	42 090 107	256 404 434	-
Assessed contribution from new Member States		9 625	9 625		9 625		-
Sub-total	256 404 434	9 625	256 414 059	214 314 327	42 099 732	256 414 059	-
Difference, Actual/Average Exchange Rate	68 566		68 566	-	-	-	(68 566)
Total assessments and revaluation	256 473 000	9 625 <sup>b/</sup>	256 482 625	214 314 327	42 099 732	256 414 059	(68 566)
Miscellaneous income							
(a) Reimbursable work for others (Appropriation 9)							
Data processing services	-	-	-	213 918	-	213 918	213 918
Printing services	1 247 000	-	1 247 000	846 470	32 020	878 490	(368 510)
Medical services	757 000	-	757 000	568 016	103 184	671 200	(85 800)
Radiation protection and monitoring services	97 000	-	97 000	96 694	-	96 694	(306)
Translation services	207 000	-	207 000	337 963	-	337 963	130 963
Nuclear Fusion Journal	147 000	-	147 000	137 258	-	137 258	(9 742)
Laboratory services	200 000	-	200 000	294 215	-	294 215	94 215
Marine Environmental Laboratory services	48 000	-	48 000	21 962	-	21 962	(26 038)
Sub-total	2 703 000	-	2 703 000	2 516 496	135 204	2 651 700	(51 300)
(b) Attributable to specific programmes							
Publications of the Agency - INIS Products	35,000	-	35 000	46 340	-	46 340	11 340
Publications of the Agency - other	350,000	-	350 000	242 613	-	242 613	(107 387)
Laboratory income	192,000	-	192 000	143 665	-	143 665	(48 335)
Amounts recoverable under safeguards agreements	332,000	-	332 000	229 931	-	229 931	(102 069)
Programme support income	32,000	-	32 000	-	-	-	(32 000)
Other service income	2 000	-	2 000	338	-	338	(1 662)
Sub-total	943 000	-	943 000	662 887	-	662 887	(280 113)
(c) Not attributable to specific programmes							
Investment and interest income	1,204,000	-	1 204 000	4 234 559	-	4 234 559	3 030 559
Gain (Loss) on exchange of currencies	-	-	-	369 755	-	369 755	369 755
Other	460 000	-	460 000	570 808	-	570 808	110 808
Sub-total	1 664 000	-	1 664 000	5 175 122	-	5 175 122	3 511 122
Sub-total (b) and (c)	2 607 000	-	2 607 000	5 838 009	-	5 838 009	3 231 009
Sub-total (a), (b) and (c)	5 310 000	-	5 310 000	8 354 505	135 204	8 489 709	3 179 709
<b>TOTAL ASSESSMENTS AND MISCELLANEOUS INCOME</b>	<b>261 783 000</b>	<b>9 625</b>	<b>261 792 625</b>	<b>222 668 832</b>	<b>42 234 936</b>	<b>264 903 768</b>	<b>3 111 143</b>

a/ GC (49)/RES/5

b/ Schedule S1

ANNEX A2

TECHNICAL COOPERATION FUND

ESTIMATED AND ACTUAL RESOURCES IN THE YEAR ENDED 31 DECEMBER 2006

(expressed in United States dollars)

	Current year	2005	2004	2003	2002	Prior to 2002	Total
<b>I. Estimates</b>							
Targets	77 500 000	77 500 000	74 750 000	74 750 000	73 000 000		377 500 000
Estimated other income	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000		5 000 000
<b>Total allocations</b>	<b>78 500 000 a/</b>	<b>78 500 000</b>	<b>75 750 000</b>	<b>75 750 000</b>	<b>74 000 000</b>		<b>382 500 000</b>
<b>II. Actuals</b>							
<b>1. Voluntary contributions received for 2006</b>							
2005	957 789	68 866 684	-	-	-		69 824 473
2004	331 789	2 071 265	64 752 326	-	-		67 155 380
2003	4 485	405 980	8 703 737	56 371 128	-		65 485 330
2002	4 380	424 840	90 711	1 895 103	57 513 069		59 928 103
for prior years	21 721	181 849	614 576	511 146	635 167		1 964 459
<b>Total</b>	<b>73 420 707</b>	<b>71 950 618</b>	<b>74 161 350</b>	<b>58 777 377</b>	<b>58 148 236</b>		<b>336 458 288</b>
<b>2. Assessed programme costs received</b>	<b>685 958</b>	<b>829 425</b>	<b>1 565 296</b>	<b>2 649 195</b>	<b>2 363 301</b>		<b>8 093 175</b>
<b>3. National participation costs received</b>	<b>795 009</b>	<b>3 368 463</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>4 163 472</b>
<b>4. Miscellaneous income</b>	<b>1 866 269</b>	<b>486 257</b>	<b>665 737</b>	<b>784 633</b>	<b>420 375</b>		<b>4 223 271</b>
<b>Total received</b>	<b>76 767 943</b>	<b>76 634 763</b>	<b>76 392 383</b>	<b>62 211 205</b>	<b>60 931 912</b>		<b>352 938 206</b>
<b>5. Resources outstanding</b>							
Voluntary contributions pledged and unpaid	502 492	150 593	8 830	195	1 080	978 935	1 642 125 b/
Assessed programme costs	-	-	-	-	435 543	3 408 103	3 843 646 c/
National participation costs	64 180	322 306	-	-	-	-	386 486 d/
<b>Total outstanding</b>	<b>566 672</b>	<b>472 899</b>	<b>8 830</b>	<b>195</b>	<b>436 623</b>	<b>4 387 038</b>	<b>5 872 257</b>
<b>Total actual resources</b>	<b>77 334 615</b>	<b>77 107 662</b>	<b>76 401 213</b>	<b>62 211 400</b>	<b>61 368 535</b>	<b>4 387 038</b>	<b>358 810 463</b>
<b>III. Difference between actuals and estimates</b>	<b>(1 165 385)</b>	<b>(1 392 338)</b>	<b>651 213</b>	<b>(13 538 600)</b>	<b>(12 631 465)</b>	<b>4 387 038</b>	<b>(23 689 537)</b>

a/ GC(49)/RES/6

b/ Schedule S8

c/ Schedule S9a

d/ Schedule S9b

## ANNEX A3a

**RESOURCES MADE AVAILABLE TO THE AGENCY  
BY MEMBER STATES FOR 2006 INCLUDING CONTRIBUTIONS IN CASH AND IN KIND**  
(expressed in Euro)

Member State	T O T A L	C A S H				I N K I N D a/ (Note Q)			
		Assessed contributions Schedule S1	Voluntary contributions (Technical Cooperation Fund)	Voluntary contributions and other extrabudgetary resources	Type II Fellowships	Equipment and supplies	Meetings and other items	Human Resources	
Afghanistan, Islamic Republic of	9 592	3 905	-	-	-	-	-	5 687	
Albania	91 895	9 803	3 380	77 800	-	-	912		
Algeria	302 011	141 223	44 355	46 424	-	-	70 009		
Angola	2 695	1 953	641	101	-	-	-		
Argentina	2 425 062	1 774 241	121 021	309 357	11 955	152	208 336		
Armenia	16 131	3 919	-	-	-	-	12 212		
Australia	6 044 124	4 134 624	1 243 040	458 487	-	1 934	197 296		
Austria	2 786 866	2 220 274	531 327	-	80	2 850	32 335		
Azerbaijan	982 120	9 641	960 250	-	-	-	12 229		
Bangladesh	32 385	19 435	6 566	-	-	-	6 384		
Belarus	59 485	33 199	11 120	-	-	-	15 166		
Belgium	3 671 636	2 731 517	716 200	10 128	-	889	212 902		
Benin	5 634	3 848	1 178	-	-	-	608		
Bolivia	59 930	17 319	-	32 222	-	-	10 389		
Bosnia and Herzegovina	8 146	5 882	-	-	-	-	2 264		
Botswana	30 563	23 235	7 328	-	-	-	-		
Brazil	3 358 311	2 826 854	304 000	89 095	418	-	137 944		
Bulgaria	113 074	30 913	9 870	457	76	-	71 758		
Burkina Faso	5 634	3 848	1 178	-	-	-	608		
Cameroon	22 083	15 395	4 712	-	-	-	1 976		
Canada	10 080 759	7 305 579	1 637 842	405 743	12 565	1 049	717 981		
Central African Republic	1 925	1 925	-	-	-	-	-		
Chile	593 852	413 733	136 030	17 220	-	304	26 565		
China	5 486 736	3 832 359	1 199 388	235 975	1 239	-	217 775		
Colombia	389 302	288 249	85 948	7 467	-	-	7 638		
Costa Rica	100 630	55 806	-	39 200	-	-	5 624		
Côte d'Ivoire	19 243	19 243	-	-	-	-	-		
Croatia	138 461	70 656	23 073	1 422	-	-	43 310		
Cuba	138 085	78 898	26 278	1 118	-	-	31 791		
Cyprus	124 375	101 286	23 089	-	-	-	-		
Czech Republic	1 464 455	343 703	112 803	811 897	-	513	195 539		
Democratic Republic of the Congo	8 510	5 774	-	-	-	-	2 736		
Denmark	2 350 207	1 856 035	444 161	-	1 761	-	38 250		
Dominican Republic	66 291	65 428	-	863	-	-	-		
Ecuador	59 531	34 838	10 881	( 2 479)	-	-	16 291		
Egypt	340 184	224 045	69 942	2 997	-	-	43 200		
El Salvador	41 516	40 412	-	-	-	-	1 104		
Eritrea	1 963	1 963	-	-	-	-	-		
Estonia	805 057	23 552	-	770 283	-	-	11 222		
Ethiopia	15 644	7 842	2 620	152	-	-	5 030		

ANNEX A3a (continued)

Member State	C. A. S. H.				I. N. K. I. N. D. a/ (Note Q)			
	TOTAL	Assessed contributions Schedule S1	Voluntary contributions (Technical Cooperation Fund)	Voluntary contributions and other extrabudgetary resources	Type II Fellowships	Equipment and supplies	Meetings and other items	Human Resources
Finland	1 936 842	1 382 075	336 606	59 230	-	361	-	158 570
France	20 022 890	15 579 445	3 552 441	272 098	28 982	4 698	7 600	577 626
Gabon	17 319	17 319	-	-	-	-	-	-
Georgia	14 035	5 774	-	b/	-	-	-	8 261
Germany	30 065 921	22 382 226	5 171 466	1 792 716	1 881	4 347	61 336	651 949
Ghana	201 520	7 697	2 564	184 743	-	-	-	6 516
Greece	1 440 864	1 069 086	300 583	20 115	20 786	95	-	30 199
Guatemala	57 582	55 806	-	1 016	-	-	-	760
Haiti	6 382	5 774	-	-	-	-	-	608
Holy See	3 748	2 697	1 000	51	-	-	-	-
Honduras	9 622	9 622	-	-	-	-	-	-
Hungary	460 484	237 224	78 636	(1 812)	-	2 489	-	143 947
Iceland	126 628	88 381	26 000	-	-	-	-	12 247
India	1 251 831	795 803	265 412	12 699	-	1 607	-	176 310
Indonesia	362 452	265 735	62 252	7 467	-	-	2 432	24 566
Iran, Islamic Republic of	597 307	290 575	93 152	c/	-	-	956	49 007
Iraq	34 742	29 408	-	-	-	-	-	5 334
Ireland	1 252 502	908 634	221 086	88 371	200	95	-	34 116
Israel	1 323 043	1 194 876	86 240	-	-	76	-	41 851
Italy	16 665 751	12 669 856	2 849 009	870 634	35 568	722	-	239 962
Jamaica	23 581	15 395	-	-	-	-	-	8 186
Japan	65 679 882	49 760 796	11 470 163	3 441 457	4 626	2 535	-	1 000 305
Jordan	90 174	21 220	6 474	54 524	-	-	-	7 956
Kazakhstan	139 271	46 429	14 582	-	-	-	-	78 260
Kenya	24 289	17 576	5 496	305	-	-	-	912
Korea, Republic of	5 426 127	3 620 882	786 000	275 031	-	-	49 094	695 120
Kuwait	529 331	417 805	99 984	-	-	-	-	11 542
Kyrgyzstan	9 571	1 925	588	-	-	-	-	7 058
Latvia	103 433	27 340	8 973	59 832	-	-	-	7 288
Lebanon	44 260	44 260	-	-	-	-	-	-
Liberia	1 925	1 925	-	-	-	-	-	-
Libyan Arab Jamahiriya	199 501	244 391	-	(65 356)	-	-	-	20 466
Liechtenstein	16 714	13 440	3 274	-	-	-	-	-
Lithuania	1 417 709	44 456	15 300	1 312 990	-	-	-	44 963
Luxembourg	252 455	198 190	47 411	-	-	-	-	6 854
Madagascar	8 149	5 774	1 767	-	-	-	-	608
Malaysia	582 888	383 672	128 204	17 177	-	38	-	53 797
Mali	5 836	3 920	1 308	c/	-	-	-	608
Malta	135 794	25 516	-	110 278	-	-	-	-
Marshall Islands	1 925	1 925	-	-	-	-	-	-

## ANNEX A3a (continued)

Member State	C A S H				I N K I N D a/ (Note Q)			
	T O T A L	Assessed contributions Schedule S1	Voluntary contributions (Technical Cooperation Fund)	Voluntary contributions and other extrabudgetary resources	Type II Fellowships	Equipment and supplies	Meetings and other items	Human Resources
Mauritania, Islamic Republic of	1 925	1 925	-	-	-	-	-	-
Mauritius	28 800	21 505	6 991	-	-	-	-	304
Mexico	3 559 909	3 496 523	-	-	190	228	-	62 968
Monaco	1 573 177	7 911	-	165 752	-	-	1 343 882	55 632
Mongolia	8 642	1 953	609	-	-	-	-	6 080
Morocco	139 984	87 132	26 505	1 625	-	-	-	24 722
Myanmar	28 169	19 362	6 071	-	-	-	-	2 736
Namibia	15 871	11 776	3 841	254	-	-	-	-
Netherlands	5 915 309	4 365 563	1 044 708	326 333	-	665	-	178 040
New Zealand	619 315	573 355	-	27 737	334	-	-	17 889
Nicaragua	2 589	1 933	605	51	-	-	-	-
Niger	7 343	1 925	611	-	-	-	-	4 807
Nigeria	108 849	76 973	23 560	2 540	-	-	-	5 776
Norway	2 815 772	1 763 135	431 481	566 460	-	76	-	54 620
Pakistan	518 079	103 503	34 612	282 764	-	255	-	96 945
Panama	37 222	34 638	-	-	-	-	-	2 584
Paraguay	36 949	23 092	-	-	-	-	-	13 857
Peru	186 558	171 267	-	-	-	-	-	15 291
Philippines	209 459	177 039	-	7 084	-	-	-	25 336
Poland	1 213 473	872 437	285 872	14 070	-	30	-	41 064
Portugal	1 300 811	956 740	82 700	216 219	-	-	-	45 152
Qatar	166 049	166 049	-	-	-	-	-	-
Republic of Moldova	88 320	1 925	617	78 600	-	-	-	7 178
Romania	255 944	112 303	35 412	29 995	3 722	38	-	74 474
Russian Federation	4 668 734	2 852 265	674 552	703 880	-	353	-	437 684
Saudi Arabia	1 394 987	1 337 128	-	38 920	-	-	-	18 939
Senegal	9 622	9 622	-	-	-	-	-	-
Serbia	109 342	34 792	-	67 062	-	-	-	7 488
Seychelles	14 378	3 848	-	-	-	-	-	10 530
Sierra Leone	1 925	1 925	-	-	-	-	-	-
Singapore	1 256 611	1 006 740	244 923	-	-	-	-	4 948
Slovakia	240 660	95 691	31 405	-	-	-	-	113 564
Slovenia	380 966	212 378	51 674	38 947	-	76	-	77 891
South Africa	892 326	550 709	184 456	15 188	-	-	-	141 973
Spain	9 901 575	6 535 206	1 590 117	1 434 824	18 401	669	-	322 358
Sri Lanka	33 816	30 926	-	610	-	-	-	2 280
Sudan	25 227	15 395	4 935	-	-	-	-	4 897
Sweden	3 450 349	2 579 165	600 792	59 419	7 325	2 485	-	181 163
Switzerland	4 040 578	3 105 644	712 576	88 948	6 840	1 174	-	125 396
Syrian Arab Republic	373 290	71 484	23 340	251 097	380	-	20 201	6 788
Tajikistan	14 524	1 937	609	-	-	-	-	11 978
Thailand	544 447	393 981	133 187	10 971	-	76	-	6 232
The Former Yugoslav Republic of Macedonia	64 498	11 546	-	47 340	-	-	-	5 612
Tunisia	121 660	59 893	18 691	42 468	-	-	-	608
Turkey	951 239	694 794	221 088	3 900	-	38	-	31 419

**ANNEX A3a (continued)**

Member State	C A S H				I N K I N D a/ (Note Q)			
	TOTAL	Assessed contributions Schedule S1	Voluntary contributions (Technical Cooperation Fund)	Voluntary contributions and other extrabudgetary resources	Type II Fellowships	Equipment and supplies	Meetings and other items	Human Resources
Uganda	13 522	11 546	-	-	-	-	-	1 976
Ukraine	87 329	73 579	-	13 750	-	-	-	-
United Arab Emirates	619 789	605 022	-	11 385	3 382	-	-	-
United Kingdom of Great Britain and Northern Ireland	21 495 966	15 893 897	3 870 966	1 227 964	-	4 199	-	498 940
United Republic of Tanzania	18 075	11 546	4 097	-	-	-	-	2 432
United States of America	105 288 092	65 976 561	15 225 269	22 248 928	418 760	2 580	20 064	1 395 930
Uruguay	163 080	88 519	23 400	38 007	-	-	-	13 154
Uzbekistan	77 156	25 017	-	45 785	-	-	-	6 354
Venezuela, Bolivarian Republic of	343 547	318 921	-	7 772	-	-	-	16 854
Vietnam	69 522	38 640	12 059	-	-	-	-	18 823
Yemen	16 527	11 610	3 701	-	-	-	-	1 216
Zambia	3 868	3 868	-	-	-	-	-	-
Zimbabwe	77 142	13 471	4 123	55 465	-	-	-	4 083
Sub-total	368 381 270	256 404 434	58 034 097	41 125 476	577 738	39 429	1 524 308	10 675 788
<u>New Members:</u>								
Belize	1 925	1 925	-	-	-	-	-	-
Chad	1 925	1 925	-	-	-	-	-	-
Malawi	1 925	1 925	-	-	-	-	-	-
Montenegro	2 533	1 925	-	-	-	-	-	608
Mozambique	1 925	1 925	-	-	-	-	-	-
Sub-total	10 233	9 625	-	-	-	-	-	608
<u>Former Members:</u>								
Cambodia	-	-	-	-	-	-	-	-
Democratic People's Republic of Korea	-	-	-	-	-	-	-	-
Yugoslavia	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>368 391 503</b>	<b>256 414 059</b>	<b>58 034 097</b>	<b>41 125 476</b>	<b>577 738</b>	<b>39 429</b>	<b>1 524 308</b>	<b>10 676 396</b>

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 \$200 per day plus cost of travel and subsistence provided by Member States.

b/ Revalued pledge of contribution: Georgia pledge relating to 2000-485

c/ Pledged/paid a contribution in 2006 relating to 2005: Iran, Islamic Republic of -€93 152; Mali - €1 308; Mexico - €17 675; Myanmar - €6 359; relating to 2004: Iran, Islamic Republic of €154 107; Myanmar - €5 383

## ANNEX A3b

**RESOURCES MADE AVAILABLE TO THE AGENCY**  
**BY UNITED NATIONS AND OTHER INTERNATIONAL ORGANIZATIONS FOR 2006 INCLUDING CONTRIBUTIONS IN CASH AND IN KIND**

(expressed in euro)

	C A S H		I N K I N D		Human resources
	TOTAL	Voluntary contributions and other extrabudgetary resources	Type II Fellowships	Equipment and supplies	
African Union (AU)	456	-	-	-	456
American Association of Physicists in Medicine (AAPM)	11 101	-	-	-	11 101
Bureau Internationale des Poids et Mesures (BIPM)	912	-	-	912	-
Commission of the European Communities (EC)	25 048	13 967	-	-	11 081
European Association of Nuclear Medicine (EANM)	2 954	-	-	-	2 954
European Association of Radiology - International Radiology Quality Network (EAR-IRON)	1 940	-	-	-	1 940
European Union (EU)	3 288	-	-	-	3 288
Food and Agriculture Organization of the United Nations (FAO)	1 117 678	1 117 678	-	-	-
International Commission on Radiation Units and Measurements (ICRU)	2 879	-	-	-	2 879
International Maritime Organization (IMO)	80 454	80 454	-	-	-
International Organization for Medical Physics (IOMP)	8 363	-	-	-	8 363
MOSCAMED Programme	( 66)	( 66)	-	-	-
Nuclear Threat Initiative (NTI)	1 243 069	1 243 069	-	-	-
Organization for Security and Co-operation in Europe (OSCE)	768	-	-	-	768
OPEC Fund for International Development	37 850	37 850	-	-	-
Pan American Health Organisation (PAHO)	912	-	-	-	912
Procter and Gamble	19 947	19 947	-	-	-
Regional Organization for the Protection of the Marine Environment (ROPME)	39 300	39 300	-	-	-
United Nations (UN)	845 413	845 413	-	-	-
United Nations Development Programme (UNDP)	(1 543 759)	(1 544 894)	-	-	1 135
United Nations Environment Programme (UNEP)	225 914	225 914	-	-	-
United Nations Educational, Scientific and Cultural Organization (UNESCO)	2 239	-	-	-	2 239
United Nations Office for Project Services (UNOPS)	177 772	177 772	-	-	-
World Association of Nuclear Operators (WANO)	7 822	-	-	-	7 822
World Health Organization (WHO)	5 514	-	-	-	5 514
Other sources	533 067	533 067	-	-	-
<b>TOTAL</b>	<b>2 850 835</b>	<b>2 789 471</b>	<b>-</b>	<b>912</b>	<b>60 452</b>

ANNEX A3c  
**RESOURCES MADE AVAILABLE TO THE AGENCY  
BY MAJOR PROGRAMME FOR 2006 INCLUDING CONTRIBUTIONS IN CASH AND IN KIND**  
(expressed in Euro)

	CASH	Type II	I N K I N D	(Note Q)	Human resources
TOTAL	Voluntary contributions and other extrabudgetary resources a/	fellowships	Equipment and supplies	Meetings and other items	
<b>Major Programme 1 - Nuclear Power, Fuel Cycle &amp; Nuclear Science</b>					
1. Overall Management, Coordination and Common Activities					
Programme A - Nuclear Power	2 965 605	-	-	-	1 228 683
Programme B - Nuclear Fuel Cycle and Material Technologies	1 111 495	608	-	50 346	748 071
Programme C - Capacity Building and Nuclear Knowledge Maintenance for Sustainable Energy Development	673 045	15 953	27 378	-	528 646
Programme D - Nuclear Science	1 062 543	8 806	-	-	798 509
<b>Total Major Programme 1</b>	<b>5 812 686</b>	<b>25 367</b>	<b>27 378</b>	<b>50 346</b>	<b>3 303 909</b>
<b>Major Programme 2 - Nuclear Techniques for Development and Environmental Protection</b>					
2. Overall Management, Coordination and Common Activities					
Programme E - Food and Agriculture	2 237 279	69 666	-	-	25 190
Programme F - Human Health	1 218 386	208 266	11 628	-	167 111
Programme G - Water Resources	436 001	966	-	-	13 052
Programme H - Protection of the Marine and Terrestrial Environments	216 538	36 145	1 335	1 442 586	101 825
Programme I - Physical and Chemical Applications	2 302 415	53 364	-	-	7 281
Programme J - Incident and Emergency Preparedness and Response	64 870	-	-	-	-
<b>Total Major Programme 2</b>	<b>6 475 489</b>	<b>368 407</b>	<b>12 963</b>	<b>1 442 586</b>	<b>314 459</b>
<b>Major Programme 3 - Nuclear Safety and Security</b>					
3. Overall Management, Coordination and Common Activities					
Programme K - Safety of Nuclear Installations	2 191 196	149 743	-	-	441 142
Programme L - Radiation and Transport Safety	2 764 201	20 670	-	-	1 359 381
Programme M - Management of Radioactive Waste	4 297 900	11 184	-	28 944	2 290 630
Programme N - Nuclear Security	2 390 447	-	-	-	1 661 243
Programme O - Verification in Iraq pursuant to UNSC Resolutions	3 842 882	-	-	-	347 773
Programme P - Incident and Emergency Preparedness and Response	3 495 109	1 569	-	-	233 246
Programme Q - Information and Communication Technology (ICT)	831 083	-	-	-	-
<b>Total Major Programme 3</b>	<b>16 552 524</b>	<b>183 166</b>	<b>-</b>	<b>28 944</b>	<b>6 333 415</b>
<b>Major Programme 4 - Nuclear Verification</b>					
4. Overall Management, Coordination and Common Activities					
Programme R - Safeguards	632 448	-	-	-	5 456
Programme S - Verification in Iraq pursuant to UNSC Resolutions	10 486 224	-	-	-	438 522
Programme T - Management of Technical Cooperation for Development	151 800	-	-	-	-
<b>Total Major Programme 4</b>	<b>11 270 472</b>	<b>10 826 494</b>	<b>-</b>	<b>-</b>	<b>443 978</b>
<b>Major Programme 5 - Information Support Services</b>					
5. Overall Management, Coordination and Common Activities					
Programme U - Public Information and Communication	624 496	622 064	-	2 432	-
Programme V - Information and Communication Technology (ICT)	-	-	-	-	-
Programme W - Nuclear Information Resources	-	-	-	-	-
Programme X - Conference, Translation and Publishing Services	2 021	2 021	-	-	-
<b>Total Major Programme 5</b>	<b>626 517</b>	<b>624 085</b>	<b>-</b>	<b>2 432</b>	<b>-</b>
<b>Major Programme 6 - Management of Technical Cooperation for Development</b>					
6. Overall Management, Coordination and Common Activities					
Programme Y - Management of Technical Cooperation for Development	653 795	798	-	-	341 087
Programme Z - Management of Technical Cooperation for Development	653 795	798	-	-	341 087
<b>Total Major Programme 6</b>	<b>653 795</b>	<b>798</b>	<b>-</b>	<b>-</b>	<b>341 087</b>
<b>Major Programme 7 - Policy and General Management</b>					
7. Overall Management, Coordination and Common Activities					
Programme AA - Executive Management, Policy Making and Coordination	127 803	-	-	-	-
Programme AB - Administration and General Services	402 884	-	-	-	-
Programme AC - Oversight Services and Performance Assessment	-	-	-	-	-
<b>Total Major Programme 7</b>	<b>530 687</b>	<b>530 687</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>41 922 170</b>	<b>29 042 935</b>	<b>40 341</b>	<b>1 524 308</b>	<b>10 736 848</b>

a/ Excludes Technical Cooperation Extrabudgetary Projects Amounting to €14 872 012.