

THE AGENCY'S ACCOUNTS FOR 2005

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IAEA

International Atomic Energy Agency

Report by the Board of Governors

1. In accordance with Financial Regulation 11.03(b) [1], the Board of Governors hereby transmits to the Members of the Agency the report of the External Auditor on the Agency's accounts for 2005.
2. The Board has examined the report by the External Auditor and the introduction by the Director General to the accounts, and also the accounts themselves, and submits the following draft resolution for the consideration of the General Conference.

The General Conference,

Having regard to Financial Regulation 11.03(b),

Takes note of the report of the External Auditor on the Agency's accounts for the year 2005 and of the report of the Board of Governors thereon [*].

[*] GC(50)/8

[1] INFCIRC/8/Rev.2

Fiftieth regular session**The Agency's Accounts For 2005****Contents**

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The Agency's Accounts for 2005

A. Introduction and Financial Highlights

1. I present herewith the Agency's accounts for the year ended 31 December 2005. 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. There are no significant changes in presentation and format this year. Statement IV (Supplementary), together with Schedules 6 (Supplementary) and 7 (Supplementary), reflect the liquidation of the unobligated balances as at 31 December 2005, relating to the funds brought forward from 2004; Schedule S1b (Supplementary) reflects the supplementary assessment for 2005, and Schedule S9b (Supplementary) reflects the status of National Participation Costs.

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

- **Argentina** – to support the Agency's international project on "Innovative Nuclear Reactors and Fuel Cycles (INPRO)" and the Agency's Project on "International Appraisal on the Application of Relevant International Safety Standards to the Radiation Protection of the Public in the area of Influence of the Ezeiza Atomic Centre",
- **World Bank** – to support the international conference entitled "Chernobyl: Looking Back to Go Forward", held in Vienna, Austria on 6-7 September 2005,
- **Procter and Gamble** – to fund the employment of Fellows for work on the project "Risk Assessment of Surfactants in Coastal Environments", and
- **IAEA housing project** – the Fund balance will be used to finance the staff development and training programme of the Agency.

4. The General Fund has six new accounts under the Technical Cooperation Extrabudgetary Fund (TCEF) (Fund Group IV):

- UNFIP – to support project RAF5051 (Sterile Insect Technique for Area-wide Tsetse and Trypanosomosis Management),

- Canada (TC-NSF) - transfer funds from Nuclear Security Fund (NSF) to the TCEF to support projects RER9085 (Capacity Building for Upgrading Nuclear Security Related National Infrastructure) and UKR9022 (Strengthening Security of Nuclear Materials),
- Czech Republic (TC-NSF) – transfer from the Nuclear Security Fund (NSF) to the TCEF to support project UKR0008 (Strengthening Security of Nuclear Materials),
- Ukraine (TC-NSF) – transfer funds from NSF to TCEF to support project UKR0008 (Strengthening Security of Nuclear Materials),
- European Commission (TC-NSF) – transfer funds from NSF to TCEF to support projects ARM9017 (Improvement in the Physical Protection System at the Armenian Nuclear Power Plant), AZB9003 (Nuclear Security Implementation Support) and RER9085 (Capacity Building for Upgrading Nuclear Security Related National Infrastructure), and
- Finland (TC-NSF) – transfer funds from NSF to TCEF to support project RAS9038 (Nuclear Security Implementation Support).

5. A new Special Fund (the IAEA Nobel Cancer and Nutrition Fund) was established (Fund Group VI) with initial funding from the Nobel Peace Prize awarded to the Agency.

A.2. Financial highlights

A.2.1. General

6. As of the end of 2005, the Agency's total Agency cash holdings in all fund groups amounted to \$240.1 million (2004: \$213.3 million).

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

7. Appropriations originally approved in the amount of \$281.4 million at the rate of 0.9229 euros to the US dollar were recalculated at \$315.7 million using the average rate of exchange of 0.8017 euros, in accordance with Resolution GC (48)/RES/6. A supplementary appropriation, to cover the Agency's share of security enhancements at the Vienna International Centre and corresponding requirements for the Agency's offices and laboratories outside of Vienna, was approved in the amount of \$2 653 031 at the rate of 0.9229 euros to the US dollar. Using the average rate of exchange, this was recalculated at \$3 054 000.

8. Cash for the Regular Budget Fund, including the Working Capital Fund (WCF), increased from \$71.5 million in 2004 to \$78.8 million in 2005. Therefore the cash flow for the year appears to be reasonably healthy. However, I must bring to your attention that \$17.6 million of the \$78.8 million relates to payments for 2006 made in advance by some of our Member States. In addition there was \$53.0 million of assessed contributions unpaid at the yearend.

9. Assessed contributions have risen in comparison to the previous year. The current year's figure is \$316.5 million, including the supplementary appropriation, as compared with last year's figure of \$301.5 million. The main reason for this increase is the increase in the 2005 budget vs. the 2004 budget.

10. I am pleased to announce that there was a cash surplus for 2004 amounting to \$6.5 million. This was due mainly to the receipt of contributions relating to prior years amounting to \$35.0 million.

**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 2005**

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 2006

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

31 March 2006

Sir,

I have the honour to transmit the financial statements of the International Atomic Energy Agency for the year ended 31 December 2005 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 2005.

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 2005

To the General Conference of the International Atomic Energy Agency

I have audited the accompanying financial statements, comprising Statements I to IV, Schedules S1 to S 12 and the supporting Notes of the International Atomic Energy Agency for the financial period ended 31 December 2005. 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 2005 and present fairly, in all material respects, the Organisation's financial position as at 31 December 2005;
- (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 Energy 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, 31st March 2006

REPORT OF THE EXTERNAL AUDITOR ON THE AUDIT OF THE ACCOUNTS OF THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR THE YEAR ENDED 31 DECEMBER 2005

Comprising:

- | | | |
|-----|--|------------------------|
| ➤ A | Executive summary | (paragraphs 1 - 53) |
| | A.1 Main audit findings and recommendations | (paragraphs 1 - 44) |
| | A.2 Scope and approach of the audit | (paragraphs 45 - 53) |
| ➤ B | Analysis of the financial statements | (paragraphs 54 - 96) |
| ➤ C | Detailed findings for 2005 | (paragraphs 97 - 188) |
| | - covering a comprehensive financial analysis; Information Technology, safeguards, accounting procedures; administrative matters; and other issues of materiality. | |
| ➤ D | Follow-up of the results of my findings last year and recommendations | (paragraphs 189 - 233) |
| ➤ E | Other matters | (paragraphs 234 - 241) |
| | E.1 Cases of fraud or presumptive fraud | (paragraphs 234 - 237) |
| | E.2 Losses, write-offs and ex-gratia payments | (paragraphs 238 - 241) |
| ➤ F | Acknowledgement | (paragraph 242) |

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 IAEA and three separate funds.

I placed an unqualified opinion on the financial statements.

Areas covered by this report:

Financial issues:
Euro,
International Public Sector Accounting Standards,
Buildings Management Fund

Performance issues:
Information Technology,
Safeguards,
Procurement,
Commissary.

Budgetary problems in the Nuclear Security Fund

Results of field missions

1. My staff and I have audited the accounts of the International Atomic Energy Agency for the financial period 1 January to 31 December 2005 in accordance with the Financial Regulations. Additionally, I carried out a separate audit of: the Vienna International Centre Commissary. With the assistance of the Office of Internal Oversight Services (OIOS) I also carried out separate audits of the other Funds for which the Agency has management responsibility, the Seibersdorf Cafeteria and the Staff Welfare Fund. The financial statements for these Funds, together with my audit opinions on them, have been submitted to the Director General. The results of the performance audit of the Commissary have been sent to the Director General as required by the Commissary rules. The main recommendations are incorporated in this report.

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 2005.

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 2005, my audit work has mainly covered the areas described in the following paragraphs.

4. My staff analysed the Agency's financial situation considering the change over to the Euro as the currency of account. The report also deals with the UN system's plans for the adoption of International Public Sector Accounting Standards (IPSAS) and the consequences for the Agency. My proposals further deal with the effects of UNIDO's Buildings Management Fund (BMF) on the Agency's accounts.

5. In addition, I report on several findings resulting from our regular audit process, such as our examination of organizational aspects of Information Technology and Safeguards operations, the new structure of the procurement function and the Commissary activities.

6. As announced to the Governors in their Board Meeting as of 2 May 2005 my staff and I elaborated on the reasons for the constantly growing cash balance in the Nuclear Security Fund (NSF) which is not only caused by inappropriate donor conditions.

7. I present, for immediate action, the most important preliminary results of field missions to three countries. Details will first have to be discussed with Management and will be reported next year.

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

Other matters and follow-up

9. My report also includes a follow-up to audit recommendations from my report for 2004 and a commentary on other matters arising from the audit of the Agency's financial statements for 2005 (Parts D and E).

A.1.2. Summary of Findings and Recommendations for the Secretariat

A.1.2.1 Financial Issues

10. **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 (B.1.1).

11. **I recommend** that the Agency should keep the assessed contributions due from the former Federal Republic of Yugoslavia under review and take action should the General Assembly take no decision within a reasonable time (B.1.2).

12. **I urge** the Secretariat to intensify negotiations with UNIDO about the financial balance of payments into the Buildings Management Fund (B.2).

13. The Secretariat **should continue to encourage** all Vienna-based organizations to agree on a uniform due process of approving and budgeting expenditure for essential replacement projects (B.2)

14. Should all attempts to reach agreement fail, **I recommend** renegotiating the Memorandum of Understanding on Common Services amongst Vienna-based organizations and establishing a decision-making committee for essential replacement projects (B.2).

15. Management **should develop** an individual implementation proposal together with a realistic timetable for the implementation of IPSAS and bring it to the attention of Member States (C.1.1.1).

16. **I recommend** including After Service Health Insurance (ASHI) in the Agency's implementation proposal and timetable for the implementation of IPSAS (C.1.2.1).

17. At the end of 2004 the cash balance in the NSF amounted to US\$ 21 million, of which approximately US\$ 5.3 million were reserved for staff contracts and planned procurements. I recommend that the Agency should identify any pre-commitments at the end of 2005 and utilize to the maximum possible extent the amounts not pre-committed for NSF activities. For reasons of transparency I suggest disclosing pre-commitments in a suitable report of the NSF (C 1.3.).

18. In the NSF and the other extrabudgetary programme fund activities the Secretariat should give up its cautious approach whereby it only budgets for funds that were available in bank accounts at the end of the year and that were not pre-committed for future expenditure. I recommend seeking Member States' assurances that the funds will be available when the obligations are payable (C.1.3).

A.1.2.2 Administrative Matters

19. I appreciate the Agency's efforts to optimize the organizational structures of the procurement function and to establish a strategic approach to procurement planning. As the implementation of some of OIOS' recommendations is still pending, **I encourage** the Agency to maintain its efforts and to develop further the strategies already worked out until they can be implemented (C.1.2.3).

20. The utilization of the NSF resources was not satisfactory. **I welcome** the Agency's efforts to accelerate project planning and implementation. **I encourage** further discussions concerning donor conditions in order to gain greater flexibility and to improve the implementation of projects (C.1.3.).

21. I recommend that organizational units spending money for NSF projects should use the Electronic Performance Support System (C.1.3.).

22. As it is unclear how many personnel are functioning in IT positions, the costs for IT personnel and IT services cannot be accurately assessed. I recommend that the Agency should analyse in which departments which and how many staff members work in IT or IT-related positions. The Agency should then review and update all job descriptions concerning IT and IT-related staff (C.1.4.1).

23. I recommend that the Agency further investigate its IT organization. I will continue to examine this issue and give more detailed information about our findings in the next report (C.1.4.2.).

24. I regard the Person Days of Inspection concept as inadequate statistical measurement for safeguards activities and **recommend** further investigating this issue. I will give detailed information about our findings in the next report (C.1.5.2.).

25. My staff found that there was not sufficient coordination of Technical Coordination (TC) activities with other organizations. In order to obtain synergies and benefits from complementing projects of other institutions, I recommend stronger coordination and cooperation with all institutions that are involved in similar sectors of technical cooperation. Furthermore, the Agency should embrace the objectives of the United Nations Development Assistance Framework - UNDAF (C.2.1).

26. Moreover, my staff found out that even after the closing of TC projects recipients relied on the Agency's assistance. **I recommend** that the Agency should make clear to recipients that funding by the Agency cannot be continued indefinitely. Once the nuclear technology has been set up and tested and the necessary training completed, other financial resources will have to be found in order to ensure sustainability (C.2.2).

27. In many cases TC projects initiated with the Agency's help were discontinued as there were no national funds available to finance further activities. **I recommend** that the Agency should enforce its Central Criterion Strategy to ensure that early consideration is given to obtaining future financial support by national authorities, other international institutions or private foundations (C.2.3).

28. Pursuant to the Central Criterion, TC projects should fall into an area of defined need according to Member States' priorities. If a project cannot be attributed to a country's priorities as defined in the Country Programme Framework (CPF), the Agency **should give an explanatory statement**. It should comment on reasons for selecting this project and on the decision-making processes (C.2.4 and C.2.5).

29. **I recommend** that the Agency should assume a more active role in the management and monitoring of TC projects. As Project Progress Reports are important for controlling and monitoring the projects, the Agency **should ensure** that they are provided in a comprehensive and timely manner. In cases of non-compliance with the reporting requirements **corrective measures should be considered**. Compliance with reporting requirements could also be taken into account in the assignment of future projects (C.2.6).

30. **I recommend** that the Agency should take further steps to encourage Member States whose Assessed Programme Costs (APC) are still outstanding to meet their obligations as soon as possible. Regarding the outstanding APC owed by the former Socialist Federal Republic of Yugoslavia for the years 1984 to 2002, I refer to my comments in paragraph B.1.2 of the Analysis of the Financial Statements (C.2.7).

31. The Secretariat **should take into account** the possible adverse consequences for project implementation (necessary redesign, choice of contractors) when choosing the most suitable alternative on applying the "due account" mechanism (C.2.8).

32. **I suggest** that implementation details be reported clearly to the Agency's decision-making bodies on the TC programme when applying the "due account" mechanism (C.2.8).

A.1.2.3 Other

33. The Secretariat decided not to incorporate the three Euro Funds (Commissary, Staff Welfare Fund and Seibersdorf Cafeteria) in the annual reporting to Member States. **I recommend** that those funds should consequently be audited by OIOS in future in an internal procedure. This requires a change in the Rules of those Funds (C.1.1.3).

34. **I recommend** that the Director General should change the Commissary Rules to reduce the maximum quantities of alcohol and tobacco products for type A participants (P 5 and above) to a reasonable level (C.1.2.2).

35. **I further recommend** firmly reminding those persons with Commissary privileges who regularly fully exhaust their entitlements of their obligation to consume all purchased tobacco, spirits and other products personally (C.1.2.2).

A.1.3. Recommendations for Consideration by the Member States

36. IAEA Member States should recognize and approve planned essential replacement projects in the BMF administered by UNIDO in a due budgetary process as they finally have to provide 53 percent of the costs involved (B.2).

37. **I reiterate my recommendation** that efforts be made by Member States to complete the ratification process to enable the Secretariat to introduce biennial budgeting (B.5).

38. I welcome the conclusion of the High Level Committee on Management (HLCM) on the application of IPSAS and recommend that, after the United Nations has taken a decision on that matter, Member States of the IAEA **may also consider** IPSAS as the goal for an improved accounting framework to further enhance accountability and transparency (C.1.1.1).

39. The values for Significant Quantities used by the Agency's Department of Safeguards were established in 1977 and have not been altered since. **I invite** Member States to consider the potential negative effects of outdated benchmark values for Safeguards purposes in particular, and the impact of Significant Quantities in general (C.1.5.1).

40. To foster project execution in the NSF, **I encourage** Member States to consider issuing written assurances that the funds will be available when the obligations are payable. This would enable the Secretariat to enter into commitments even if funds have not yet been received (C.1.3).

A.1.4. Recommendations resulting from prior years' findings

41. I note the progress made in receiving Euros in the TC Fund (TCF) and **encourage** the Agency to continue seeking an increased portion of the Fund's income to be paid in Euros (D.1.2).

42. I appreciate the Agency's efforts to avoid donors' conditions on voluntary contributions and **recommend** that donors accept the "Model Agreement" (D.1.5).

43. Some of last year's recommendations concerning the Seibersdorf Laboratories have not yet been fully implemented. **I regard** the immediate coverage of the remaining risks as urgent in order to avoid a loophole in security (D.2.1).

44. I **continue to recommend** that physical IT security should be further improved through an Agency-wide strict policy on physical IT security. Furthermore, I **suggest** following accepted international standards (D.2.2).

A.2. SCOPE AND APPROACH OF THE AUDIT

A.2.1. SCOPE OF THE AUDIT

Principles governing my audit	45. I have audited the accounts of the International Atomic Energy Agency for the financial period 1 January to 31 December 2005 in accordance with Article XII of the Financial Regulations and the Additional Terms of Reference Governing the External Audit annexed thereto. My audit has been conducted in conformity with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. These standards require me to plan and carry out the audit so as to obtain reasonable assurance that the financial statements are free from material misstatement. The Agency's management were responsible for preparing these financial statements, and I am responsible for expressing an opinion on them based on evidence obtained in my audit.
Audit of separate funds	46. I have carried out separate audits of Funds for which the Agency has management responsibility: the Vienna International Centre Commissary and - with the assistance of OIOS - the Seibersdorf Cafeteria and the Staff Welfare Fund.
Audit of the financial statements	47. The financial statements for these Funds, together with my audit report (in the case of the Commissary) and the audit opinion on them, have been submitted separately to the Director General as provided for by the relevant rules of the individual funds.
Performance audits	48. 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

49. 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 2005.

Value-for-money audit to give proactive advice

50. In addition, to a large extent I also examined the Agency's performance in order to assess whether the 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 to criticize after the event.

A.2.3. AUDIT APPROACH

Substantive testing convinced me of the correctness of the Agency's records.

51. 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.

52. 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.

53. Notwithstanding the observations in this report, my examination revealed no weaknesses or errors which I considered material to the accuracy, completeness, and validity of the financial statements as a whole. In accordance with normal practice, my staff will record additional findings in 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 2005.

B. ANALYSIS OF THE FINANCIAL STATEMENTS

After the change to the Euro exchange rate differences will no longer affect comparability to a material extent.

54. In my report last year (para. 45, refers) I disclosed the effects of exchange rate differences on budgeting and reporting which make it impossible to compare figures directly. While throughout 2005 this issue was still valid, the Agency's change to the Euro as the currency for budgeting and reporting purposes from 1 January 2006 on will clearly reduce the effect of exchange rate differences. This should facilitate comparison.

55. As the Euro will already have been introduced as the currency of account when my report is submitted to the Governing Bodies, I am happy to be able to discontinue the chapter on this subject for the Regular Budget Fund.

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

56. However, I continue to provide information showing trends, tendencies and background information over several years. For that purpose my staff again carried out an analysis of several of the Agency's key figures and their development over the years.

B.1. Assets

B.1.1.

Arrears of assessed contributions are on a very high level.

57. The current level of outstanding assessed contributions is still high. Although Member States in the Board of Governors unanimously supported the idea of payment plans with countries which are in arrears, I could detect no major improvement in 2005.

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Assessed Contributions Receivable	50,932	44,881	37,579	28,686	23,738	43,945	60,800	57,099	53,014

Table 1: Assessed contributions receivable (ACR in thousand US\$); (Source: Schedules S1a, S1b)

There is still a large portion of outstanding assessed contributions going back to more than a decade. More than US\$ 5 million are due for 1961 to 1996.

58. The ageing analysis of outstanding contributions in the Regular Budget Fund (RBF) gives cause for concern. It is not so much the fact that contributions of the year under review are still outstanding. It can be expected that a large portion of those receivables will be collected. The large portion of outstanding assessments for years prior to the year under review (US\$ 19.2 million) slightly improved compared with last year's figure (US\$ 22.6 million). However, some arrears still go back 45 years to 1961. More than US\$ 5 million are still due for the years 1961 to 1997 (Note L. 37, refers).

Less than 10 percent of the Supplementary Contributions were paid in 2005.

Measures should be implemented to foster the collection of overdue payments.

15. 59. The General Conference decided that Supplementary Appropriations should be financed by additional contributions from Member States amounting to US\$ 4,825,000 for 2004 (Doc. GC(48)/Res/5) and to US\$ 2,653,031 for 2005 (Doc. GC(49)/Res/4). Out of assessed supplementary contributions amounting to US\$ 2,896,590, only US\$ 207,586 (less than 10 percent) had been paid at the end of 2005. The arrears of US\$ 53.014 million reported for 2005 (table 1, refers) consist of US\$ 50.325 million in the Regular Budget and US\$ 2.689 million in the supplementary contributions.

60. 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.

B.1.2. Assessed Contributions due from the former Federal Republic of Yugoslavia

US\$ 2.7 million are still outstanding from the former Republic of Yugoslavia. It is questionable whether there will be any future payment.

The question is being discussed by the UN General Assembly. The Agency should keep this item under review.

61. The Agency's accounts for 2005 show assessed contributions amounting to US\$ 2,718,146 owed by the former Socialist Federal Republic of Yugoslavia (unpaid contributions for the years 1990 to 2001).

62. Up to the Agency's accounts for 2000, the outstanding contributions of "Yugoslavia" were shown as those of a member state, with footnotes explaining that this is a provisional arrangement pending the settlement of the question of membership. In the Agency's accounts for 2001 the outstanding contributions of "Yugoslavia" were shown under the heading "Former Members". Footnotes on schedule S1 explain that, following the approval for membership of the Federal Republic of Yugoslavia (17 September 2001), the former Yugoslavia ceased to be a Member State.

63. In Schedule S1 the Federal Republic of Yugoslavia ("Serbia and Montenegro" after a name change as of 4 February 2003) is shown as a member state with some outstanding contributions. These result from the additional contribution required in 2004 and the assessed contribution in 2005.

64. Unlike other former members, such as Cambodia or the Democratic People's Republic of Korea, the former Yugoslavia no longer exists. Hence it is unclear from whom the Agency can claim the outstanding contributions and whether they are recoverable.

65. As this problem will occur in most other UN organizations the question was discussed in the 2005 meeting of the Panel of External Auditors. It was recommended that the outstanding contributions should be retained in the organizations' accounts until the United Nations General Assembly's consideration of this matter is finalized.

66. I agree with that proposal. However, I would like to draw Member States' attention to the fact that this material amount will probably not be recoverable. The Agency should keep the issue under review and take action should the General Assembly take no decision within a reasonable time.

B.1.3. Cash and term deposits

Importance of a stable cash position

67. Organizations relying on assessed or voluntary contributions depend on the timely payment of these funds. They have to ensure that there are always enough liquid funds available to meet all payments due. In that respect major payments towards the end of the year are welcome; however, they do not serve the liquidity requirements of the period before the payment is made.

The Agency's financial position as at 31 December is satisfactory. Sufficient liquidity is not always given.

68. The Agency holds a reserve in the form of a fully-paid Working Capital Fund and receives contributions in a foreseeable, but sometimes not timely, manner. Therefore, the financial situation of the Agency is satisfactory. In terms of liquidity, however, in several of the past years in some months (mainly in October) cash resources were almost entirely used up.

Year	Regular Budget Fund US\$ Fund Group I	Technical Cooperation Fund US\$ Fund Group II	Extrabudgetary Programme Fund US\$ Fund Group III	Member States and int. org. US\$ Fund Group IV	UNDP US\$ Fund Group V	Trust Funds US\$ Fund Group VI
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1996	69,928,380	33,006,654	14,867,058	9,221,892	428,561	5,988,310
1997	65,017,217	30,971,929	27,821,131	9,736,853	1,231,124	3,738,853
1998	51,761,735	32,582,527	28,865,361	8,285,040	340,368	3,588,817
1999	35,427,751	40,448,019	25,865,467	7,343,838	1,012,250	2,382,199
2000	26,691,085	44,523,349	24,138,357	8,262,694	553,565	3,776,756
2001	38,908,190	44,207,017	34,937,324	10,376,310	1,455,292	2,333,897
2002	31,228,958	38,755,513	45,125,624	9,905,089	248,906	989,906
2003	55,854,156	37,779,887	56,963,669	16,284,522	78,719	1,200,828
2004	71,465,954	47,925,260	74,184,228	18,467,255	-34,846	1,267,470
2005	78,768,296	58,944,426	77,292,335	23,280,994	0	1,842,375

Table 2: Cash and term deposits as at 31 December, (Source: Statement II); from 2005 Fund Group V (United Nations Development Programme -UNDP) is reported under Fund Group IV

Cash resources in the regular budget fund are appropriate. The presentation is, however, affected by the exchange rate.

69. Table 2 shows the cash balances as at 31 December of each year. The RBF shows a sufficiently high amount of liquid cash. However, a considerable part of this cash is held in Euro. In times of a strong Euro, cash balances expressed in terms of US\$ are necessarily higher simply as a result of the appreciation of the Euro over the US\$.

70. As a consequence, a provision for revaluation of cash has been made in statement II (also Note P.40, refers) amounting to US\$ 14.2 million.

Cash resources in voluntary funds have been mainly held in US\$.

71. Because of their voluntary nature, all other Agency's funds are not subject to the split assessment system. Their expenditures are mainly made in US\$, but some are made in Euros. Insofar as contributions and expenditures are paid in US\$, increases or decreases in cash are not affected by exchange rate fluctuations. However, the purchasing power of the funds is affected in the case of payments in currencies other than the US\$.

B.2. Liabilities: Accounts payable to UNIDO's Buildings Management Fund

UNIDO claims payments from IAEA for Buildings Management Services (BMS) which are not accepted.

The Agency's share of expenditure for buildings management is 53 percent.

Two committees were established to consult and decide on future priorities.

UNIDO's BMS had to surrender savings at the year end.

A special fund for BMS provided greater flexibility.

72. As at 31 December 2004 UNIDO's financial statements showed an amount of roughly US\$ 4.1 million under accounts receivable. The amount was considered due from IAEA for invoiced planned activities in the BMF. IAEA's accounts showed no corresponding entry, because IAEA management did not recognise the amount as a debt. Only one of these two points of view can be correct. At 31 December 2005 UNIDO showed accounts receivable from IAEA amounting to € 6.6 million. The difference of opinion came about as follows:

73. Under the 1977 Memorandum of Understanding, UNIDO has responsibility for buildings management, which is a separate major programme in the UNIDO programme and budget. In the programme and budgets for 2006-2007, total gross expenditure for common services is estimated at about € 55 million. About 84 percent of this amount is reimbursable from the other Vienna-based organizations. The Agency's share of expenditures for buildings management is around 53 percent.

74. A Buildings Management Advisory Committee (BMAC) composed of representatives of the participating organizations has been established to give guidance to UNIDO on major matters of buildings management problems and priorities, work standards and resulting costs, etc. Besides the BMAC, a Consultative Committee on Common Services (CCCS) has been established which has a central decision-making role in respect of the programmes and budgets of all common services. The CCCS would decide by consensus a timetable for the submission of the programme and budget plans and approve the programmes and budgets prior to action being taken by the respective Vienna-based organization.

75. In the 1990s it was found that several repairs and replacements became increasingly necessary which could not be financed from the regular budget of UNIDO's BMS; in particular, surrendering savings at the year end to Member States was inappropriate, because unforeseen repairs could only be planned to a certain extent. In emergency cases funds had to be made available and the only possible source was UNIDO's regular budget.

76. Therefore, BMS' funding arrangements were enhanced and in early 2002 agreement was reached on the establishment of a Special Fund for BMS that would enable unspent non-staff-cost balances of the BMS regular budget to be carried forward, giving greater flexibility to achieve full implementation of the budget. The Special Fund was intended to be a funding source for both operating and maintenance costs and major projects, planned or unexpected. At the same time, the method of collecting payments was changed, with UNIDO now invoicing the organizations quarterly, in advance, on the basis of the budget approved by UNIDO's General Conference.

There are differences of opinion between UNIDO and IAEA about managing the fund.

77. For some years BMS operations have been giving rise to certain technical problems and other difficulties. These include differences in the timing of the budget review and approval processes in each organization, insufficient cost and expenditure information, and, in the case of IAEA with a zero-real-growth budget, the requirement to fund major projects from budgetary savings.

BMS can only start work if funds are available.

78. The differences materialised when BMS started to invoice the other Vienna- based organizations with planned major repair work, *inter alia* a refurbishment of the C-Building, which is estimated to cost € 12 million from 2008 on. BMS stated that according to their financial rules they could only incur commitments if the funds were available. They would obtain much lower prices if they were able to advertise the whole work in one tender. UNIDO Member States had agreed to the refurbishment of the C-Building. For that purpose, however, UNIDO would need the whole amount prepaid by the Vienna-based organizations.

IAEA can not pay for future measures without prior agreement and a proper budgetary process.

79. IAEA management refused to pay amounts for future activities that do not involve current expenditure or commitments. Legal provisions in the Agency would not allow it to record expenditure for a payment to BMF that is kept there in a bank account. Besides that, IAEA's management disputed an agreement between the organizations, that BMS claimed was reached in the BMAC already on 12 October 2000, because BMAC was not a decision-making organ. Furthermore, the agreement of UNIDO Member States was not binding on IAEA because its membership was different (e.g., USA, Canada, Australia are not UNIDO Member States).

I made an attempt to mediate between the two organizations and made a proposal for a compromise.

80. As the former external auditor for UNIDO and the present auditor for the Agency, we were able to mediate between the two differing parties. My proposal was that IAEA should be prepared to pay the outstanding amounts for cabling, lighting and carpeting work, as far as possible out of savings in the regular budget execution. In return UNIDO would exclude the biggest disputed amount for the refurbishment of the C building from its calculation. This essential repair measure should be brought to the attention of BMAC and CCCS (again), be approved and be made subject to a regular budgetary process in all the organizations concerned. Thus every organization would have the funds available when they were needed.

UNIDO still claims to receive € 6.6 million from IAEA.

81. As a consequence, at least negotiations were restarted. The Secretariat transferred another amount for major repair items. As at 31 December 2005 all amounts that had been committed or disbursed by UNIDO's BMS were refunded. However, UNIDO still keeps an account receivable from IAEA in its financial statements, while IAEA - in my opinion correctly - shows no corresponding liability. A new approval process in BMAC and CCCS has not yet been started.

A due process of approving major repair and full accountability is necessary.

82. I recommend that the Secretariat should request UNIDO to establish a due process of approving essential replacement measures, other than regular maintenance, in the CCCS using the consultative mechanism of BMAC and providing CCCS with decision-making capacity. Full accountability should be provided. After the measures have passed the budgetary process, funds should be paid in advance when needed to enter into a commitment. Should further difficulties become apparent, I recommend renegotiating the Memorandum of Understanding in order to avoid ongoing disputes among UN organizations.

Member States should recognize and approve essential replacements projects.

83. Member States should recognize and approve in a due budgetary process planned essential replacement projects in the BMF as they finally have to provide 53 percent of the funds.

B.3. Income

Contributions receivable from the former Yugoslavia

84. The validity of outstanding assessed contributions receivable from the former Socialist Federal Republic of Yugoslavia is reported under B.1.2

B.4. Expenditure: Objects of Expenditure

Presentation by objects of expenditure

85. The following table 3 breaks down the expenditures between 1996 and 2005 into individual objects of expenditure.

In thousands of US\$ at reporting rate of exchange	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Salaries	112,145	100,493	100,315	97,747	85,628	85,844	93,933	112,306	124,429	128,101
Common Staff Costs	44,987	44,273	44,430	45,101	42,734	41,740	45,877	54,227	59,897	62,224
Temporary assistance	9,406	8,337	8,140	7,665	6,666	7,424	9,354	11,721	13,761	16,811
Total Staff Costs	166,538	153,103	152,885	150,513	135,028	135,008	149,164	178,254	198,086	207,136
Equipment	16,825	14,366	11,043	12,173	9,957	10,745	10,716	11,439	10,462	18,108
Travel	18,499	17,090	17,437	15,698	14,494	13,510	14,446	16,116	18,227	20,820
Contracts	11,698	13,013	10,480	12,245	10,357	9,930	10,674	12,867	17,628	22,228
General Operating Expenses	21,413	18,738	18,988	18,014	16,603	16,378	18,360	24,084	26,392	28,742
Training	963	907	813	855	680	658	707	685	771	1,148
Supplies and Material	9,763	9,318	7,380	6,817	6,054	7,152	5,853	6,929	8,346	9,984
Miscellaneous	4,200	4,182	6,325	5,245	3,252	3,423	4,197	4,517	4,058	4,675
Total Non-staff Costs	83,361	77,614	72,466	71,047	61,397	61,796	64,953	76,637	85,884	105,705
Total Expenditure	249,899	230,717	225,351	221,560	196,425	196,804	214,117	254,891	283,970	312,841

Table 3: Major objects of expenditure, Fund Group I; (Source: Schedule S7)

There are sharp increases of some major objects of expenditure in 2005. Staff costs are the largest cost factor.

86. The breakdown into objects of expenditure gives an interesting insight into the Agency's cost factors. Total non-staff costs show an increase of 26.8 percent in the last 10 years (the official rates of exchange in 1996 and in 2005 were not very different - 0.78 in 1996 and 0.845 in 2005). The total staff costs increased about US\$ 40.6 million (24.4 percent) in the same period. In 2005 some major objects of expenditure increased sharply.

87. The largest increase occurs in the common staff costs, amounting to more than US\$ 17 million. There was a significant rise in 2003 resulting from an increase in the post adjustment for Vienna.

B.5. Introduction of biennial budgeting

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

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

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

89. 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 (93 out of 139; status November 2005) in accordance with their respective constitutional processes, before it enters into force (Article XVIII.C (ii) of the Statute). Although more than five years have passed since the General Conference resolution, it is still not in force due to a shortfall in its ratification by Member States. Until September 2005 only 38 Member States (this is only one Member State more than one year ago) have 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. **I recommend again** that efforts be made by Member States to complete the ratification process.

B.6. Technical Cooperation (TC) and Extrabudgetary Funds

Extrabudgetary Programme Fund's cash balances have consistently increased and ended at a high level.

90. The Extrabudgetary Programme Fund's cash balances have continuously increased over the last years and have now reached a level of more than US\$ 77.3 million. (table 2 column 4). Expenditure in 2005, however, amounted to only US\$ 37.0 million, leaving a fund balance of US\$ 62.7 million. This indicates ongoing problems with project delivery in that fund. An important component of the Extrabudgetary Programme Fund is the NSF. In chapter C.1.3 below I make a proposal on how to facilitate project delivery in that fund.

	2000	2001	2002	2003	2004	2005
Technical Cooperation Fund	61,740,235	63,001,203	61,086,192	60,865,998	67,459,464	74,038,227
Extrabudgetary Programme Fund	21,610,395	32,540,348	42,364,606	51,153,229	54,189,765	39,364,008
Technical Coop. Extrabudg. Funds						
- Member States / Int. organizations	4,076,351	6,787,143	5,624,543	11,856,003	10,312,049	13,071,305
- UNDP	-24,750	1,036,715	-1,133,550	-152,424	-93,850	0
- Trust Funds and Reserve Funds	3,187,351	948,899	451,334	375,626	351,531	813,198
Total	90,589,582	104,314,308	108,393,125	124,098,432	132,218,959	127,286,738

Table 4: TC and extrabudgetary activities - total income; in US\$ (Source: Statement I)

	2000	2001	2002	2003	2004	2005
Technical Cooperation Fund	62,438,515	71,080,210	71,053,802	68,416,180	65,563,025	72,350,437
Extrabudgetary Programme Fund	20,971,715	26,832,277	34,710,336	39,498,719	39,167,409	37,031,886
Technical Coop. Extrabudg. Funds - Member States / Int. organizations	4,600,433	5,355,400	6,723,355	9,948,877	8,078,133	11,160,709
- UNDP	436,599	-77,988	110,911	7,579	20,136	0
- Trust Funds and Reserve Funds	1,803,109	3,238,193	764,120	354,227	256,691	289,399
Total	90,250,371	106,428,092	113,362,524	118,225,582	113,085,394	120,832,431

Table 5: TC and extrabudgetary activities – total expenditure; in US\$ (Source: Statement I); UNDP reported under “Member States/Int. organizations” since 2005

The constant overall growth of extrabudgetary activities ended in 2005.

91. Tables 4 and 5 show extrabudgetary income and expenditures from 2000 to 2005. The total of extrabudgetary income has been constantly growing since 2000. In 2005, however, total income decreased because the Extrabudgetary Programme Fund received lower contributions. Those payments were reduced to the level of last year’s expenditure resulting in a decrease of nearly US\$ 15 million.

B.6.1. Technical Cooperation Fund

The TCF has reached a stable liquid fund balance.

92. Since 2000, income of Fund Group II (TCF) has been continuously lower than expenditure, reducing the fund balance from US\$ 19.9 million in 2000 to US\$ 6.4 million at the end of 2003. In 2004 the situation stabilized, because income (including receipt of prior years’ contributions) was considerably higher than expenditure. Although in 2005 cash inflows to this fund did not fully reach the level targeted by the Board of Governors at US\$ 77.5 million, the financial situation remained unchanged because expenditure was on the same level as income.

In the fund balance of TCF a total of US\$ 7.5 million is held in non-convertible currencies.

93. It is important to note that the fund balance in the TCF amounting to US\$ 26.0 million at the end of 2005 is not all freely expendable, as about US\$ 7.5 million are held in non-convertible currencies. The use of those funds is therefore restricted.

B.6.2. Extrabudgetary Programme Fund

Utilization of the Extrabudgetary Programme Fund’s resources is still not satisfactory.

94. In my report last year I disclosed a severe lack of utilization of funds in Fund Group III, the Extrabudgetary Programme Fund. The fund balance at the end of each year continuously rose to US\$ 59.4 million at the end of 2004 and cash resources went up to US\$ 74 million at the end of 2004. In 2005 this trend continued. The fund balance increased to US\$ 62.7 million and cash resources to US\$ 77.3 million.

Special conditions on voluntary contributions impede project execution.

95. The Secretariat explained that often the contributions to the NSF are received subject to special conditions established by the donor which make it more complex to execute activities. The implementation of the programme, however, would eventually be carried out successfully.

Further investigation was done disclosing diverse reasons for deficiencies.

96. In the Board of Governors' meeting on 2 May 2005 I announced I would investigate in detail what possible reasons other than donor conditions might be the cause of this. My review revealed that the reasons for the apparent deficiencies are diverse. Among others the expenditure rate for donated money is influenced negatively by budgetary conditions and the way the funds were administered. For details please refer to chapter C.1.3.

C. DETAILED FINDINGS FOR 2005

C.1. FINANCIAL ISSUES

C.1.1. Financial Statements

C.1.1.1 International Public Sector Accounting Standards

The question which accounting standards should be applied in the UN system was decided.

97. On 30 November 2005 a long-lasting debate on the question which accounting standards should be applied in the United Nations system was brought to a conclusion. International Accounting Standards (IAS) as used for the private sector were felt to be too commercially oriented, while United Nations System Accounting Standards (UNSAS) were designed for the UN but, compared to those applied in the private sector, lacked accountability, transparency and credibility.

IPSAS should be introduced in United Nations organizations.

98. Therefore, at the end of long discussions in, and as recommended by, the Task Force on Accounting Standards, the HLCM decided to adopt IPSAS in all organizations of the United Nations. As IPSAS has not yet been fully completed, International Financial Reporting Standards (IFRS) should be used in the interim, when no IPSAS applies. 1 January 2010 was envisaged as the date for full compliance with IPSAS. However, this date is not binding, but is intended to be a target. Before the full adoption of IPSAS, organizations should continue to apply United Nations System Accounting Standards (UNSAS).

IPSAS help to avoid peculiar accounting practises in the UN.

99. The External Audit community welcomes this step towards better accountability and governance. Having in mind some peculiarities in United Nations organizations, such as the lack of provisions for future expenditure, accounting for contributions in kind, accounting on a cash basis, recording obligations as expenditure and not recording depreciation for capital expenditure, the Panel of External Auditors supports this step.

UN organizations will fully account for accruals.

100. The adoption of IPSAS means that UN organizations will fully account for accruals. It is the only suitable standard which is applicable to non-profit-making organizations. Appropriate training and education materials as well as commercial software are readily available off the shelf.

This step improves transparency and accountability in the UN.

I would like to draw attention to some of the most important implications.

IPSAS will bring several changes: future expenses have to be recorded as liabilities, obligations will not be recorded as current expenditure, capital assets have to be depreciated, contributions in kind have to be treated differently, taking inventories of capital assets will be necessary.

Equity might become a negative amount.

New budgetary procedures needed for depreciation.

101. The benefits of improved financial information are better financial management and better information on costs as input into results-based management. This contributes to an enhancement of accountability, transparency and governance and leads to an overall higher quality and credibility of UN system financial reports. This serves donors' interest in how their money has been spent. Presently this is not transparent enough, because amounts reported as expenditure have not necessarily been disbursed in cash: money can still be retained in the organizations' bank accounts and goods delivered in kind might still be held in stock in warehouses.

102. As I assume that, following the decision of the UN General Assembly, Governing Bodies of the IAEA will also have to decide on the adoption of IPSAS, I would like to draw attention to some of the most important implications this would have for accounting and budgeting.

103. Accounting on the accrual basis will affect the financial statements in several respects.

Employee benefit expenses, e. g., ASHI (my last year's report, para. 113 f, refers) will have to be reported earlier with the consequence of recognition of this item in the liabilities. Last year's level was calculated at about US\$ 93 million.

Recording obligations as expenditure will only be possible after having received the goods or services and the invoice. Reporting unliquidated obligations will have to be discontinued.

Capital purchases will not be expensed but accounted for as assets and depreciated. Only the amount of depreciation will be charged against current income.

A proper accounting for contributions in kind will have to be chosen which will necessarily include accounting for stocks.

Inventories will have to be reported for capital assets.

104. Consequently there will be an increase in assets (capital assets, inventories) as well as liabilities (ASHI). As a result, it can be expected that equity may become negative, which could cause problems in UN-organizations being not allowed to borrow additional funds. Not only will the question of recognition of ASHI arise, but also whether this liability has to be funded.

105. Budgetary considerations have to assess how far budgeting and reporting can be carried out on a consistent basis. This includes new budget procedures to take account of depreciation expenses and of cash needed to acquire capital assets which will not be recorded in full as expenditure. The question of funding the full ASHI expenses has to be addressed. The impact of increased expense volatility of interest rate sensitive liabilities should be clarified.

I welcome the introduction of IPSAS in the UN system.

106. In spite of the great number of changes the Agency will have to undergo, I welcome the conclusion of HLCCM and recommend that Member States of the IAEA should consider IPSAS as the goal for an improved accounting framework to further enhance accountability and transparency.

An implementation plan and a timetable should be elaborated.

107. Management should develop an individual implementation plan together with a realistic timetable and bring it to the attention of Member States. My staff and I will support this step by giving advice wherever needed, drawn from the experience of all members of the Panel of External Auditors covering the entire UN community.

C.1.1.2 Basis for the certification of the financial statements

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

108. As part of the certification process, I had to assess the accounting principles applied as well as the transactions made during 2005. 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 nearly half a million accounting entries.

109. For the 2005 audit, my staff had to consider 474,841 accounting entries in the general ledger. They checked them in a mathematical-statistical sample according to common auditing standards of the Panel of External Auditors.

The sample did not disclose material errors.

110. 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).

Additionally, all cash accounts were checked and reconciled.

111. With a probability of 90 percent 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.

The unqualified audit opinion has a sound basis.

112. 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 2005.

C.1.1.3 Completeness of the financial statements

Euro Funds have to be certified for the Director General.

113. In my report last year (para. 96 f, refers) I stated that the Rules of the separate funds held in Euro (the Commissary, the Seibersdorf Cafeteria and the Staff Welfare Fund) oblige the External Auditor to audit and to report on the financial results of those funds to the Director General, although they are not included in the Agency's financial statements.

These funds will be kept separately and audited by OIOS.

114. Upon legal advice the Secretariat decided that the fund balances could not be considered as the Agency's property. I can agree with that decision provided that the audit will in future be carried out internally by OIOS, whose reporting line is direct to the Director General. Appropriate amendment of the respective rules would be necessary.

C.1.2. Management Issues

C.1.2.1 After Service Health Insurance

Presentation requirements of ASHI in the financial statements

115. In my report last year I pointed out that After Service Health benefits were to be recorded in the financial statements, if the financial framework of the organization so require. Otherwise, appropriate disclosure should be made in the notes.

Most UN organizations recognize ASHI as an obligation, 40 percent disclose the amount in the Notes, and in two organizations the liability is funded.

116. I would like to inform Member States of the situation in other UN organizations and the discussion amongst members of the Panel of External Auditors. It was stated that nearly 60 percent of all UN organizations recognise ASHI as liabilities, however, do not report them in the financial statements. In only two organizations was the liability funded. The other 40 percent disclose the liability in the notes to the financial statements.

ASHI should be incorporated in the process of the introduction of IPSAS.

117. It was agreed that External Auditors should not push this issue further, because in the course of the adoption of IPSAS the organizations will have to address it anyway. Therefore, I recommend including ASHI in the Agency's implementation plan and timetable. The Secretariat agreed to monitor the developments of this matter in the UN system.

C.1.2.2 Commissary

Main results of my audit of the VIC Commissary

118. The Vienna International Centre Commissary is one of the self-sustaining and non-profit making activities within the framework of the VIC common services. Management and operations of the Commissary are assigned to IAEA. The commissary rules presently oblige me to deliver a separate audit report and opinion directly to the Director General. Although I still consider this inappropriate (chapters C.1.1.3 and D.1.8, refer), I issued an audit certificate for 2005. I present below the main findings of my audit to Member States as well.

The Commissary is sufficiently protected against fraud from inside. Losses because of thefts are insignificant.

119. The main result of our examination of the procedures of procurement and sale, as well as the administration of the facility, is that in my opinion the Commissary is well protected against any fraudulent actions made by one or more of its staff. Theft or other illegal behaviour committed by staff or customers can never be totally excluded, but is not significant and does not justify taking cost-intensive precautionary measures.

The maximum quantities for tobacco and spirits could in some cases be too high for personal use only.

120. For alcohol and tobacco products the Director General had set certain limits. I do not question those limits in general. Depending on the number of dependents, it would be possible to consume the maximum quantities, although they are rather high for hard liquor and tobacco. However, I feel it is inconsistent to apply the same rates for participants with dependents and those with single status, considering the prohibition against transactions with third parties.

A reduction for persons with single status is advisable.

121. **I recommended** that the Director General should change the Commissary Rules and reduce the maximum quantities of alcohol and tobacco products for type A participants (P 5 and above) with single status to a reasonable level, bearing in mind that all purchases are for personal use or consumption only.

The Secretariat does not share my opinion. However, a limitation is part of the Headquarter Agreement with the Austrian Government.

122. The Secretariat does not share my opinion, as for persons with diplomatic status there were no limitations on purchase entitlements in the relevant agreement with the Austrian government. However, I would like to point out that already Article I of the agreement (INFCIRC/15/Mod.3) stipulates generally that certain articles should be imported in limited quantities and for personal use and consumption. In the rules, the Director General simply prescribes the meaning of the words "limited quantities".

Regular full exhaustion of entitlements should be addressed.

123. **I recommend** firmly reminding those persons with Commissary privileges who permanently - quarter by quarter - fully exhaust their entitlements that they are obliged to consume all purchased items, especially tobacco and spirits products personally.

124. My long form report, together with some additional recommendations, is included in the report to the Director General.

C.1.2.3 Procurement

My staff examined the procurement function as a follow-up to an audit carried out by OIOS in 2003.

125. In 2003 OIOS reviewed the Agency's Procurement Functions and inter alia advised on:

- the need for consolidation of the various procurement functions in one function, including a common computer system and work process,
- a change from a reactive mode to a more strategic procurement management approach and
- a reduction in the number of low value procurement actions.

My staff examined these issues as a follow-up to the audit mentioned above.

The Agency has worked out a restructuring plan, which is currently being validated.

126. Following recommendations made by OIOS, the Agency integrated the former Field Procurement Section (FPS) and the Procurement and Supply Section (PSS) into the Office of Procurement Section (MTPS) in January 2005. However, the integration of the procurement function into a single entity was a mere formal act, which as yet has not been accompanied by any visible changes either in the workflow or in the staffing table. The Agency informed me that the work processes and structure of MTPS were subject to review during 2005 and that in January 2006 a restructuring plan has been worked out, which is currently being validated by OIOS.

The Agency plans to integrate all procurement processes into a single application.

127. The former sections still maintain their own procurement systems, although this is inefficient. As the Agency shares this view, MTPS, DDG-MT, DGO and OIOS have assessed and discussed the available options. They agreed to use the TC procurement system for all Agency procurement services (except for the Commissary). MTPS has now taken the necessary steps to migrate all Agency procurement processes to the TC computer application, so that after the current year there will be only one procurement system in use.

The Agency plans to set up a Procurement Services Section.

128. Procurement transactions were made only as reactions to requests for procurement. Therefore the Agency plans to set up a Procurement Services Section for its procurement activities.

About 77 percent of approximately 5200 purchase orders were of low value.

129. My staff reviewed the purchase orders of 2005 documented in the Advanced Procurement System (APS) on the basis of a statistical analysis. About 77 percent of the approximately 5,200 purchase orders were of low value (under US\$ 2,000). As the Agency plans to set up a Strategic Procurement Unit with a focus on developing long-term and blanket orders, it has taken a first step to reduce low value procurement by combining low value purchases.

The implementation of some of the recommendations made by OIOS is still pending.

130. I appreciate the Agency's efforts to optimise the organizational structures of the procurement function and to establish a strategic approach with procurement planning. As the implementation of some of the recommendations made by OIOS is still pending, I encourage the Agency to maintain its efforts and to develop further the strategies already worked out until they can be implemented.

C.1.3. Nuclear Security Fund

Utilization of NSF resources was not satisfactory.

131. In my Audit Report for 2004, I pointed out that the implementation of the NSF resources was not satisfactory. I recommended that the Agency should put more emphasis on accelerating project planning and implementation.

Donor conditions are still impeding the implementation of projects.

132. At the end of 2004 the cash balance in the NSF had reached US\$ 21 million. According to the Secretariat's explanation, the surplus was partly due to the fact that the NSF suffers from donors stipulating conditions under which expenses are to be incurred. To improve the situation, the Agency has reorganised the NSF by reducing the former eight activity areas to three. Moreover, the Agency discusses intended conditions with the donors in order to ensure consistency between the Agency's priorities and donors' conditions and to gain more flexibility. Nonetheless, donor conditions are still impeding the implementation of projects.

The cash balance of NSF remained basically unchanged.

133. Of the surplus of US\$ 21 million, a total of US\$ 5.3 million was "pre-committed" for staff contracts and planned procurements related to agreed projects for 2005 – 2007. In total, expenditures amounted to approximately US\$ 11 million in 2005. Donations in 2005 also added up to US\$ 11 million. The cash balance in the NSF at the end of 2005 consequently remained basically at the same level as at the end of 2004.

The Secretariat's cautious view of utilizing the funds is not justified as the financial rules allow incurring obligations without prior receipt of the funds.

134. The Secretariat took a cautious approach and only budgeted for funds that were available in bank accounts at the beginning of 2005 and that were not pre-committed for future expenditure. That approach follows financial rule 110.19 (a), according to which allotments can only be issued upon receipt of funds. I would like to **draw the Secretariat's attention** to the possible exceptions to that rule. Financial rule 110.19 (b) iii states *inter alia* that allotments may also be issued before the receipt of funds when there are written assurances by the donor that the funds will be available when the obligations are payable.

Pre-commitments should be disclosed to Member States.

135. As the majority of NSF-projects are based on long-term considerations and set up for several years, it appears reasonable to carry over the existing surplus. Nonetheless pre-commitments against that surplus should be disclosed to Member States in a suitable report. This would enable Member States to better assess the NSF's performance.

The Secretariat should be less cautious and utilize available funds not pre-committed.

136. I welcome the Agency's efforts to accelerate project planning and implementation. I encourage further discussions on donor conditions to gain greater flexibility and to improve the implementation of projects. I invite 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.

All organizational units spending money for NSF projects should use the Electronic Performance Support System.

137. The Department of Nuclear Safety and Security has installed an Electronic Performance Support System (EPSS) to process the NSF. My staff found that some organizational units spending money for NSF-related projects do not enter data into the EPSS. In order to get the maximum benefits from this system, I recommend that organizational units directly implementing NSF projects should use EPSS.

C.1.4. Information Technology (IT)

C.1.4.1 IT-related Staff

C.1.4.1.1 Number of Staff

It is unclear how many personnel are functioning in IT positions and what IT services are provided.

138. In an evaluation of IT personnel and IT costs my staff found that it is unclear how many personnel and which personnel are functioning in IT positions. According to the Personnel Management Information System (PerMIS) around 234 staff members work in IT or IT-related positions. This is more than 10 percent of the Agency's total staff. This number was not confirmed by departments when being asked about their IT personnel. It appeared that the departments have personnel working in IT or IT-related positions without being identified as such by PerMIS. In part there are also fewer personnel working in IT positions than are registered by PerMIS. This is due to the fact that the tasks of staff originally assigned to IT have changed without this change being documented. Besides, the departments contract external consultants to work on IT projects and to develop software according to the departments' needs.

The costs for IT personnel and services cannot be assessed accurately.

139. Consequently the costs for IT personnel and IT services cannot be accurately assessed. This deficiency leads not only to a lack of transparency, but also to a faulty perception of IT functions, e.g. it is impossible to rate IT performance without knowing the figures for IT-related staffing and costs.

C.1.4.1.2 Job Descriptions

The deficiencies partially originate from the use of outdated job descriptions.	140. The deficiencies as described above partially originate from the use of outdated job descriptions. Job descriptions are only updated in case of vacancies or promotions. Moreover, my staff found that the terms “IT” and “IT-related” have not been clearly defined, as the Agency does not make a distinction between application specialists or application administrators and IT administrators. The assignment of a staff member who uses or gives user support to an application used by fellow staff members of an operating department, such as data entry, data validation, data manipulation, reporting, presentation and interpretation do not equate to the tasks of an IT administrator. Such staff members, therefore, should not be identified as IT personnel but as regular staff of the department for which they are working.
The number of IT staff should be identified and their job description reviewed.	141. I recommend that the Agency should analyse for each department which and how many staff members work in IT or IT-related positions. The Agency should then review and update all job descriptions concerning IT and IT-related staff. It is important to find a clear definition for the terms “IT” and “IT-related”, as not every employee working with IT necessarily holds an IT or IT-related position.

C.1.4.2 IT organization

Main scope of my IT audit	142. My staff examined the Agency’s IT organization as the main scope of their IT audit. Therefore, my staff examined IT staffing, organizational structures, basic rules, adopted international norms and standards, methods of planning, developing and operating IT, used and planned IT infrastructure and present strategies for optimising IT.
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C.1.4.2.1 IT Staffing

234 IT posts are distributed among 23 Units, some staff in other posts carry out IT duties and additional IT staff are contracted.	143. The IT staff appointment scheme does not reflect reality. According to the staffing table, there are the above mentioned 234 IT positions distributed among 23 units (Chapter C.1.4.1, refers). In different interviews and questionings my team was informed of further staff completely or partly occupied with IT tasks. Moreover, there are many additional contracted IT staff, especially for consulting or application programming. The Division of Personnel and MTBF reported some staff moves to the Division of IT (MTIT). However, these moves were not combined with a functional change.
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C.1.4.2.2 IT Physical Security

Beside Data Centres there were more than ten inappropriate server rooms in use.	144. In Addition to two Data Centres in MTIT and the Department of Safeguards, more than ten office-rooms in the Agency were used as Server Rooms. These rooms and the way of operating the servers did not meet the requirements of adequate IT security. The Agency scheduled the relocation of the DataCentres and the integration of some small Server rooms. The actual and the planned locations still leave room for improvement with regard to safety and economic aspects.
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C.1.4.2.3 IT Common Services

There are similar common services in different units.

145. The central IT Division MTIT does not have the mandate and resources to offer all common services. This does not comply with the Proposal for Implementation already made in 2000. There are IT administrative functions in several different units, e. g. helpdesks. Some of these distributed IT functions were the result of decentralization efforts introduced more than a decade ago. In the opinion of some of these units, MTIT does not possess the required know-how and/or appears unresponsive.

I miss central guidelines for application development, documentation, IT security and the application compatibility.

146. In consequence these units run their own application development, operate their own servers or offer Agency-wide common services like 'LiveLink'. Fixed central guidelines only exist for hardware and for basic software used on personal computers. There are no central comprehensive policies for other IT fields, e.g. for application development, documentation, IT security or the compatibility of applications. More importantly, there are no mechanisms or clearly defined responsibilities and authority to monitor and enforce the policies. As a consequence, there are several different database systems and "IT islands" inside the Agency.

C.1.4.2.4 Policy and Framework

There is no Chief Information Officer. Also, there is no appropriate conceptual framework for the Agency's IT.

147. The interaction of MTIT with the IT Committee and its role as a communication and cooperation body is not consistent with the approved minutes of the twelfth PCC Meeting in 2001. IT-related units regard the role of the IT Committee more as a body to share information with MTIT rather than as a coordinating body. In addition, there is neither a Chief Information Officer nor a similar decision-making body, although this was already recommended in the 1999 Report of the Task Force on Information Technology. Finally, there is no appropriate conceptual framework for the Agency's IT. The available documents on IT policy and IT strategy are rather noncommittal and partly incomplete.

OIOS has also addressed some of the issues mentioned above.

148. In its IT Governance Audit Report OIOS has also addressed some of the issues mentioned above. Because of the different approach taken in this audit and because we have only recently received it, I will not comment on it at present.

149. As all audited areas include potential for improvement I regard the Agency's IT organization as a subject for further investigation and will give more detailed information on our findings in the next report.

C.1.5. Safeguards

C.1.5.1 Significant Quantities

The main objective of Safeguards is the timely detection of the diversion of nuclear material from peaceful uses.

150. The main objective of IAEA Safeguards activities is the timely detection of the diversion of nuclear material from peaceful uses. To ensure that safeguarded nuclear material and activities are not used for non-peaceful purposes, the IAEA inspects nuclear and related facilities under Safeguards agreements in more than 140 states. Inspection frequency and methods are primarily based upon the so-called Significant Quantities (SQ).

The SQ values were established in the 1970s and have not been altered since.

151. According to the Agency's Safeguards Glossary a SQ is "the approximate amount of nuclear material for which the possibility of manufacturing a nuclear explosive device cannot be excluded". Significant Quantities values used by the Agency are *inter alia*:

8 kilograms of Plutonium

25 kilograms of Highly Enriched Uranium.

These values were established in 1977 and have not been altered since.

Scientific and technical progress have made it possible to manufacture a nuclear explosive device with less material.

152. According to the Safeguards Glossary, the SQ is not an indefinitely fixed value, but depends on the current state of the art of science and technology. Scientific and technical progress has led to techniques that make it possible to manufacture a nuclear explosive device with less than 8 kilograms of Plutonium or 25 kilograms of Highly Enriched Uranium. Modern nuclear explosive devices can be manufactured with 50 percent or less of the mass of Plutonium that was regarded necessary in the 1970s. Hence it appears that by today's standards the SQ values used by IAEA Safeguards are much too high.

Reducing the SQ value might be burdensome to nuclear material users.

153. The Agency pointed out that the establishment of a numerical benchmark like the SQ is always difficult and subject to debate, yet believes that reducing the SQ value would be burdensome to nuclear material users and would not strengthen Safeguards in a meaningful way.

The Agency's task is to guarantee maximum security even if this is burdensome.

154. I agree that lower SQ values might be more burdensome, not only for nuclear material users, but also for the Agency. However, I believe that with regard to the level of the risk emanating from nuclear materials in the wrong hands and the impact of Safeguards as one of the IAEA's core activities, it is the Agency's task to guarantee maximum safety in the handling of fissile substances. The main objective of Safeguards is "the timely detection of the diversion of SQ of nuclear material from peaceful nuclear activities to the manufacture of nuclear weapons or other explosive devices or for purposes unknown and deterrence of such diversion by risk of early detection" (INFCIRC 153, para 28).

Outdated values prevent timely detection of a diversion and could lead to loopholes in security

155. The aim of timely detection can only be met if the Agency adjusts its standards to the current state of the art of science and technology. Otherwise it appears indeed possible that facilities handle an "approximate amount of nuclear material for which the possibility of manufacturing a nuclear explosive device cannot be excluded" without being sufficiently surveyed. Consequently the use of outdated values could lead to loopholes in security. If the potential diversion of a quantity of weapon-capable nuclear material is not regarded with the highest level of attention, the purpose of such benchmarks is highly questionable.

156. I invite Member States to consider the potential negative effects of outdated benchmark values for Safeguards purposes in particular and the importance of the concept of SQ in general. I suggest that the Standing Advisory Group on Safeguards (SAGSI) be requested to review the current relevance and value of SQ.

C.1.5.2 Person Days of Inspection

The Department of Safeguards reported 9063 Person Days of Inspection in 2004.

9063 Person Days of Inspection do not mean 9063 whole working days.

Person Days of Inspection data is presented as a performance indicator, but they are not suitable for this.

Further investigation is necessary.

157. Within my performance audit of the Department of Safeguards (SG) my staff examined the concept of Person Days of Inspection (PDI). The Safeguards Implementation Report (SIR) presents *inter alia* data on the SG inspection activities. Under the headline “Staff Utilization”, the total number of PDIs is mentioned with the phrase “*In 2004, inspectors carried out 9063 person-days of inspection (PDIs)*”.

158. This kind of presentation could lead to the interpretation that in 2004 inspectors of the IAEA have spent 9063 whole working days on inspections. I would like to point out that this number has to be explained.

159. According to the legal definition, a PDI is “a day during which a single inspector has access to a facility at any time for a total of not more than eight hours”. The term “Person Days of Inspection” is misleading in so far as a PDI does not correspond with a fixed period of time (one working day) but with any variable period of time up to eight hours. With this definition it is theoretically possible to record one PDI for only one minute of access to a facility. In addition, for each inspector, a PDI is recorded for each visit to a different facility made on a single day, even if duration of eight hours is not exceeded.

160. Historically the PDI concept has been introduced by the Member States to determine and limit the annual total number of accesses to facilities per type of facility. It was meant to assure that facilities would not be “over inspected”.

161. Nowadays, the PDI are presented as an indicator for the inspection effort (e.g. in the Safeguards Implementation Report). The PDI parameter is not a suitable indicator for these purposes. I see a danger of misinterpreting this data. Accordingly, in internal calculations the Secretariat uses more meaningful performance indicators like calendar days of inspection.

162. Therefore I regard the PDI concept as a subject for further investigation and will give detailed information on our findings in the next report. The Secretariat shares my view and underlines the importance of clarity with regard to the terms used to describe the inspection efforts. The next Safeguards Implementation Report will take this issue into account.

C.2. TECHNICAL COOPERATION AND EXTRABUDGETARY FUND MANAGEMENT

My staff conducted three field missions in 2005.

163. My team carried out field missions to three countries in 2005. I will give only a short overview of the preliminary results of these missions. My final statements will be presented separately in a Management Letter to the Agency after additional field missions will have taken place in 2006.

C.2.1. Coordination of TC activities with other organizations

There was not sufficient coordination of the audited projects with other relevant organizations.

164. Most of the Agency's projects are related in one way or another to fields of activity of other United Nations organizations and multilateral and bilateral support programmes. UNDAF was developed to bring greater coherence to the United Nations programmes of assistance at the country level. However, we found out that the UNDAF process was not supported in one of the visited countries and there was no coordination of the audited projects in the other two countries with other relevant organizations e. g. FAO, WHO and UNESCO. Flow of information and consultations between the Agency, national counterparts and multilateral or bilateral institutions supporting the recipient country in the same fields as the Agency were insufficient. This finding is supported by the report of the Director General to the Board of Governors on Evaluation of TC Activities in 2005 (GOV/Inf/2005/14, dated 15 November 2005).

165. In order to enable synergies and benefits from complementing projects of other institutions, I recommend stronger coordination and cooperation with all institutions that are involved in similar sectors of TC. The Agency should embrace the objectives of UNDAF.

C.2.2. Technology transfer

Even after the closing of a project, recipients relied on the Agency's aid.

166. According to the Agency's strategy, TC projects primarily aim at the transfer of nuclear and related technologies and the build-up of sustainable, self-contained structures on a national level. Nevertheless, the majority of the recipients in the visited countries relied on the Agency's aid to continue project activities and to receive further financial assistance and equipment in the same sector even after a project had been closed.

167. In my opinion, the Agency should point out to recipients that funding by the Agency cannot be continued indefinitely. Once the nuclear technology has been set up and tested and the necessary training has been completed, other financial resources have to be found.

C.2.3. Future Financing of IAEA project work

Often there were no national funds available for future activities.

168. After a project has been closed, national authorities should support continued activities on their own account without relying on the Agency's constant assistance. In many cases there were no national funds available to finance future activities.

169. I recommend that the Agency should develop a strategy to ensure that early consideration be given to follow-up financial support by national authorities, other international institutions or private foundations.

C.2.4. National Commitment

National contributions were often limited to payments in kind. Hard currency resources often were insufficient or not available in time.

There should be more detailed information on the financial value of payments in kind.

170. According to the Central Criterion (GOV/INF/2002/8/Mod.1) strong government commitment is essential for successful TC support. Solid financial contributions are considered an important proof of such a commitment. In the course of our Field Missions we observed that in most cases national contributions were limited to payments in kind such as personnel, buildings and laboratories. The monetary value of these inputs was not defined. When hard currency resources were to be provided in the national budget, they were often insufficient or not available in time.

171. In order to be able to decide whether a country's commitment is adequate to ensure the project's success, there should be more detailed information on the financial value of payments in kind. Cash contributions pledged by recipients should be paid fully and on time.

172. I recommend that the Agency ascertain the realistic amount of a country's contribution before a project starts. Furthermore, the Agency should monitor the payment of financial contributions during project implementation.

C.2.5. National priorities

Projects are chosen according to Member States' needs and priorities.

For some projects it was not clear to what extent they were related to national priorities.

Revised CPF process

173. Pursuant to the Central Criterion, projects should relate to an area of defined need. The CPF serves to ensure that the TC activities are effectively focused on agreed needs and priorities within the overall framework of the Member State's national plan for the use of nuclear-related technology. CPFs help national authorities to identify the problems to be addressed by the use of nuclear technologies. Furthermore, they improve the project selection process by placing it in the context of national priorities.

174. Some projects in the countries we visited did not pertain to the areas described in the country's CPF. It was not sufficiently clear to what extent they were related to national priorities and why they were selected for programme implementation. According to the Agency some of these projects had been identified during "upstream work". If a project cannot be attributed to a country's priorities as defined in its CPF, the Agency should indicate this and explain why the project has nevertheless been selected.

175. The Agency informed us that the CPF process had recently been revised and new guidelines were being introduced. It remains to be seen how the revised process addresses the above-mentioned issues.

C.2.6. Project management

The agency did not manage projects in a sufficiently proactive way.

176. The results of the audit suggest that the Agency did not manage projects in a very proactive way. The Agency's input during project implementation mainly depended on counterparts' requests. The counterparts have to submit Project Progress Reports (PPRs) semi-annually to the Agency. But often these were not delivered in time - in some cases with a two year delay - or they provided only inadequate information. The Agency reacted only by sending out reminders. A component attributed to two projects experienced impediments with no quick and suitable solution available. The projects were nevertheless not challenged.

177. I recommend that the Agency ensure that PPRs are produced in a comprehensive and timely manner. In cases of non-compliance, reactions like cessation or suspension of assistance should be considered. Compliance with reporting requirements could also be taken into account in the assignment of future projects. In cases where project implementation is hampered by adverse conditions without a tangible solution we suggest that the project be reconsidered or adjusted.

C.2.7. Assessed Programme Costs / National Participation Costs

The National Participation Costs scheme replaced the Assessed Programme costs mechanism.

178. My staff and I have audited the APC mechanism of the TCF. This mechanism was replaced by the National Participation Costs (NPC) scheme in 2005. It should be noted that arrears remaining from the APC mechanism are still due. These arrears amounted to \$ 4.7 million in October 2005. In the meantime the Agency has taken steps to promote the settlement of the outstanding arrears.

179. I recommend that the Agency should take further steps to encourage Member States with still outstanding APC to meet their obligations as soon as possible. Regarding the outstanding APC owed by the former Socialist Federal Republic of Yugoslavia for the years 1984 to 2002 I refer to my comments in paragraph B.1.2 of the Analysis of the Financial Statements.

Now most recipient countries pay at least the initial 2.5 percent of the NPC due in a timely manner.

180. In my comments of 2004 I recommended keeping the NPC scheme under review to avoid shortcomings in project execution due to late or non-payment by recipients. The status of payments of NPC at October 2005 shows that the Agency appears to be on the right track with the introduction of the NPC scheme. After some difficulties in the beginning, most recipient countries pay at least the initial 2.5 percent due in a timely manner. A comprehensive report will be prepared by the Secretariat for the June 2006 meeting of the Board of Governors.

C.2.8. Application of the “Due Account” Mechanism

The “due account mechanism” is an incentive for good payment practice in the TCF.

Not following the “due account mechanism” has consequences.

Deficiencies in application make the mechanism less effective.

The present implementation mode has drawbacks.

181. According to GC(39)/DEC/12 the Agency should “take due account of the extent to which Member States have paid their TCF target shares” when determining the allocation of resources for national TC programmes and for procurement of equipment and expert recruitment. As a consequence the Agency developed the “due account” mechanism as an incentive for Member States to make timely and full payment of their TCF contributions. The “due account” mechanism was extended to the payment of APC.

182. The Secretariat developed basic principles to guide the application of the “due account” mechanism (GOV/INF/1998/4, GOV/INF/2005/5). These guidelines focus mainly on adjustments in the allocation of TCF funds for national TC programmes depending on the “due account” status of the Member States. Possible consequences are restrictions in procurement and expert recruitment, addition and subtraction from core programmes and moving the status of a project between core and footnote-a/ programme.

183. There is no consistent pattern in the adjustments made to the national TC programmes as a result of applying the “due account” mechanism. Several adjustments were not in accordance with the Secretariat’s guidelines.

184. Adjustments were often made in the form of increases or decreases in core programme projects’ budgets. Only in some cases were projects moved between core and footnote-a/ programme.

185. With regard to the application in procurement and expert recruitment there remains an uncertainty whether the “due account” status of Member States is communicated sufficiently to the relevant departments within the Agency.

186. Notwithstanding the success of the “due account” mechanism in some respects, I would like to draw Member States’ attention to the following aspects of its present implementation:

Its application in procurement and expert recruitment may not show the expected results since it can only be applied within the general body of rules and regulations in these fields. If preferences were executed mainly with regard to the “due account” status, project quality might be harmed because some other than the best offer might be accepted.

When adjustments to national TC programmes are necessary because of the “due account” status, projects may need to be redesigned. This can disturb the initial concepts, work plans and budgets, which have been soundly elaborated, and puts extra workload on staff involved in project planning.

187. The Secretariat should consider these effects in choosing the most suitable alternative when applying the “due account” mechanism.

Implementation details should be made transparent to the Agency's decision-making bodies.

188. Bearing in mind the spectrum of adjustments made in the development process for former TC programmes and some Member States' concern about the application of the due account mechanism (see among others GC(48)/RES/12), I suggest that implementation details be made transparent to the Agency's decision-making bodies on the TC programme.

D. FOLLOW-UP TO AUDIT RECOMMENDATIONS MADE FOR 2004

D.1. Financial issues

D.1.1. Outstanding Assessed Contributions

A considerable portion of the outstanding assessed contributions goes back to more than a decade.

189. In my Audit Report for 2004 I reported that a considerable portion of the outstanding assessed contributions goes back to more than a decade. The oldest amount has been due since 1961. I recommended that the Agency should continue its efforts to conclude agreements with the Member States concerned in the form of a payment plan.

Letters remind payees of their obligations.

190. Letters reminding Member States of the loss of voting rights and proposing payment plans are sent out at least three times a year. In addition, meetings with their representatives are held continuously.

191. I deal in detail with this issue in chapter B.1.1 above.

D.1.2. Contributions to the Technical Cooperation Fund

TCF is dependent on timely and complete payments.

192. I reported that the TCF has continuously used up its liquid fund balance and is now dependent on timely and complete payments. I requested that the Secretariat continue to encourage Member States to meet the target for 2005 set by the Board of Governors. The Agency shared our concerns on this issue.

Member States are informed of the status of contributions to the TCF regularly.

193. To improve the situation the Secretariat now issues financial notes on a monthly basis to inform Member States on the status of contributions to the TCF. This status is also reported in a document to the General Conference.

Member States are reminded of delays in payment individually and in the annual assessment letter.

194. Moreover, Member States who have not yet pledged or paid their contributions are contacted individually, particularly at the General Conference. In addition, they are reminded in the annual assessment letter.

195. I appreciate the actions taken by the Secretariat and confirm that they were successful. The Secretariat does not expect liquidity problems in the TCF in the near future.

D.1.3. Technical Cooperation Fund expenditure in EURO

The Agency should try to obtain TCF contributions in Euros.

196. I pointed out that the Agency's need for Euros in the TCF is about 40 percent of the contributions. Therefore, to make payments in Euro, the Secretariat had to purchase Euros with US\$, thus bearing an exchange rate risk.

The Agency encouraged Member States to make all or part of the contributions to the TCF in Euros.

197. The Secretariat shares this view. The financial holdings were monitored during 2005. At various times in the year, US\$ funds of the TCF were sold for Euros. This was done in order to meet the TCF's obligations in Euros and in order to maintain the purchasing power of the TCF in a period of declining value in the strength of the US\$. The Agency also encouraged Member States, particularly those from the Euro Zone, to make all or part of their contributions to the TCF in Euros.

198. Three Member States have started to make their payments in Euro. I welcome these developments and encourage the Agency to continue in this way.

D.1.4. Extrabudgetary Programme Fund and Nuclear Security Fund

The implementation of the Extrabudgetary Programme Fund is not satisfactory.

199. I noted that the Implementation of the Extrabudgetary Programme Fund is not satisfactory. The Agency should put more emphasis on accelerating project planning and implementation in this Fund Group, particularly in the NSF.

The Secretariat has taken several actions to accelerate implementation of activities that receive funding from the NSF.

200. Several actions have been taken or proposed to accelerate implementation of activities that receive funding from the NSF. Integrated Nuclear Security Support Plans will be implemented for individual countries, with a work plan for activities over an identified period of time. A pre-planned programme for education and training has been initiated at the international, regional and national levels. Three regional partnerships have been established through which implementation will be enhanced. New and strengthened coordination mechanisms with bilateral programmes will enhance implementation at the country level. Additional staff have been recruited to strengthen implementation, and staff dedicated to planning will be hired. Improved internal mechanisms for programme implementation have been established. Bilateral interaction with donors will be further enhanced with the aim of eliminating or limiting conditions of financial support and to enhance flexibility in the use of extrabudgetary funds. A structured organization of the Office of Nuclear Security will be established.

201. Further aspects of NSF management are discussed under chapter C.1.3. I refer to this section of my report.

D.1.5. Donor conditions on voluntary contributions

Donor conditions often impede sound project delivery.

202. I recommended that the Agency should increase its efforts to obtain voluntary funds without extensive donor conditions, which often impede sound project delivery.

The Agency is drafting a “Model Agreement”.

203. The Agency is drafting a “Model Agreement” that hopefully will be accepted by donors to extrabudgetary funds and will minimize the imposition of onerous conditions attached to donations. The Office of Legal Affairs has been requested to review this first draft before it is sent to the concerned parties in the Agency for comment.

204. I appreciate the Agency’s efforts and recommend that donors accept the “Model Agreement”.

D.1.6. United Nations Development Programme

As UNDP no longer provides significant funds to the Agency, this fund group should be closed.

205. UNDP projects have decreased year by year. Therefore, I recommended that this fund group should be closed and any transactions recorded in a separate account in Fund Group IV.

According to the Agency, greater control is achieved by recording these transactions in a separate fund.

206. This recommendation has been reviewed by the Division of Budget and Finance. According to the Agency, this review has concluded that greater control is achieved by recording these transactions, which are material in the overall context of the Agency’s operations, in a separate fund. The separate Fund Group, however, has been closed.

D.1.7. Trust fund activities

The existence of a separate fund group for one single project is questionable.

207. In my Audit Report for 2004 I pointed out that trust fund activities now consist of one single project only and that the existence of a separate fund group for this purpose is questionable.

The Agency considers that Board approval is necessary to close a trust fund.

208. The Agency stresses that, according to Financial Regulation 8.05, trust funds can only be established with the Agreement of the Board of Governors. Although the Financial Regulations do not mention the process required to close a trust fund, it would appear logical that Board approval would be required.

With the funds for the Nobel Peace Prize Fund Group VI has regained relevance.

209. Since the Nobel Peace Prize was awarded to the IAEA, and the Agency has created a new trust fund with the money connected with that prize, which is kept in Fund Group VI there is increased relevance now in that Fund Group. Under these circumstances I have no objections to its continuance.

D.1.8. Integrity/Completeness of the Agency’s Financial Statements

The financial statements of the Agency do not include all its assets and liabilities.

210. In my audit report last year I stated that the financial statements of the Agency do not include all its assets and liabilities. Several funds (Commissary, Staff Welfare Fund and Seibersdorf Cafeteria) are held separately. The Secretariat has only partly taken up my recommendation to report on these funds to Member States.

The Secretariat has a different opinion.	211. According to a statement of the Office of Legal Affairs, balances of these funds do not belong to the Agency. Apart from the principal amount the Agency had invested in the Commissary (US\$ 957,253, Statement II, refers), there is no need to include any of these fund balances in the financial statements.
Euro funds should be audited by OIOS in future.	212. I can accept this opinion. However, in that case I have to state that the audit of these Funds is also an internal matter and should be carried out by OIOS. An appropriate amendment of the Rules of those funds would then be necessary.

D.1.9. Budget Harmonization

TC and RBF cycles should be aligned.	213. To harmonize TC and RBF cycles, I recommended that the Agency should first optimize the TC processes. It was expected that this could be achieved by the end of the year 2006.
The harmonization can only take place with a slight delay.	214. A review of the requirements for each cycle and appropriate timing will be made once the new TC Programme Cycle Management Framework (PCMF) has been fully implemented. A major reason for the recommended synchronization is to provide more information on the TC programme for RB planning. This is being achieved through the new timing in the PCMF, which is being implemented for the 2007-2008 TC cycle and which will provide more timely information for the regular programme and budget planning.

D.1.10. Common Staff Costs

Common staff costs had been under-budgeted for several years.	215. I found that Common staff costs (CSC) had been under-budgeted for several years. I recommended increasing the ratio of common staff costs to salary costs to a more realistic level.
CSC will be further increased to a level of 45.1 percent.	216. The increase in the budgeted CSC rate from the standard 39.6 percent of previous years to 41.8 percent in 2005 was the first step to addressing this recommendation. For 2006-2007, the Board of Governors has recommended to the General Conference a budget that includes a further increase in the CSC rate to 45.1 percent.

D.2. Administrative issues

D.2.1. Situation concerning Security at the IAEA Laboratories in Seibersdorf

In 2004 the security situation of the Seibersdorf Laboratories was precarious.	217. In my report for the year 2004 I expressed my deep concern over the security situation in the Agency's laboratory compound in Seibersdorf, Safeguards Analytical Laboratories (SAL) and Owned Laboratories (OL). I urgently proposed the immediate implementation of the proposals made by the United Nations Security and Safety Section (UNSSS) in a 2004 report.
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Some of the proposals have already been implemented or their implementation has already started.

I observed that considerable efforts have been made in the asset security of the Seibersdorf compound.

However the remaining recommendations should be implemented as soon as possible.

A parking lot has been constructed which is close to the SAL buildings. This is an additional threat for the facilities.

The access control at the main gate is still insufficient.

218. Some of the proposals have already been implemented, such as the access control system at the main gate of the Austrian Research Centre (ARC), the involvement of local police in the control of the personal data of persons entering the site and the extension of street lighting around the OL. Other recommended security installation measures are foreseen to be installed by 2006/2007, such as: video surveillance (SAL and OL), alarm monitoring intrusion and alarm messaging to police after working hours (OL), and security sluice doors at the entrance to the SAL and the OL.

219. In 2005 the Agency has undertaken considerable efforts in order to meet recognized security standards relating to the IAEA laboratory compound in Seibersdorf. The strengthened access control to the ARC, the automated door locking system of the OL and the guaranteed presence of a police post and other measures represent a significant improvement in the security of the compound.

220. However, the remaining recommendations should be implemented as soon as possible. Now that the priority security measures are either implemented or underway for the OL and SAL, it is recommended to move ahead expeditiously in obtaining the required site expansion decisions with the Austrian Ministry of Foreign Affairs and Austrian Research Centre in order to put in place a security fence around the OL.

221. When my team was on the site in February 2006, it observed a new potential danger source. Directly in front of the SAL-building and only some centimetres away from the windows there are 14 parking places. The Agency has recognised the risk of bomb attacks on the Seibersdorf compound and has already implemented the UNSSS proposal to protect the buildings against such threats with anti-shatter film on all windows. The possibility of placing a car with explosive devices very close to the building conflicts with these types of security measures. I strongly recommend that parking close to the building should be prevented.

222. Furthermore IAEA staff and members of the External Audit team observed that access control at the main gate of the ARC is still insufficient. IAEA staff working in Seibersdorf have, in addition to their IAEA grounds passes, ARC grounds passes. IAEA personnel in Seibersdorf reported that there is no individual check when they enter the ARC compound by car. In order to get access to the compound by car, the holder of the ARC grounds pass has to activate the car barrier with the chip in his pass. After activation the barrier opens and the car driver can easily enter the compound without any additional check. The guards do not check whether the car driver is the authorized holder of the grounds pass by comparing the photos with the visitors' faces. My staff were equipped with IAEA grounds passes with photos of the holder and had the same experience when arriving by shuttle bus. This insufficient control could enable unauthorized persons with falsified or illegally obtained grounds passes to get access to the compound. I strongly recommend briefing the guards at the main gate accordingly.

D.2.2. IT Infrastructure

<p>In 2004 I recommended that physical IT security should be improved.</p>	<p>223. My 2004 report included recommendations relating to the physical security of IT infrastructure, as my staff had detected security problems concerning physical access to IT infrastructure equipment and fire and water protection in the network distribution cabinets of the VIC. I recommended that IT physical security should be improved through strict compliance with the Agency's policy on physical IT security for its IT equipment.</p>
<p>The Agency states that UNIDO/BMS is solely responsible.</p>	<p>224. The Agency shared our concerns on this issue. Server rooms managed by divisions other than MTIT will be made compliant with Agency's policy on IT equipment physical security. Sealing off the back and the top of the network racks (installed in corridors or in TK rooms) or relocation to more secure areas will be carried out by BMS.</p>
<p>After refurbishment the contingency risk is higher than before.</p>	<p>225. These steps are welcome, however, they are not sufficient. Due to the refurbishment of the building, the network distribution cabinets are now on the common floors without necessary security measures, e.g. smoke and water detection or protection against damage to the outgoing wires. The contingency risk has actually increased because the new wiring also supports the Telephone Service. An incident or an incendiary would completely eliminate communication on the affected floor.</p> <p>226. I have to stress again that serious damage would be incurred by the Agency should an incident occur. I still recommend that physical IT security should be improved through an Agency-wide strict policy on physical IT security. Furthermore, I suggest following accepted international standards.</p>

D.3. Other Recommendations made in 2004

Recommendation	Action taken by Management
<p>227. Voluntary contributions are not strictly separated from the RBF as required by UNSAS. The Secretariat followed my recommendation not only to record but also to disclose the actual costs the Agency incurs for TC activities.</p>	<p>The relevant figure was disclosed in the 2004 financial statements.</p>
<p>228. I recommended developing and establishing a support cost scheme for extrabudgetary contributions.</p>	<p>An expert on this subject has been engaged. The expectation is that a specific proposal will be presented to the Member States for approval in 2007. The issue will also be raised in the Board of Governors in the Planning Document in 2006.</p>
<p>229. Until 2002 all interest income from extrabudgetary resources, with the exception of the TCF, was credited to the RBF. I recommend crediting interest strictly to the individual fund to which the investment belongs.</p>	<p>The systems are being adjusted to incorporate this recommendation. In the 2005 financial statements, interest income was credited to the extrabudgetary funds for those countries that have so requested.</p>
<p>230. Exchange rate gains and losses arising from extrabudgetary resources, with the exception of the TCF, are generally recorded in the RBF. I recommended that in future these should be recorded in the extrabudgetary fund to which they relate and not mixed with funds financed from assessed contributions.</p>	<p>In the 2005 financial statements, exchange rate gains and losses are recorded in the extrabudgetary fund to which they relate.</p>

231. Raising funds from NGOs requires an amendment to the financial rules.

The financial rule will be amended and is being prepared.

232. I recommended keeping performance indicators up-to-date and reassessing their validity regularly in order to enhance the effectiveness of results-based-management.

Outcomes and performance indicators designed for the 2004-2005 Programme will be reviewed by December 2005 in preparation for the Programme Performance Assessment. In 2006, new outcomes and performance indicators will be designed for the 2008-2009 Programme and Budget, as required.

233. I recommend keeping the National Participation Costs (NPC) scheme under review to avoid shortcomings in project execution due to late or non-payment by recipients.

This is mandated by the Board and a comprehensive report will be prepared for the June 2006 Board. All necessary information is being collected (C.2.7, refers.)

E. OTHER MATTERS

E.1. CASES OF FRAUD OR PRESUMPTIVE FRAUD

A case of forging requests for visas was investigated.

234. A case of forging requests for visas was reported and investigated in 2005. The Staff member involved was summarily dismissed.

A rental subsidy was paid without evidence of rental payments.

235. As previously reported rental subsidy amounting to € 25,414 was paid to a Staff member who could not provide documented evidence of the actual rental payments he claimed he had made to his landlord. OIOS finalized the investigation in 2005 and concluded that the amount is recoverable from the staff member.

In two cases, there was a violation of procurement rules.

236. In two TC projects, the results of the procurement process for TC equipment were manipulated. The procurements were halted by MTPS and the subsequent OIOS review confirmed the violation of the procurement rules. These procurements have not proceeded and no losses were incurred by the Agency.

There was an allegation of preferential treatment extended to a supplier.

237. There was an allegation of preferential treatment extended to a supplier. A former employee of a supplier was hired as a consultant by the agency to develop specifications for a contract. The procurement contract was granted to the consultant's former employer. After OIOS had conducted its review and presented its findings, MTPS decided to review the terms of the contract with the supplier.

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

130 safeguards items were written-off.

238. In accordance with Financial Regulation 10.5, the Agency has informed me of losses of 130 Safeguards equipment items purchased at a cost of US\$ 306,391. All items were written-off as they could not be traced or found for more than two consecutive years. Additionally one Safeguards equipment item purchased at a cost of US\$ 3,634 with a book value of US\$ 2,180 was written-off after it was reported stolen.

Three Safeguard equipment items reported as stolen have not yet been written-off.

12 items were reported as not found. An investigation is being conducted.

239. Moreover, I was informed that three Safeguard equipment items purchased at a cost of US\$ 6,031 with a book value of US\$ 2,607 have been reported as stolen in 2005. The items have not yet been written-off.

240. A total of 12 non-expendable items purchased at a cost of US\$ 32,634.16 with a book value of US\$ 4,522.84 were reported as not found. An investigation is being conducted by UNSSS to determine whether the items were lost, stolen, or misplaced and accordingly insurance claims will be prepared.

241. The Agency made no ex-gratia payments in 2005.

F. ACKNOWLEDGEMENT

242. 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

PART II

Statements

Text of a Letter dated 23 March 2006 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 2005, 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 2005
(expressed in United States dollars)

	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 FUND AND SPECIAL FUND		T O T A L		
	FUND GROUP I				FUND GROUP II		FUND GROUP III		FUND GROUP IV		FUND GROUP VI				
	Schedule/ Note	2005	2004	Schedule/ Note	2005	2004	2005	2004	2005	2004	2005	2004	Schedule	2005	2004
I N C O M E															
Assessed contributions	S1a	313 576 534	295 625 696		-	-	-	-	-	-	-	-		313 576 534	295 625 696
Supplementary assessed contributions	S1b	2 896 590	5 926 902		-	-	-	-	-	-	-	-		2 896 590	5 926 902
Additional appropriation from 2003 cash surplus	N - H	2 936 969	-		-	-	-	-	-	-	-	-		2 936 969	-
Voluntary contributions		-	-	S8	69 354 081	65 228 431	38 397 183	53 464 654	14 406 197	10 217 074	813 198	351 531		122 970 659	129 261 690
Assessed programme costs		-	-	S9a	829 425	1 565 296	-	-	-	-	-	-		829 425	1 565 296
National participation costs		-	-	S9b	3 368 463	-	-	-	-	-	-	-		3 368 463	-
Other/Miscellaneous income		-	-		-	-	-	-	-	-	-	-		-	-
Revenue producing activities	N - E. (a)	934 863	1 144 196		-	-	-	-	-	-	-	-		934 863	1 144 196
Funds received under inter-organization arrangements		-	-		-	-	-	-	(1 533 472)	(93 850)	-	-		(1 533 472)	(93 850)
Jointly financed activities	N - E. (b)	2 596 621	2 541 143		-	-	-	-	-	-	-	-		2 596 621	2 541 143
Income for services rendered		72 893	38 852		-	-	-	-	-	-	-	-		72 893	38 852
Interest income		3 148 374	1 547 835		1 181 978	637 661	966 825	725 111	198 580	94 975	-	-		5 495 757	3 005 582
Currency exchange adjustments		(861 600)	357 437		(675 446)	38 386	-	-	-	-	-	-		(1 537 046)	395 823
Other/Miscellaneous		620 805	666 983		(20 274)	(10 310)	-	-	-	-	-	-		600 531	656 673
TOTAL INCOME		325 922 049	307 849 044		74 038 227	67 459 464	39 364 008	54 189 765	13 071 305	10 218 199	813 198	351 531		453 208 787	440 068 003
TOTAL EXPENDITURE	S6	312 841 242	283 969 489	N - F.	72 350 437	65 563 025	37 031 886	39 167 409	11 160 709	8 098 269	289 399	256 691	S7	433 673 673	397 054 883
Provision for unobligated balances of appropriations	S4	-	19 757 654		-	-	-	-	-	-	-	-	S4	-	19 757 654
Provision for Phase II Security Enhancement	S4	7 371 141	-		-	-	-	-	-	-	-	-	S4	7 371 141	-
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	S4	5 709 666	4 121 901		1 687 790	1 896 439	2 332 122	15 022 356	1 910 596	2 119 930	523 799	94 840		12 163 973	23 255 466
Prior period adjustments	N - G. (a)	473 356	933 048	N - G. (b)	1 750 777	8 118 301	-	-	-	-	-	-		2 224 133	9 051 349
Reserve for uncollected contributions		(3 390 153)	(745 839)		-	-	-	-	-	-	-	-		(3 390 153)	(745 839)
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		2 792 869	4 309 110		3 438 567	10 014 740	2 332 122	15 022 356	1 910 596	2 119 930	523 799	94 840		10 997 953	31 560 976
Savings on or cancellation of prior periods' obligations	S4	1 759 317	1 307 339		3 650 459	2 443 050	899 548	591 877	270 250	262 728	2 574	1 358		6 582 148	4 606 352
Savings on unobligated balances of 2004 appropriations brought forward	S4	157 647	65 804		-	-	-	-	-	-	-	-		157 647	65 804
Transfers to reserves	N - I	576 593	-		-	-	-	-	-	-	-	-		576 593	-
Transfers from reserves		-	-		-	-	-	-	-	-	-	-		-	-
Net increase (decrease) in Working Capital Fund	S2	360	(1 440)		-	-	-	-	-	-	-	-		360	(1 440)
Commissary Working Capital	N - K.	(140 276)	1 097 529		-	-	-	-	-	-	-	-		(140 276)	1 097 529
Credits to Member States	S5, N - H.	(3 050 717)	(953 776)		-	-	-	-	-	-	-	-		(3 050 717)	(953 776)
Fund balance, beginning of period		50 368 614	44 544 048		18 865 412	6 407 622	59 440 480	43 826 247	9 978 279	7 595 621	1 230 199	1 134 001		139 882 984	103 507 539
RESERVES AND FUND BALANCES, END OF PERIOD		52 464 407	50 368 614		25 954 438	18 865 412	62 672 150	59 440 480	12 159 125	9 978 279	1 756 572	1 230 199		155 006 692	139 882 984

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

STATEMENT II

STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCES
as at 31 December 2005
(expressed in United States dollars)

	REGULAR BUDGET FUND AND WORKING CAPITAL FUND		G E N E R A L F U N D								TRUST FUND AND SPECIAL FUND		T O T A L		
			TECHNICAL COOPERATION FUND		EXTRABUDGETARY PROGRAMME FUND		TECHNICAL COOPERATION EXTRABUDGETARY FUND		FUND GROUP VI						
	FUND GROUP I		FUND GROUP II		FUND GROUP III		FUND GROUP IV		FUND GROUP VI		Schedule	2005	2004		
	Schedule/ Note	2005	2004	Schedule/ Note	2005	2004	2005	2004	2005	2004	2005	2004	Schedule	2005	2004
ASSETS															
Cash and term deposits		78 768 296	71 465 954		58 944 426	47 925 260	77 292 335	74 184 228	23 280 994	18 432 408	1 842 375	1 267 470	S12	240 128 426	213 275 320
Investment in commissary	N - K.	957 253	1 097 529		-	-	-	-	-	-	-	-		957 253	1 097 529
Accounts receivable															
Assessed contributions receivable from Member States	S1a, S1b & N - L.	53 014 130	57 099 130		-	-	-	-	-	-	-	-		53 014 130	57 099 130
Voluntary contributions receivable		-	-	S8	1 638 570	2 484 331	-	-	-	-	-	-		1 638 570	2 484 331
Assessed programme costs receivable		-	-	S9a	4 529 604	5 359 029	-	-	-	-	-	-		4 529 604	5 359 029
National participation costs receivable		-	-	S9b	1 061 031	-	-	-	-	-	-	-		1 061 031	-
Other	N - M.1.	9 392 319	7 609 151	N - M.2.	4 206 257	4 257 649	634 068	616 991	513 057	233 814	32	2 862		14 745 733	12 720 467
TOTAL ASSETS		142 131 998	137 271 764		70 379 888	60 026 269	77 926 403	74 801 219	23 794 051	18 666 222	1 842 407	1 270 332		316 074 747	292 035 806
LIABILITIES															
Contributions received in advance	S1a	17 593 182	12 722 367	S8, S9a, S9b	2 402 685	2 633 954	35 881	11 078	3 995	-	-	-		20 035 743	15 367 399
Unliquidated obligations	N - N.	49 252 355	26 469 186		36 319 592	32 285 729	11 869 380	12 645 908	11 630 931	8 387 943	85 835	40 133		109 158 093	79 828 899
Provision for revaluation of balance sheet	N - P.	14 212 174	25 945 449	N - P.	-	768 124	-	-	-	-	-	-		14 212 174	26 713 573
Provision for unobligated balances of appropriations	S4	-	19 757 654		-	-	-	-	-	-	-	-		-	19 757 654
Provision for Phase II Security Enhancement	S4	7 371 141	-		-	-	-	-	-	-	-	-		7 371 141	-
Uncollected assessed programme costs		-	-	S9a	4 529 604	5 359 029	-	-	-	-	-	-		4 529 604	5 359 029
Uncollected National participation costs		-	-	S9b	1 061 031	-	-	-	-	-	-	-		1 061 031	-
Accounts payable															
Other	N - O.1.	1 238 739	2 008 494	N - O.2.	112 538	114 021	3 348 992	2 703 753	-	300 000	-	-		4 700 269	5 126 268
TOTAL LIABILITIES		89 667 591	86 903 150		44 425 450	41 160 857	15 254 253	15 360 739	11 634 926	8 687 943	85 835	40 133		161 068 055	152 152 822
RESERVES AND FUND BALANCES															
Uncollected assessed contributions	S1a	19 197 651	22 587 804		-	-	-	-	-	-	-	-		19 197 651	22 587 804
Other reserves	N - I	1 776 593	1 200 000		-	-	-	-	-	-	-	-		1 776 593	1 200 000
Working Capital Funds	S2, S3	18 000 360	18 000 000		-	-	-	-	-	-	-	-		18 000 360	18 000 000
Commissary Working Capital	N - K.	957 253	1 097 529		-	-	-	-	-	-	-	-		957 253	1 097 529
Surplus (deficits)	S4	12 532 550	7 483 281		-	-	-	-	-	-	-	-		12 532 550	7 483 281
Fund balances		-	-		25 954 438	18 865 412	62 672 150	59 440 480	12 159 125	9 978 279	1 756 572	1 230 199		102 542 285	89 514 370
TOTAL RESERVES AND FUND BALANCES		52 464 407	50 368 614		25 954 438	18 865 412	62 672 150	59 440 480	12 159 125	9 978 279	1 756 572	1 230 199		155 006 692	139 882 984
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		142 131 998	137 271 764		70 379 888	60 026 269	77 926 403	74 801 219	23 794 051	18 666 222	1 842 407	1 270 332		316 074 747	292 035 806

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

STATEMENT III

STATEMENT OF CASH FLOW
for the period ending 31 December 2005
(expressed in United States dollars)

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net excess (shortfall) of income over expenditure (Statement I)	10 997 953	31 560 976
(Increase) decrease in contributions receivable	4 699 155	6 081 008
(Increase) decrease in other accounts receivable	(2 025 266)	(1 599 917)
Increase (decrease) in contributions received in advance	4 668 344	(16 960 230)
Increase (decrease) in unliquidated obligations	29 329 194	(480 021)
Increase (decrease) in accounts payable	(425 999)	730 474
Increase (decrease) in other liabilities	(24 887 912)	23 629 605
Less: Interest income	(5 495 757)	(3 005 582)
Currency exchange adjustments	1 537 046	(395 823)
NET CASH FROM OPERATING ACTIVITIES	18 396 758	39 560 490
CASH FLOW FROM INVESTING AND FINANCING ACTIVITIES:		
(Increase) decrease in investment in commissary	140 276	(1 097 529)
Plus: Interest income	5 495 757	3 005 582
Currency exchange adjustments	(1 537 046)	395 823
NET CASH FROM INVESTING AND FINANCING ACTIVITIES	4 098 987	2 303 876
CASH FLOW FROM OTHER SOURCES:		
Savings on or cancellation of prior periods' obligations	6 582 148	4 606 352
Savings on unobligated balances of 2004 appropriations brought forward	157 647	65 804
Increase (decrease) in provision for uncollected assessed programme and national participation costs (TCF)	231 606	(1 565 296)
Transfers to reserves	576 593	-
Net increase (decrease) in Working Capital Fund	360	(1 440)
Net increase (decrease) in Commissary Working Capital	(140 276)	1 097 529
Credits to Member States	(3 050 717)	(953 776)
NET CASH FROM OTHER SOURCES	4 357 361	3 249 173
NET INCREASE (DECREASE) IN CASH AND TERM DEPOSITS	26 853 106	45 113 539
CASH AND TERM DEPOSITS, BEGINNING OF PERIOD	213 275 320	168 161 781
TOTAL CASH AND TERM DEPOSITS, END OF PERIOD (Schedule S12)	240 128 426	213 275 320
consisting of:		
Fund Group I - Regular Budget Fund and Working Capital Fund	78 768 296	71 465 954
Fund Group II - Technical Cooperation Fund	58 944 426	47 925 260
Fund Group III - Extrabudgetary Programme Fund	77 292 335	74 184 228
Fund Group IV - Technical Cooperation Extrabudgetary Fund	23 280 994	18 432 408
Fund Group VI - Trust Fund and Special Fund	1 842 375	1 267 470
	240 128 426	213 275 320

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

STATEMENT IV

**STATEMENT OF REGULAR BUDGET APPROPRIATIONS
for the period ending 31 December 2005**

(expressed in United States dollars)

Description of major programme	Appropriations				Expenditure				Phase II Security Enhancement	Balance
	a/ Adjusted	b/ Transfers	c/ Transfers	Revised	Disbursements	Unliquidated obligations	Unliquidated obligations for shared services and laboratory activities	Total		
1. Nuclear Power, Fuel Cycle and Nuclear Science	27 791 000	(173 000)		27 618 000	25 727 167	1 618 425	272 408	27 618 000		-
2. Nuclear Techniques for Development and Environmental Protection	34 603 000	(138 000)		34 465 000	30 001 172	3 677 621	785 989	34 464 782		218
3. Nuclear Safety and Security	26 171 000	(207 000)	29 927	25 993 927	24 953 126	852 205	188 596	25 993 927		-
4. Nuclear Verification	121 944 000	(829 000)		121 115 000	99 262 577	20 686 069	1 145 737	121 094 383		20 617
5. Information Support Services	21 936 000	(57 000)		21 879 000	19 646 174	494 564	1 738 262	21 879 000		-
6. Management of Technical Cooperation for Development	18 485 000	(127 000)	(29 927)	18 328 073	17 240 117	273 142	33 421	17 546 680		781 393
7. Policy and General Management	61 497 000	(196 000)		61 301 000	57 410 618	3 406 587	483 785	61 300 990		10
Supplementary Appropriations - Phase II Security Enhancement	-	7 718 000		7 718 000	346 859	-	-	346 859	7 371 141	-
Appropriation Budget	312 427 000	5 991 000	-	318 418 000	274 587 810	31 008 613	4 648 198 d/	310 244 621	7 371 141	802 238
8. Reimbursable work for others	3 261 000	-		3 261 000	2 550 936	-	45 685	2 596 621	-	664 379
T O T A L	315 688 000	5 991 000	-	321 679 000	277 138 746	31 008 613	4 693 883	312 841 242	7 371 141	1 466 617

a/ GC(48)/RES/6

b/ GC(49)/RES/4

c/ Based on the decision of the Board of Governors on document (GOV/1999/15) an amount of \$29 927 was transferred to Major Programme 3 "Nuclear Safety and Security" in order to cover the cost of emergency assistance provided to Chile. To recover this advance, year-end unencumbered balances in the Regular Budget Appropriation 6 "Management of Technical Cooperation for Development" were used.

d/ Of this amount, \$3 436 437 represent unliquidated obligations relating to the Agency's Shared Support Costs and \$1 257 455 unliquidated obligations relating to the Agency's Laboratories.

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

STATEMENT IV (SUPPLEMENTARY)

**STATEMENT OF UNOBLIGATED BALANCES OF 2004 APPROPRIATIONS
for the period ending 31 December 2005
(expressed in United States dollars)**

Description of major programme	Unobligated balances of appropriations brought forward	Expenditure				Balance
		Disbursements	Unliquidated obligations	Unliquidated obligations for shared services and laboratory activities a/	Total	
1. Nuclear Power, Fuel Cycle and Nuclear Science	554 189	397 686	95 123	61 380	554 189	-
2. Nuclear Techniques for Development and Environmental Protection	613 124	284 694	323 887	-	608 581	4 543
3. Nuclear Safety and Security	862 227	565 280	106 558	190 340	862 178	49
4. Nuclear Verification	9 006 919	3 076 410	5 288 815	560 860	8 926 085	80 834
5. Information Support Services	1 325 799	238 922	47 852	1 039 025	1 325 799	-
6. Management of Technical Cooperation for Developmen	1 074 172	535 611	516 319	-	1 051 930	22 242
7. Policy and General Management	6 321 224	1 955 792	4 072 998	242 455	6 271 245	49 979
T O T A L	19 757 654	7 054 395	10 451 552	2 094 060 a/	19 600 007	157 647

a/ Of this amount, \$1 578 870 represent unliquidated obligations relating to the Agency's Shared Support Costs and \$515 190 unliquidated obligations relating to the Agency's Laboratory.

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

PART III

SCHEDULES

SCHEDULE S1a

REGULAR BUDGET FUND
STATUS OF CONTRIBUTIONS TO THE REGULAR BUDGET
AS AT 31 DECEMBER 2005
(expressed in United States dollars)

Member State	2005				Outstanding at € 0.845	Prior years		Total outstanding at € 0.845	Advance payments and credits c/
	Assessed	Credits a/	Payments	Total		Payments and credits in 2005 b/	Outstanding		
Afghanistan	4 594	-	4 594	4 594	-	13 785	99 564	99 564	-
Albania	12 197	-	12 197	12 197	-	154	-	-	-
Algeria	173 210	-	173 210	173 210	-	3 331	-	-	-
Angola	2 400	2 400	-	2 400	-	-	-	-	-
Argentina	2 084 003	-	-	-	2 084 003	-	4 630 740	6 714 743	-
Armenia	4 594	-	4 594	4 594	-	18 938	116 798	116 798	-
Australia	5 089 102	1 980	5 087 122	5 089 102	-	73 629	-	-	4 864 263
Austria	2 834 576	12 960	2 821 616	2 834 576	-	44 978	-	-	-
Azerbaijan	11 247	-	11 247	11 247	-	8 645	-	-	-
Bangladesh	24 396	-	24 396	24 396	-	453	-	-	-
Belarus	41 304	180	40 299	40 479	825	902	-	825	-
Belgium	3 411 570	7 740	3 357 068	3 364 808	46 762	51 118	-	46 762	-
Benin	4 522	-	-	-	4 522	-	600	5 122	-
Bolivia	20 343	-	-	-	20 343	-	36 401	56 744	-
Bosnia and Herzegovina	7 317	915	6 402	7 317	-	109	-	-	-
Botswana	27 811	17 624	10 187	27 811	-	-	-	-	-
Brazil	3 320 391	-	-	-	3 320 391	8 104 089	5 079 977	8 400 368	-
Bulgaria	39 769	39 769	-	39 769	-	-	-	-	-
Burkina Faso	4 522	-	471	471	4 051	9 834	-	4 051	-
Cameroon	18 082	-	-	-	18 082	39 095	-	18 082	-
Canada	9 181 515	9 181 515	-	9 181 515	-	-	-	-	8 594 799
Central African Republic	2 260	-	-	-	2 260	-	8 415	10 675	-
Chile	485 965	-	-	-	485 965	104 530	309 450	795 415	-
China	4 590 394	-	4 590 394	4 590 394	-	68 430	-	-	-
Colombia	336 785	-	-	-	336 785	833 332	21 198	357 983	-
Costa Rica	65 550	-	-	-	65 550	-	206 073	271 623	-
Côte d'Ivoire	22 604	-	-	-	22 604	-	109 397	132 001	-
Croatia	87 820	180	87 640	87 820	-	1 847	-	-	83 124
Cuba	92 673	-	-	-	92 673	6 664	126 545	219 218	-
Cyprus	119 034	-	119 034	119 034	-	1 640	-	-	4 803
Czech Republic	432 166	3 060	429 106	432 166	-	9 827	-	-	-
Democratic Republic of the Congo	6 780	-	-	-	6 780	180	203 389	210 169	-
Denmark	2 296 063	3 420	2 292 643	2 296 063	-	33 880	-	-	-
Dominican Republic	76 850	-	-	-	76 850	-	760 711	837 561	-
Ecuador	40 685	-	-	-	40 685	113 292	44 659	85 344	-

SCHEDULE S1a (continued)

Member State	2005				Outstanding at € 0.845	Prior years		Total outstanding at € 0.845	Advance payments and credits c/
	Assessed	Credits a/	Payments	Total		Payments and credits in 2005 b/	Outstanding		
Egypt	266 374	-	266 374	266 374	-	3 672	-	-	-
El Salvador	47 466	-	-	-	47 466	-	286 858	334 324	-
Eritrea	2 400	2 400	-	2 400	-	-	-	-	2 310
Estonia	29 826	29 826	-	29 826	-	-	-	-	27 708
Ethiopia	9 757	-	9 757	9 757	-	202	-	-	-
Finland	1 772 213	4 888	1 767 325	1 772 213	-	-	-	-	-
France	20 060 074	59 940	20 000 134	20 060 074	-	307 007	-	-	-
Gabon	20 343	-	-	-	20 343	63 460	390 994	411 337	-
Georgia	6 780	-	-	-	6 780	360	828 038	834 818	-
Germany	27 467 944	230 226	27 237 718	27 467 944	-	-	-	-	-
Ghana	9 040	-	-	-	9 040	180	22 225	31 265	-
Greece	1 172 253	360	1 171 893	1 172 253	-	23 813	-	-	-
Guatemala	65 550	-	-	-	65 550	47 460	126 212	191 762	-
Haiti	6 780	-	-	-	6 780	-	322 568	329 348	-
Holy See	3 273	3 273	-	3 273	-	-	-	-	3 173
Honduras	11 302	-	-	-	11 302	-	11 175	22 477	-
Hungary	300 753	300 753	-	300 753	-	-	-	-	-
Iceland	110 291	-	110 291	110 291	-	1 492	-	-	-
India	996 926	-	996 926	996 926	-	16 311	-	-	-
Indonesia	310 909	-	310 909	310 909	-	9 886	-	-	-
Iran, Islamic Republic of	341 306	4 391	-	4 391	336 915	18 717	-	336 915	-
Iraq	33 577	-	33 577	33 577	-	2 513 165	-	-	-
Ireland	1 119 864	-	1 119 864	1 119 864	-	-	-	-	-
Israel	1 371 607	-	1 344 519	1 344 519	27 088	17 594	-	27 088	-
Italy	15 751 727	18 720	15 733 007	15 751 727	-	231 642	-	-	-
Jamaica	18 082	-	-	-	18 082	8 366	18 287	36 369	-
Japan	62 363 834	-	62 363 834	62 363 834	-	885 646	-	-	-
Jordan	25 185	-	25 185	25 185	-	374	-	-	-
Kazakhstan	59 351	-	59 351	59 351	-	290 851	-	-	-
Kenya	20 343	-	2 350	2 350	17 993	18 132	-	17 993	-
Korea, Republic of	3 911 686	4 860	916 807	921 667	2 990 019	80 840	-	2 990 019	-
Kuwait	537 966	-	537 966	537 966	-	3 906	-	-	-
Kyrgyz Republic	2 260	-	-	-	2 260	-	4 579	6 839	-
Latvia	35 473	-	35 473	35 473	-	474	-	-	8
Lebanon	51 986	-	-	-	51 986	-	408	52 394	-
Liberia	2 260	-	-	-	2 260	-	195 434	197 694	-
Libyan Arab Jamahiriya	284 286	-	284 286	284 286	-	115 784	-	-	-
Liechtenstein	17 237	180	17 057	17 237	-	301	-	-	-
Lithuania	52 701	-	52 701	52 701	-	1 907	-	-	-
Luxembourg	255 188	360	254 828	255 188	-	3 801	-	-	-

SCHEDULE S1a (continued)

Member State	2005				Outstanding at € 0.845	Prior years		Total outstanding at € 0.845	Advance payments and credits c/
	Assessed	Credits a/	Payments	Total		Payments and credits in 2005 b/	Outstanding		
Madagascar	6 718	-	5 954	5 954	764	4 536	-	764	-
Malaysia	485 546	4 860	480 686	485 546	-	7 978	-	-	5 844
Mali	4 081	4 081	-	4 081	-	-	-	-	-
Malta	31 205	31 205	-	31 205	-	-	-	-	30 018
Marshall Islands	2 260	-	-	-	2 260	-	44	2 304	3 012
Mauritius	27 640	14 432	13 208	27 640	-	-	-	-	25 841
Mexico	4 106 977	-	-	-	4 106 977	2 526 663	27 201	4 134 178	-
Monaco	10 020	180	9 840	10 020	-	193	-	-	-
Mongolia	2 303	-	2 303	2 303	-	354	-	-	563
Morocco	106 332	-	98 493	98 493	7 839	10 001	-	7 839	-
Myanmar	23 173	-	22 996	22 996	177	22 418	-	177	-
Namibia	14 402	14 402	-	14 402	-	-	-	-	13 854
Netherlands	5 447 763	4 140	5 443 623	5 447 763	-	79 503	-	-	-
New Zealand	720 582	720 582	-	720 582	-	-	-	-	674 536
Nicaragua	2 316	-	2 316	2 316	-	1 655	-	-	-
Niger	2 260	-	-	-	2 260	-	68 115	70 375	-
Nigeria	90 413	-	-	-	90 413	141 286	11 062	101 475	-
Norway	2 215 875	2 215 875	-	2 215 875	-	-	-	-	2 074 277
Pakistan	130 140	900	129 240	130 140	-	2 927	-	-	-
Panama	40 685	-	-	-	40 685	14 177	10 266	50 951	-
Paraguay	27 123	-	-	-	27 123	540	185 874	212 997	-
Peru	201 166	-	-	-	201 166	445 747	248 347	449 513	-
Philippines	207 948	-	-	-	207 948	160 580	73 568	281 516	-
Poland	1 127 548	-	1 127 548	1 127 548	-	18 963	-	-	-
Portugal	1 100 808	-	1 078 284	1 078 284	22 524	21 867	-	22 524	-
Qatar	193 623	-	193 623	193 623	-	107 276	-	-	-
Republic of Moldova	2 260	-	-	-	2 260	180	368 594	370 854	-
Romania	137 036	-	137 036	137 036	-	2 812	-	-	-
Russian Federation	3 577 446	14 400	3 563 046	3 577 446	-	55 518	-	-	-
Saudi Arabia	1 633 718	-	1 633 718	1 633 718	-	26 259	-	-	-
Senegal	11 586	-	9 617	9 617	1 969	235	-	1 969	-
Serbia and Montenegro	40 685	180	-	180	40 505	-	859	41 364	-
Seychelles	4 522	-	-	-	4 522	1	9 157	13 679	-
Sierra Leone	2 260	-	-	-	2 260	-	154 852	157 112	-
Singapore	1 241 832	-	1 241 832	1 241 832	-	18 285	-	-	1 184 400
Slovakia	120 319	-	118 879	118 879	1 440	-	-	1 440	-
Slovenia	264 037	-	264 037	264 037	-	3 711	-	-	-
South Africa	697 546	20 678	676 868	697 546	-	18 610	-	-	-
Spain	8 055 096	-	8 055 096	8 055 096	-	119 547	-	-	-
Sri Lanka	38 956	-	37 985	37 985	971	30 197	-	971	-

SCHEDULE S1a (continued)

Member State	2005				Prior years		Total outstanding at € 0.845	Advance payments and credits c/	
	Assessed	Credits a/	Payments	Total	Outstanding at € 0.845	Payments and credits in 2005 b/			Outstanding
Sudan	18 082	-	-	-	18 082	-	36 351	54 433	-
Sweden	3 197 550	2 340	3 195 210	3 197 550	-	46 559	-	-	-
Switzerland	3 983 048	10 260	3 972 788	3 983 048	-	60 574	-	-	-
Syrian Arab Republic	85 134	7 020	78 114	85 134	-	3 531	-	-	-
Tajikistan	2 293	-	1 915	1 915	378	326	-	378	-
Thailand	511 831	14 040	497 791	511 831	-	14 798	-	-	-
The former Yugoslav Republic of Macedonia	13 562	-	-	-	13 562	-	272	13 834	-
Tunisia	71 833	-	71 833	71 833	-	961	-	-	649
Turkey	827 018	13 834	813 184	827 018	-	-	-	-	-
Uganda	13 562	-	-	-	13 562	17 920	178 380	191 942	-
Ukraine	87 000	2 160	84 840	87 000	-	2 317	-	-	-
United Arab Emirates	711 042	-	711 042	711 042	-	610 261	-	-	-
United Kingdom of Great Britain and Northern Ireland	20 384 237	-	20 384 237	20 384 237	-	262 814	-	-	-
United Republic of Tanzania	13 951	161	13 790	13 951	-	196	-	-	-
United States of America	77 009 489	-	61 442 731	61 442 731	15 566 758	15 299 165	-	15 566 758	-
Uruguay	103 975	-	-	-	103 975	118 019	349 802	453 777	-
Uzbekistan	29 384	-	-	-	29 384	18 715	328 528	357 912	-
Venezuela	373 060	-	18 686	18 686	354 374	475 303	-	354 374	-
Vietnam	46 018	-	46 018	46 018	-	709	-	-	-
Yemen	13 903	-	13 903	13 903	-	2 197	-	-	-
Zambia	4 747	460	4 287	4 747	-	93	-	-	-
Zimbabwe	15 822	-	-	-	15 822	180	53 194	69 016	-
Sub-total	313 572 014	13 028 110	269 420 949	282 449 059	31 122 955	34 984 682	16 065 161	47 188 116	17 593 182
New Members:									
Chad d/	2 260	-	-	-	2 260	-	-	2 260	-
Mauritania e/	2 260	-	-	-	2 260	-	2 234	4 494	-
Sub-total	4 520	-	-	-	4 520	-	2 234	6 754	-
Former Members:									
Cambodia f/	-	-	-	-	-	-	259 949	259 949	-
Democratic People's Republic of Korea g/	-	-	-	-	-	-	152 161	152 161	-
Yugoslavia h/	-	-	-	-	-	-	2 718 146	2 718 146	-
Sub-total	-	-	-	-	-	-	3 130 256	3 130 256	-
GRAND TOTAL	313 576 534	13 028 110	269 420 949	282 449 059	31 127 475	34 984 682	19 197 651	50 325 126	17 593 182

a/ These amounts reflect advance payments, both full and partial, of 2005 Regular Budget contributions (\$12 651 547) and Working Capital Fund credits (\$376 563) applied against 2005 Regular Budget contributions.

b/ These amounts reflect payments received during 2005 (\$34 647 080), cash surplus credits (\$113 748) and Working Capital Fund credits (\$223 854).

c/ These amounts reflect advance payments of 2006 Regular Budget contributions.

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

e/ Mauritania became a Member of the Agency on 23 November 2004.

f/ Cambodia withdrew from membership on 26 March 2003.

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

h/ 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 S1b

REGULAR BUDGET FUND

STATUS OF CONTRIBUTIONS TO THE 2005 REGULAR BUDGET SUPPLEMENTARY ASSESSMENT
AS AT 31 DECEMBER 2005

(expressed in United States dollars)

Member State	Assessed a/	Payments	Outstanding at € 0.845
Afghanistan	58	-	58
Albania	144	-	144
Algeria	2 115	-	2 115
Angola	28	-	28
Argentina	26 711	-	26 711
Armenia	58	-	58
Australia	44 236	44 236	-
Austria	24 017	-	24 017
Azerbaijan	144	-	144
Bangladesh	290	-	290
Belarus	492	-	492
Belgium	29 869	-	29 869
Benin	58	-	58
Bolivia	260	-	260
Bosnia and Herzegovina	88	-	88
Botswana	348	-	348
Brazil	42 557	-	42 557
Bulgaria	461	461	-
Burkina Faso	58	-	58
Cameroon	232	-	232
Canada	78 164	78 164	-
Central African Republic	28	-	28
Chile	6 228	-	6 228
China	57 391	-	57 391
Colombia	4 317	-	4 317
Costa Rica	840	-	840
Côte d'Ivoire	290	-	290
Croatia	1 036	1 036	-
Cuba	1 188	-	1 188
Cyprus	1 101	-	1 101
Czech Republic	5 099	-	5 099
Democratic Republic of the Congo	88	-	88
Denmark	20 077	-	20 077
Dominican Republic	985	-	985
Ecuador	522	-	522
Egypt	3 361	-	3 361
El Salvador	608	-	608
Eritrea	28	28	-
Estonia	346	346	-
Ethiopia	116	-	116
Finland	14 804	14 804	-
France	168 521	-	168 521
Gabon	260	-	260
Georgia	88	-	88
Germany	242 105	-	242 105
Ghana	116	-	116
Greece	14 804	-	14 804
Guatemala	840	-	840
Haiti	88	-	88
Holy See	28	28	-

SCHEDULE S1b (continued)

Member State	Assessed a/	Payments	Outstanding at € 0.845
Honduras	144	-	144
Hungary	3 505	-	3 505
Iceland	956	-	956
India	11 762	-	11 762
Indonesia	3 969	-	3 969
Iran, Islamic Republic of	4 375	-	4 375
Iraq	434	-	434
Ireland	9 734	9 734	-
Israel	13 037	-	13 037
Italy	136 537	-	136 537
Jamaica	232	-	232
Japan	544 122	-	544 122
Jordan	318	-	318
Kazakhstan	696	-	696
Kenya	260	-	260
Korea, Republic of	50 206	-	50 206
Kuwait	4 520	-	4 520
Kyrgyz Republic	28	-	28
Latvia	465	465	-
Lebanon	666	-	666
Liberia	28	-	28
Libyan Arab Jamahiriya	3 658	3 658	-
Liechtenstein	144	-	144
Lithuania	666	-	666
Luxembourg	2 144	-	2 144
Madagascar	88	-	88
Malaysia	6 213	5 140	1 073
Mali	58	-	58
Malta	374	374	-
Marshall Islands	28	-	28
Mauritius	323	323	-
Mexico	52 639	-	52 639
Monaco	88	-	88
Mongolia	29	29	-
Morocco	1 304	-	1 304
Myanmar	290	-	290
Namibia	173	173	-
Netherlands	47 221	-	47 221
New Zealand	6 134	6 134	-
Nicaragua	28	-	28
Niger	28	-	28
Nigeria	1 159	-	1 159
Norway	18 864	18 864	-
Pakistan	1 536	-	1 536
Panama	522	-	522
Paraguay	348	-	348
Peru	2 579	-	2 579
Philippines	2 665	-	2 665
Poland	12 892	-	12 892
Portugal	13 124	-	13 124
Qatar	1 796	-	1 796
Republic of Moldova	28	-	28
Romania	1 680	-	1 680
Russian Federation	30 737	-	30 737
Saudi Arabia	19 931	-	19 931
Senegal	144	-	144
Serbia and Montenegro	522	-	522
Seychelles	58	-	58
Sierra Leone	28	-	28
Singapore	10 772	10 772	-

SCHEDULE S1b (continued)

Member State	Assessed a/	Payments	Outstanding at € 0.845
Slovakia	1 412	1 412	-
Slovenia	2 289	-	2 289
South Africa	8 169	-	8 169
Spain	70 427	-	70 427
Sri Lanka	464	-	464
Sudan	232	-	232
Sweden	27 898	-	27 898
Switzerland	33 460	-	33 460
Syrian Arab Republic	1 072	-	1 072
Tajikistan	28	-	28
Thailand	5 852	-	5 852
The former Yugoslav Republic of Macedonia	174	-	174
Tunisia	926	926	-
Turkey	10 425	10 425	-
Uganda	174	-	174
Ukraine	1 101	-	1 101
United Arab Emirates	6 576	-	6 576
United Kingdom of Great Britain and Northern Ireland	171 244	-	171 244
United Republic of Tanzania	176	54	122
United States of America	724 232	-	724 232
Uruguay	1 333	-	1 333
Uzbekistan	376	-	376
Venezuela	4 780	-	4 780
Vietnam	580	-	580
Yemen	174	-	174
Zambia	58	-	58
Zimbabwe	202	-	202
Sub-total	2 896 534	207 586	2 688 948
<u>New Member:</u>			
Chad b/	28	-	28
Mauritania c/	28	-	28
Sub-total	56	-	56
TOTAL	2 896 590	207 586	2 689 004

a/ Revalued from euros to dollars at the prevailing UN rates of exchange at the time of receipt.

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

c/ Mauritania became a Member of the Agency on 23 November 2004.

SCHEDULE S2

**STATUS OF THE WORKING CAPITAL FUND
AS AT 31 DECEMBER 2005**

	2005	2004
Balance as at 1 January	18 059 461	17 988 026
Receipts/(Refunds)		
From Member States	<u>(72 341)</u>	<u>71 435</u>
Balance as at 31 December	<u>17 987 120</u>	<u>18 059 461</u>
Established Level	18 000 000	18 000 000
Add: Net increase due to new Member States assessments	<u>360</u>	<u>-</u>
Total (Statement II/Schedule S3)	18 000 360	18 000 000
Add: Advance contributions from Member States (Schedule S3)	-	66 824
Less: Due from Member States (Schedule S3)	<u>(13 240)</u>	<u>(7 363)</u>
Balance as at 31 December	<u>17 987 120</u>	<u>18 059 461</u>

SCHEDULE S3**STATUS OF ADVANCES TO THE WORKING CAPITAL FUND
AS AT 31 DECEMBER 2005**

(expressed in United States dollars)

Member State	Assessed	Paid	Outstanding
Afghanistan	360	360	-
Albania	900	900	-
Algeria	13 140	13 140	-
Angola	180	180	-
Argentina	165 960	165 960	-
Armenia	360	360	-
Australia	276 480	276 480	-
Austria	149 220	149 220	-
Azerbaijan	900	900	-
Bangladesh	1 800	1 800	-
Belarus	3 060	3 060	-
Belgium	185 580	185 580	-
Benin	360	360	-
Bolivia	1 620	1 440	180
Bosnia and Herzegovina	540	540	-
Botswana	2 160	2 160	-
Brazil	264 420	264 420	-
Bulgaria	2 880	2 880	-
Burkina Faso	360	360	-
Cameroon	1 440	1 440	-
Canada	488 520	488 520	-
Central African Republic	180	-	180
Chile	38 700	38 700	-
China	356 580	356 580	-
Colombia	26 820	26 820	-
Costa Rica	5 220	3 420	1 800
Côte d'Ivoire	1 800	1 440	360
Croatia	6 480	6 480	-
Cuba	7 380	7 380	-
Cyprus	6 840	6 840	-
Czech Republic	31 680	31 680	-
Democratic Republic of the Congo	540	540	-
Denmark	124 740	124 740	-
Dominican Republic	6 120	1 600	4 520
Ecuador	3 240	3 240	-
Egypt	20 880	20 880	-
El Salvador	3 780	1 000	2 780
Eritrea	180	180	-
Estonia	2 160	2 160	-
Ethiopia	720	720	-
Finland	92 520	92 520	-
France	1 047 060	1 047 060	-
Gabon	1 620	1 620	-
Georgia	540	540	-
Germany	1 504 260	1 504 260	-
Ghana	720	720	-
Greece	91 980	91 980	-
Guatemala	5 220	5 220	-
Haiti	540	360	180
Holy See	180	180	-

SCHEDULE S3 (continued)

Member State	Assessed	Paid	Outstanding
Honduras	900	720	180
Hungary	21 780	21 780	-
Iceland	5 940	5 940	-
India	73 080	73 080	-
Indonesia	24 660	24 660	-
Iran, Islamic Republic of	27 180	27 180	-
Iraq	2 700	2 700	-
Ireland	60 840	60 840	-
Israel	81 000	81 000	-
Italy	848 340	848 340	-
Jamaica	1 440	1 440	-
Japan	3 380 760	3 380 760	-
Jordan	1 980	1 980	-
Kazakhstan	4 320	4 320	-
Kenya	1 620	1 620	-
Korea, Republic of	311 940	311 940	-
Kuwait	28 080	28 080	-
Kyrgyz Republic	180	-	180
Latvia	2 520	2 520	-
Lebanon	4 140	1 980	2 160
Liberia	180	180	-
Libyan Arab Jamahiriya	22 860	22 860	-
Liechtenstein	900	900	-
Lithuania	4 140	4 140	-
Luxembourg	13 320	13 320	-
Madagascar	540	540	-
Malaysia	35 280	35 280	-
Mali	360	360	-
Malta	2 340	2 340	-
Marshall Islands	180	180	-
Mauritius	1 980	1 980	-
Mexico	327 060	327 060	-
Monaco	540	540	-
Mongolia	180	180	-
Morocco	8 100	8 100	-
Myanmar	1 800	1 800	-
Namibia	1 080	1 080	-
Netherlands	293 400	293 400	-
New Zealand	38 340	38 340	-
Nicaragua	180	180	-
Niger	180	180	-
Nigeria	7 200	7 200	-
Norway	117 900	117 900	-
Pakistan	9 540	9 540	-
Panama	3 240	3 240	-
Paraguay	2 160	2 160	-
Peru	16 020	16 020	-
Philippines	16 560	16 560	-
Poland	80 100	80 100	-
Portugal	81 540	81 540	-
Qatar	11 160	11 160	-
Republic of Moldova	180	180	-
Romania	10 440	10 440	-
Russian Federation	190 980	190 980	-
Saudi Arabia	123 840	123 840	-

SCHEDULE S3 (continued)

Member State	Assessed	Paid	Outstanding
Senegal	900	900	-
Serbia and Montenegro	3 240	3 240	-
Seychelles	360	360	-
Sierra Leone	180	180	-
Singapore	67 320	67 320	-
Slovakia	8 820	8 820	-
Slovenia	14 220	14 220	-
South Africa	50 760	50 760	-
Spain	437 580	437 580	-
Sri Lanka	2 880	2 880	-
Sudan	1 440	1 080	360
Sweden	173 340	173 340	-
Switzerland	207 900	207 900	-
Syrian Arab Republic	6 660	6 660	-
Tajikistan	180	180	-
Thailand	36 360	36 360	-
The former Yugoslav Republic of Macedonia	1 080	1 080	-
Tunisia	5 580	5 580	-
Turkey	64 620	64 620	-
Uganda	1 080	1 080	-
Ukraine	6 840	6 840	-
United Arab Emirates	40 860	40 860	-
United Kingdom of Great Britain and Northern Ireland	1 063 980	1 063 980	-
United Republic of Tanzania	1 080	1 080	-
United States of America	4 500 000	4 500 000	-
Uruguay	8 280	8 280	-
Uzbekistan	2 340	2 340	-
Venezuela	29 700	29 700	-
Vietnam	3 600	3 600	-
Yemen	1 080	1 080	-
Zambia	360	360	-
Zimbabwe	1 260	1 260	-
Sub-total	18 000 000	17 987 120	12 880
<u>New Members:</u>			
Chad a/	180	-	180
Mauritania b/	180	-	180
Sub-total	360	-	360
TOTAL	18 000 360	17 987 120	13 240

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

b/ Mauritania became a Member of the Agency on 23 November 2004.

SCHEDULE S4

REGULAR BUDGET FUND

**STATUS OF CASH SURPLUSES
AS AT 31 DECEMBER 2005**
(expressed in United States dollars)

	2005	2004
<u>Current year</u>		
Receipts	291 984 969	273 171 503
Disbursements (Statement IV)	(277 138 746)	(258 511 262)
Excess (shortfall) of receipts over disbursements	14 846 223	14 660 241
Unliquidated obligations (Statement IV)	(35 702 496)	(25 458 227)
Provision for unobligated balances of appropriations	-	(19 757 654)
Provision for Phase II Security Enhancement	(7 371 141)	-
Provisional deficit	(28 227 414)	(30 555 640)
Contributions receivable (Schedule S1a & S1b)	33 816 479	34 511 326
Miscellaneous income receivable	120 601	166 215
Excess (shortfall) of income over expenditure - (Statement I)	5 709 666	4 121 901
<u>Disposition of prior year's provisional surplus (deficit)</u>		
Prior year provisional deficit	(30 555 640)	(36 948 713)
Receipt of:		
Contributions all prior years (Schedule S1)	34 984 682	38 399 629
Miscellaneous income	166 215	112 910
Savings on liquidation of prior years' obligations	1 759 317	1 307 339
Savings on unobligated balances of 2004 appropriations brought forward	157 647	65 804
Prior year cash surplus/(deficit)	6 512 221	2 936 969
Other surpluses: (Schedule S5)		
Cash surpluses withheld pending receipt of contributions	310 663	424 411
Total surplus (Statement II)	12 532 550	7 483 281

SCHEDULE S5**REGULAR BUDGET FUND****I. SHARES OF MEMBER STATES IN THE 2004 CASH SURPLUS**

(expressed in United States dollars)

Member State	2004 Scale of assessment %	Allocation amount \$
Afghanistan	0.001	65
Albania	0.002	130
Algeria	0.052	3 386
Angola	0.002	130
Argentina	0.711	46 302
Armenia	0.002	130
Australia	1.604	104 456
Austria	0.934	60 824
Azerbaijan	0.003	195
Bangladesh	0.007	456
Belarus	0.014	912
Belgium	1.114	72 546
Benin	0.002	130
Bolivia	0.006	391
Bosnia and Herzegovina	0.003	195
Botswana	0.007	456
Brazil	1.754	114 224
Bulgaria	0.009	586
Burkina Faso	0.002	130
Cameroon	0.007	456
Canada	2.523	164 303
Central African Republic	0.001	65
Chile	0.156	10 159
China	1.124	73 197
Colombia	0.147	9 573
Costa Rica	0.015	977
Côte d'Ivoire	0.007	456
Croatia	0.028	1 823
Cuba	0.022	1 433
Cyprus	0.036	2 344
Czech Republic	0.149	9 703
Democratic Republic of the Congo	0.003	195
Denmark	0.738	48 060
Dominican Republic	0.017	1 107
Ecuador	0.018	1 172
Egypt	0.059	3 842
El Salvador	0.013	847
Eritrea	0.001	65
Estonia	0.007	456
Ethiopia	0.003	195
Finland	0.514	33 473
France	6.378	415 349
Gabon	0.010	651
Georgia	0.004	261
Germany	9.635	627 452

SCHEDULE S5 (continued)

Member State	2004 Scale of assessment %	Allocation amount \$
Ghana	0.004	261
Greece	0.396	25 788
Guatemala	0.020	1 302
Haiti	0.002	130
Holy See	0.001	65
Honduras	0.004	261
Hungary	0.088	5 731
Iceland	0.032	2 084
India	0.250	16 281
Indonesia	0.147	9 573
Iran, Islamic Republic of	0.200	13 024
Iraq	0.099	6 447
Ireland	0.290	18 885
Israel	0.410	26 700
Italy	4.995	325 285
Jamaica	0.003	195
Japan	19.248	1 253 472
Jordan	0.006	391
Kazakhstan	0.021	1 368
Kenya	0.006	391
Korea, Republic of	1.358	88 436
Kuwait	0.145	9 443
Kyrgyz Republic	0.001	65
Latvia	0.007	456
Lebanon	0.008	521
Liberia	0.001	65
Libyan Arab Jamahiriya	0.049	3 191
Liechtenstein	0.006	391
Lithuania	0.012	782
Luxembourg	0.079	5 145
Madagascar	0.002	130
Malaysia	0.172	11 201
Mali	0.002	130
Malta	0.011	716
Marshall Islands	0.001	65
Mauritania a/	0.001	65
Mauritius	0.008	521
Mexico	0.797	51 902
Monaco	0.004	261
Mongolia	0.001	65
Morocco	0.032	2 084
Myanmar	0.007	456
Namibia	0.005	326
Netherlands	1.714	111 619
New Zealand	0.237	15 434
Nicaragua	0.001	65
Niger	0.001	65
Nigeria	0.050	3 256
Norway	0.637	41 483
Pakistan	0.045	2 931

SCHEDULE S5 (continued)

Member State	2004 Scale of assessment %	Allocation amount \$
Panama	0.013	847
Paraguay	0.012	782
Peru	0.086	5 601
Philippines	0.073	4 754
Poland	0.277	18 039
Portugal	0.339	22 076
Qatar	0.033	2 149
Republic of Moldova	0.002	130
Romania	0.042	2 735
Russian Federation	1.183	77 040
Saudi Arabia	0.407	26 505
Senegal	0.004	261
Serbia and Montenegro	0.015	977
Seychelles	0.002	130
Sierra Leone	0.001	65
Singapore	0.372	24 225
Slovakia	0.032	2 084
Slovenia	0.080	5 210
South Africa	0.299	19 472
Spain	2.484	161 764
Sri Lanka	0.012	782
Sudan	0.005	326
Sweden	1.012	65 904
Switzerland	1.257	81 859
Syrian Arab Republic	0.059	3 842
Tajikistan	0.001	65
Thailand	0.216	14 066
The former Yugoslav Republic of Macedonia	0.005	326
Tunisia	0.022	1 433
Turkey	0.322	20 969
Uganda	0.004	261
Ukraine	0.038	2 475
United Arab Emirates	0.199	12 959
United Kingdom of Great Britain and Northern Ireland	5.460	355 567
United Republic of Tanzania	0.003	195
United States of America	25.925	1 688 228
Uruguay	0.059	3 842
Uzbekistan	0.008	521
Venezuela	0.153	9 964
Vietnam	0.012	782
Yemen	0.005	326
Zambia	0.002	130
Zimbabwe	0.006	391
TOTAL (Schedule S4)	100.001 b/	6 512 221

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
RECEIPT OF CONTRIBUTIONS AS AT 31 DECEMBER 2005**

Budget years	31 December 2004	Surrendered	31 December 2005
1959-1968	1 246	-	1 246
1979-1990	89 809	8 285	81 524
1992	31 971	5 621	26 350
1993	22 844	6 367	16 477
1994	76 117	23 189	52 928
1995	3 608	1 115	2 493
1996	72 997	18 297	54 700
1997	36 919	8 641	28 278
1998	49 298	17 078	32 220
1999	15 187	5 395	9 792
2001	3 962	603	3 359
2002	20 453	19 157	1 296
2003	2 936 969	2 936 969	-
TOTAL (Schedule S4)	3 361 380	3 050 717	310 663

SCHEDULE S6

REGULAR BUDGET FUND
REGULAR BUDGET 2005SUMMARY BY ITEM OF EXPENDITURE
AS AT 31 DECEMBER 2005

(expressed in United States dollars)

Item of expenditure	2005 Adjusted budget a/	Expenditures			Phase II Security Enhancement d/	Balance
		Disbursements	Unliquidated obligations	Total expenditure		
Salaries - established posts - P	80 135 100	71 451 316	-	71 451 316		8 683 784
Temporary assistance - P/MT	7 615 200	8 244 310	-	8 244 310		(629 110)
Temporary assistance - P/ST	1 273 000	860 580	-	860 580		412 420
Salaries - established posts - GS	38 761 900	37 722 151	-	37 722 151		1 039 749
Temporary assistance - GS/MT	3 914 200	4 469 884	-	4 469 884		(555 684)
Temporary assistance - GS/ST	389 000	1 468 378	-	1 468 378		(1 079 378)
Common staff costs	53 048 100	52 820 774	-	52 820 774		227 326
Overtime	305 600	445 977	1 910	447 887		(142 287)
Sub-total: Staff costs	185 442 100	177 483 370	1 910	177 485 280	-	7 956 820
Travel - staff	12 841 300	9 525 572	2 719 549	12 245 121		596 179
Travel - non-staff	8 551 600	7 827 288	321 329	8 148 617		402 983
Sub-total: Travel costs	b/ 21 392 900	17 352 860	3 040 878	20 393 738	-	999 162
Interpretation Services	887 800	667 481	228 382	895 863		(8 063)
Representation and hospitality	268 000	299 686	1 762	301 448		(33 448)
Training	1 110 900	524 758	311 766	836 524		274 376
Equipment: leased or rented	403 100	336 852	79 778	416 630		(13 530)
Equipment: purchased/construction work	11 162 000	4 816 373	10 072 480	14 888 853		(3 726 853)
Supplies and materials	6 474 700	5 049 927	1 832 604	6 882 531		(407 831)
General operating expenses	29 626 100	21 385 630	2 255 767	23 641 397	7 371 141	(1 386 438)
Contracts	12 087 200	4 128 251	10 245 386	14 373 637		(2 286 437)
Research and technical contracts	5 256 900	1 911 005	2 786 559	4 697 564		559 336
Miscellaneous	3 448 000	3 272 787	159 490	3 432 277		15 723
Sub-total: Other direct costs	70 724 700	42 392 750	27 973 974	70 366 724	7 371 141	(7 013 165)
Direct Implementation Costs	12 593 800	12 650 122	535 906	13 186 028		(592 228)
Management and Operation Costs	5 010 900	4 364 851	713 401	5 078 252		(67 352)
Sub-total: Laboratory Activities	17 604 700	17 014 973	1 249 307	18 264 280	-	(659 580)
Translation and Records Services	6 748 800	6 596 093	189 124	6 785 217		(36 417)
Printing Services	2 584 600	2 805 749	321 751	3 127 500		(542 900)
Data Processing Application Services	971 500	835 552	516 789	1 352 341		(380 841)
Data Processing Central Services (unallocated)	8 019 700	6 001 518	1 623 222	7 624 740		394 960
Data Processing Central Services (SG fixed)	1 678 100	1 122 586	555 514	1 678 100		-
Medical Services	1 109 600	990 225	42 229	1 032 454		77 146
Contracts Administration Services	760 900	732 218	14 615	746 833		14 067
Radiation Protection and Monitoring Services	1 380 400	1 259 916	127 498	1 387 414		(7 014)
Sub-total: Shared costs	23 253 600	20 343 857	3 390 742	23 734 599	-	(480 999)
TOTAL Agency Programmes	318 418 000	274 587 810	35 656 811	310 244 621	7 371 141	802 238
Reimbursable Work for Others	3 261 000	2 550 936	45 685	2 596 621		664 379
TOTAL Regular Budget (Statement I)	321 679 000	277 138 746	35 702 496	312 841 242	7 371 141	1 466 617

a/ GC(48)/RES/6, GC(49)/RES/4.

b/ Based on the decision of the Board of Governors in document (GOV/1999/15) an amount of \$29 927 was transferred to Major Programme 3 "Nuclear Safety and Security" in order to cover the cost of emergency assistance provided to Chile. To recover this advance, year-end unencumbered balances in the Regular Budget Appropriation 6 "Management of Technical Cooperation for Development" were used.

c/ These amounts represent unliquidated obligations relating to the Agency's Shared Support Costs and the Agency's Laboratories.

d/ GC(49)/RES/4.

SCHEDULE S6 (SUPPLEMENTARY)

UNOBLIGATED BALANCES OF 2004 APPROPRIATIONS

**SUMMARY BY ITEM OF EXPENDITURE
AS AT 31 DECEMBER 2005**

(expressed in United States dollars)

Item of expenditure	Expenditures		
	Disbursements	Unliquidated obligations	Total expenditure
Salaries - established posts - P	74 660	-	74 660
Temporary assistance - P/MT	3 733	-	3 733
Temporary assistance - P/ST	34 867	-	34 867
Salaries - established posts - GS	-	-	-
Temporary assistance - GS/MT	13 581	-	13 581
Temporary assistance - GS/ST	5 605	-	5 605
Common staff costs	37 598	-	37 598
Overtime	100 786	-	100 786
Sub-total: Staff costs	270 830	-	270 830
Travel - staff	144 492	97 775	242 267
Travel - non-staff	512 205	9 466	521 671
Sub-total: Travel costs	656 697	107 241	763 938
Interpretation Services	202 534	-	202 534
Representation and hospitality	21 547	295	21 842
Training	209 864	-	209 864
Equipment: leased or rented	-	-	-
Equipment: purchased/construction work	513 018	2 059 519	2 572 537
Supplies and materials	83 824	465 382	549 206
General operating expenses	2 090 487	3 836 697	5 927 184
Contracts	2 130 239	3 852 918	5 983 157
Research and technical contracts	25 500	99 500	125 000
Miscellaneous	55 397	30 000	85 397
Sub-total: Other direct costs	5 332 410	10 344 311	15 676 721
Direct Implementation Costs	123 513	515 190	638 703
Management and Operation Costs	-	-	-
Sub-total: Laboratory Activities	123 513	515 190	638 703
Translation and Records Services	168 225	-	168 225
Printing Services	75 980	-	75 980
Data Processing Application Services	(11 700)	301 759	290 059
Data Processing Central Services (unallocated)	211 576	1 039 025	1 250 601
Data Processing Central Services (SG fixed)	-	-	-
Medical Services	-	-	-
Contracts Administration Services	11 700	-	11 700
Radiation Protection and Monitoring Services	215 164	238 086	453 250
Sub-total: Shared costs	670 945	1 578 870	2 249 815
TOTAL (Statement IV Supplementary)	7 054 395	12 545 612	19 600 007

a/ These amounts represent unliquidated obligations relating to the Agency's Shared Support Costs and the Agency's Laboratories.

SCHEDULE S7

**SUMMARY OF EXPENDITURE BY MAJOR CATEGORY AND FUND GROUP
AS AT 31 DECEMBER 2005**

(expressed in United States dollars)

Category	2005						2004
	Regular Budget Fund and Working Capital Fund Fund Group I	General Fund			Trust Fund and Special Fund Fund Group VI	TOTAL	TOTAL
		Technical Cooperation Fund Fund Group II	Extrabudgetary Programme Fund Fund Group III	Technical Cooperation Extrabudgetary Fund Fund Group IV			
Salaries	128 101 341	-	-	-	-	128 101 341	124 428 672
Common staff costs	62 223 876	-	5 184 559	-	-	67 408 435	64 471 405
Temporary assistance	16 811 180	-	11 374 485	-	-	28 185 665	25 334 265
Total staff costs	207 136 397	-	16 559 044	-	-	223 695 441	214 234 342
Equipment	18 107 740	28 043 183	4 078 437	8 155 122	211 040	58 595 522	44 717 527
Travel	20 819 522	17 696 944	7 718 940	726 186	-	46 961 592	41 438 140
Contracts	22 227 738	7 452 047	7 398 836	787 069	-	37 865 690	32 207 911
General operating expenses	28 742 485	983 793	118 131	67 525	-	29 911 934	27 787 563
Training	1 148 162	13 547 460	258 798	443 769	-	15 398 189	17 233 978
Supplies and materials	9 983 779	3 806 000	215 421	952 737	78 359	15 036 296	13 376 568
Miscellaneous	4 675 419	821 010	684 279	28 301	-	6 209 009	6 058 854
Total	105 704 845	72 350 437	20 472 842	11 160 709	289 399	209 978 232	182 820 541
TOTAL EXPENDITURE (Statement I)	312 841 242	72 350 437	37 031 886	11 160 709	289 399	433 673 673	397 054 883

SCHEDULE S7 (SUPPLEMENTARY)

UNOBLIGATED BALANCES OF 2004 APPROPRIATIONS

**SUMMARY OF EXPENDITURE BY MAJOR CATEGORY
AS AT 31 DECEMBER 2005**

(expressed in United States dollars)

Category	Expenditure
Salaries	74 660
Common staff costs	138 385
Temporary assistance	<u>57 785</u>
Total staff costs	<u>270 830</u>
Equipment	4 064 869
Travel	775 821
Contracts	6 768 409
General operating expenses	6 419 916
Training	209 864
Supplies and materials	780 525
Miscellaneous	<u>309 773</u>
Total other costs	19 329 177
TOTAL EXPENDITURE (Statement IV Supplementary)	19 600 007

SCHEDULE S8

STATUS OF CONTRIBUTIONS TO THE TECHNICAL COOPERATION FUND
AS AT 31 DECEMBER 2005

(expressed in United States dollars)

Member State	2005							Prior years			Total outstanding	Advance payments
	Base rate %	Share of \$77.5 million target for 2005 using base rate	Pledged	Paid against pledge	Paid without a formal pledge	Outstanding	% paid of target share	Unpaid balance as at 1 January	Paid in 2005	Outstanding		
Afghanistan	0.002	1 550	-	-	-	-	-	-	-	-	-	-
Albania	0.005	3 875	4 000	4 000	-	-	103.2	-	-	-	-	-
Algeria	0.073	56 575	-	-	56 575	-	100.0	-	-	-	-	-
Angola	0.001	775	1 495	1 495	-	-	192.9	-	-	-	-	-
Argentina	0.922	714 550	-	-	-	-	-	129 764	129 764	-	-	87 837
Armenia	0.002	1 550	-	-	-	-	-	-	-	-	-	-
Australia	1.536	1 190 400	1 549 187	1 549 187	-	-	130.1	-	-	-	-	1 504 891
Austria	0.829	642 475	-	-	642 475	-	100.0	-	-	-	-	-
Azerbaijan	0.005	3 875	4 000	4 000	-	-	103.2	-	-	-	-	-
Bangladesh	0.010	7 750	7 750	7 750	-	-	100.0	-	-	-	-	7 725
Belarus	0.017	13 175	13 175	13 175	-	-	100.0	-	-	-	-	-
Belgium	1.031	799 025	-	-	396 614	-	49.6	420 422 b/	420 422	-	-	-
Benin	0.002	1 550	-	-	-	-	-	-	-	-	-	-
Bolivia	0.009	6 975	-	-	-	-	-	-	-	-	-	-
Bosnia and Herzegovina	0.003	2 325	-	-	2 325	-	100.0	-	-	-	-	-
Botswana	0.012	9 300	9 300	9 300	-	-	100.0	-	-	-	-	-
Brazil	1.469	1 138 475	400 000	-	-	400 000	-	1 200 748	1 074 070	126 678	526 678	-
Bulgaria	0.016	12 400	10 000	10 000	2 400	-	100.0	-	-	-	-	-
Burkina Faso	0.002	1 550	1 550	1 550	-	-	100.0	1 977 c/	1 977	-	-	-
Cameroon	0.008	6 200	-	-	-	-	-	6 035	-	6 035	6 035	-
Canada	2.714	2 103 350	2 102 564	2 102 564	-	-	100.0	-	-	-	-	-
Central African Republic	0.001	775	-	-	-	-	-	-	-	-	-	-
Chile	0.215	166 625	-	-	153 652	-	92.2	-	-	-	-	-
China	1.981	1 535 275	1 535 275	1 535 275	-	-	100.0	-	-	-	-	794
Colombia	0.149	115 475	-	-	103 928	-	90.0	-	-	-	-	-
Costa Rica	0.029	22 475	-	-	-	-	-	-	-	-	-	-
Côte d'Ivoire	0.010	7 750	-	-	-	-	-	6 570	-	6 570	6 570	-
Croatia	0.036	27 900	-	-	27 900	-	100.0	-	-	-	-	-
Cuba	0.041	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	6 490	-
Denmark	0.693	537 075	537 075	537 075	-	-	100.0	-	-	-	-	-
Dominican Republic	0.034	26 350	-	-	-	-	-	-	-	-	-	-
Ecuador	0.018	13 950	-	-	-	-	-	-	-	-	-	-
Egypt	0.116	89 900	91 000	91 000	-	-	101.2	-	-	-	-	-
El Salvador	0.021	16 275	-	-	-	-	-	-	-	-	-	-
Eritrea	0.001	775	-	-	775	-	100.0	-	-	-	-	-
Estonia	0.012	9 300	-	-	9 300	-	100.0	-	-	-	-	-
Ethiopia	0.004	3 100	-	-	3 100	-	100.0	-	-	-	-	-

SCHEDULE S8 (continued)

Member State	2005							Prior years			Total outstanding	Advance payments
	Base rate %	Share of \$77.5 million target for 2005 using base rate	Pledged	Paid against pledge	Paid without a formal pledge	Outstanding	% paid of target share	Unpaid balance as at 1 January	Paid in 2005	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	-	-	-	-	-	14 793	-	14 793	14 793	-
Germany	8.357	6 476 675	-	-	4 600 000	-	71.0	-	-	-	-	-
Ghana	0.004	3 100	3 100	-	-	3 100	-	3 737	3 737	-	3 100	-
Greece	0.511	396 025	396 025	396 025	-	-	100.0	-	-	-	-	-
Guatemala	0.029	22 475	-	-	-	-	-	39 840	4 980	34 860	34 860	-
Haiti	0.003	2 325	-	-	-	-	-	-	-	-	-	-
Holy See	0.001	775	1 272	1 272	-	-	164.1	-	-	-	-	1 176
Honduras	0.005	3 875	-	-	-	-	-	-	-	-	-	-
Hungary	0.121	93 775	93 775	93 775	-	-	100.0	-	-	-	-	5 374
Iceland	0.033	25 575	31 041	31 041	-	-	121.4	-	-	-	-	-
India	0.406	314 650	314 650	314 650	-	-	100.0	-	-	-	-	12 247
Indonesia	0.137	106 175	80 000	76 918	-	3 082	72.4	-	-	-	3 082	-
Iran, Islamic Republic of	0.151	117 025	-	-	-	-	-	-	-	-	-	-
Iraq	0.015	11 625	-	-	-	-	-	54 600	-	54 600	54 600	-
Ireland	0.338	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	5 857	5 857	-	-	54
Kazakhstan	0.024	18 600	-	-	18 600	-	100.0	-	-	-	-	-
Kenya	0.009	6 975	-	-	-	-	-	-	-	-	-	-
Korea, Republic of	1.733	1 343 075	-	-	1 000 000	-	74.5	-	-	-	-	-
Kuwait	0.156	120 900	-	-	-	-	-	-	-	-	-	-
Kyrgyz Republic	0.001	775	-	-	-	-	-	-	-	-	-	-
Latvia	0.014	10 850	10 850	10 850	-	-	100.0	-	-	-	-	-
Lebanon	0.023	17 825	-	-	-	-	-	80	-	80	80	-
Liberia	0.001	775	-	-	-	-	-	-	-	-	-	-
Libyan Arab Jamahiriya	0.127	98 425	-	-	98 425	-	100.0	-	-	-	-	-
Liechtenstein	0.005	3 875	8 141	8 141	-	-	210.1	-	-	-	-	-
Lithuania	0.023	17 825	17 825	17 825	-	-	100.0	-	-	-	-	18 000
Luxembourg	0.074	57 350	-	-	57 350	-	100.0	56 810 b/	56 810	-	-	-
Madagascar	0.003	2 325	2 242	2 242	-	-	96.4	2 242	2 242	-	-	-
Malaysia	0.196	151 900	151 900	151 900	-	-	100.0	-	-	-	-	-
Mali	0.002	1 550	-	-	-	-	-	5 910 b/	5 910	-	-	-
Malta	0.013	10 075	10 075	10 075	-	-	100.0	-	-	-	-	-
Marshall Islands	0.001	775	-	-	-	-	-	-	-	-	-	-
Mauritius	0.011	8 525	-	-	8 525	-	100.0	-	-	-	-	8 525
Mexico	1.817	1 408 175	-	-	-	-	-	772 167 b/	772 167	-	-	-
Monaco	0.003	2 325	2 325	2 325	-	-	100.0	-	-	-	-	-
Mongolia	0.001	775	-	-	775	-	100.0	-	-	-	-	-
Morocco	0.045	34 875	34 875	-	-	34 875	-	-	-	-	34 875	-

SCHEDULE S8 (continued)

Member State	2005							Prior years			Total outstanding	Advance payments
	Base rate %	Share of \$77.5 million target for 2005 using base rate	Pledged	Paid against pledge	Paid without a formal pledge	Outstanding	% paid of target share	Unpaid balance as at 1 January	Paid in 2005	Outstanding		
Myanmar	0.010	7 750	-	-	-	-	-	-	-	-	-	-
Namibia	0.006	4 650	-	-	4 650	-	100.0	-	-	-	-	4 650
Netherlands	1.630	1 263 250	1 263 250	1 263 250	-	-	100.0	-	-	-	-	-
New Zealand	0.213	165 075	-	-	-	-	-	-	-	-	-	-
Nicaragua	0.001	775	-	-	-	-	-	-	-	-	-	-
Niger	0.001	775	775	-	-	775	-	11 510	-	11 510	12 285	-
Nigeria	0.040	31 000	31 000	12 510	-	18 490	40.4	48 587	48 587	-	18 490	-
Norway	0.655	507 625	-	-	507 625	-	100.0	-	-	-	-	507 625
Pakistan	0.053	41 075	41 075	41 075	-	-	100.0	-	-	-	-	700
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	344 875	-	-	100.0	-	-	-	-	-
Portugal	0.453	351 075	-	-	100 000	-	28.5	-	-	-	-	-
Qatar	0.062	48 050	-	-	-	-	-	-	-	-	-	-
Republic of Moldova	0.001	775	-	-	-	-	-	-	-	-	-	-
Romania	0.058	44 950	44 950	44 950	-	-	100.0	-	-	-	-	-
Russian Federation	1.061	822 275	-	-	822 275	-	100.0	-	-	-	-	-
Saudi Arabia	0.688	533 200	-	-	-	-	-	-	-	-	-	-
Senegal	0.005	3 875	-	-	3 686	-	95.1	-	-	-	-	-
Serbia and Montenegro	0.018	13 950	13 950	-	-	13 950	-	-	-	-	13 950	-
Seychelles	0.002	1 550	-	-	-	-	-	-	-	-	-	-
Sierra Leone	0.001	775	-	-	-	-	-	-	-	-	-	-
Singapore	0.374	289 850	289 850	289 850	-	-	100.0	-	-	-	-	-
Slovakia	0.049	37 975	37 975	37 975	-	-	100.0	-	-	-	-	-
Slovenia	0.079	61 225	61 225	61 225	-	-	100.0	-	-	-	-	-
South Africa	0.282	218 550	218 550	218 550	-	-	100.0	-	-	-	-	-
Spain	2.431	1 884 025	-	-	1 884 025	-	100.0	480 289 b/	480 289	-	-	-
Sri Lanka	0.016	12 400	7 000	7 000	-	-	56.5	-	-	-	-	-
Sudan	0.008	6 200	6 200	-	-	6 200	-	19 096	-	19 096	25 296	-
Sweden	0.963	746 325	746 325	746 325	-	-	100.0	-	-	-	-	-
Switzerland	1.155	895 125	-	-	147 059	-	16.4	-	-	-	-	-
Syrian Arab Republic	0.037	28 675	50 000	50 000	-	-	174.4	-	-	-	-	-
Tajikistan	0.001	775	-	-	775	-	100.0	-	-	-	-	-
Thailand	0.202	156 550	156 550	156 550	-	-	100.0	1 852	1 852	-	-	155 748
The former Yugoslav Republic of Mac	0.006	4 650	-	-	4 650	-	100.0	15 270 b/	15 270	-	-	-
Tunisia	0.031	24 025	24 025	24 025	-	-	100.0	-	-	-	-	-
Turkey	0.359	278 225	-	-	278 225	-	100.0	-	-	-	-	-
Uganda	0.006	4 650	-	-	-	-	-	-	-	-	-	-
Ukraine	0.038	29 450	-	-	29 450	-	100.0	-	-	-	-	-
United Arab Emirates	0.227	175 925	-	-	175 925	-	100.0	-	-	-	-	-
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	5 000	-	-	107.5	-	-	-	-	4 952
United States of America	25.000	19 375 000	19 144 625	19 144 625	-	-	98.8	-	-	-	-	-

SCHEDULE S8 (continued)

Member State	2005							Prior years			Total outstanding	Advance payments
	Base rate %	Share of \$77.5 million target for 2005 using base rate	Pledged	Paid against pledge	Paid without a formal pledge	Outstanding	% paid of target share	Unpaid balance as at 1 January	Paid in 2005	Outstanding		
Uruguay	0.046	35 650	-	-	-	-	-	60 000	60 000	-	-	-
Uzbekistan	0.013	10 075	-	-	-	-	-	-	-	-	-	-
Venezuela	0.165	127 875	-	-	-	-	-	-	-	-	-	-
Vietnam	0.020	15 500	15 500	15 500	-	-	100.0	-	-	-	-	-
Yemen	0.006	4 650	4 650	4 650	-	-	100.0	-	-	-	-	-
Zambia	0.002	1 550	1 500	-	-	1 500	-	-	-	-	1 500	-
Zimbabwe	0.007	5 425	5 425	-	-	5 425	-	-	-	-	5 425	-
Sub-total	100.000	77 500 000	30 482 017	29 994 620	38 872 064	487 397	88.9	3 371 446	3 083 934	287 512	774 909	2 320 298
New Members:												
Chad d/	0.001	775	-	-	-	-	-	-	-	-	-	-
Mauritania e/	0.001	775	-	-	-	-	-	-	-	-	-	-
Sub-total	0.002	1 550	-	-	-	-	-	-	-	-	-	-
Former Members:												
Democratic People's Republic of Korea f/	-	-	-	-	-	-	-	29 635	-	29 635	29 635	-
Yugoslavia g/	-	-	-	-	-	-	-	834 026	-	834 026	834 026	-
Sub-total	0.000	-	-	-	-	-	-	863 661	-	863 661	863 661	-
GRAND TOTAL	100.002	77 501 550	30 482 017	29 994 620	38 872 064	487 397	88.9	4 235 107	3 083 934	1 151 173	1 638 570	2 320 298

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

b/ Pledged/paid a contribution in 2005 relating to 2004: Belgium - \$420 422; Luxembourg - \$56 810; Mali - \$1 495; Mexico - \$772 167; Spain - \$480 289; The former Yugoslav Republic of Macedonia - \$4 485; relating to 2003: Mali - \$1 495; The former Yugoslav Republic of Macedonia - \$4 485; relating to 2002: Mali - \$1 460; The former Yugoslav Republic of Macedonia - \$3 380; relating to 2001: Mali - \$1 460; The former Yugoslav Republic of Macedonia - \$2 920.

c/ Revalued pledge of contribution: Burkina Faso pledge relating to 2001 - (\$91)

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

e/ Mauritania became a Member of the Agency on 23 November 2004.

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

g/ 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 2005

(expressed in United States dollars)

Recipients	1984-2002			Credits
	Unpaid balance as at 1 January	Paid in 2005	Outstanding	
Armenia a/	164 003	23 429	140 574	-
Azerbaijan	531	531	-	-
Bolivia	428 078	150 000	278 078	-
Cameroon	22 164	862	21 302	-
Costa Rica a/	156 203	-	156 203	71 460 b/
Côte d'Ivoire	223 528	-	223 528	-
Czech Republic	-	-	-	1 140
Dominican Republic	280 770	-	280 770	-
Ecuador	116 885	63 028	53 857	-
Egypt	-	-	-	137
El Salvador	13 146	-	13 146	-
Gabon	7 707	-	7 707	-
Georgia	128 096	-	128 096	-
Ghana a/	573 842	74 982	498 860	-
Guatemala a/	241 138	34 336	206 802	-
Honduras	35	-	35	-
Iran, Islamic Republic of	89 957	-	89 957	-
Iraq	161 025	-	161 025	-
Israel	25 114	-	25 114	-
Jamaica	85 278	534	84 744	-
Kazakhstan	47 382	47 382	-	-
Kenya	28 300	28 300	-	-
Kyrgyz Republic	9 021	-	9 021	-
Malta	3 176	-	3 176	-
Mexico	94 556	94 556	-	-
Mongolia	234 717	75 225	159 492	-
Nigeria	37 109	37 109	-	-
Pakistan	-	-	-	1 093
Panama	5 698	-	5 698	-
Paraguay	74 259	-	74 259	-
Peru	595 267	49 920	545 347	-
Philippines	37 281	14 702	22 579	-
Poland	-	-	-	619
Portugal	7 282	-	7 282	-
Qatar	2 162	-	2 162	-
Republic of Moldova	10 894	-	10 894	-
Romania	54 331	70	54 261	-
Serbia and Montenegro	71	71	-	-
Sri Lanka	378 901	-	378 901	-
Tunisia a/	257 919	25 914	232 005	-
United Arab Emirates	1 847	1 847	-	-
Uruguay	102 886	102 886	-	-
Uzbekistan	148 840	3 741	145 099	-
Zimbabwe	87 206	-	87 206	-
Sub-total	4 936 605	829 425	4 107 180	74 449

SCHEDULE S9a (continued)

Recipients	1984-2002		Credits
	Unpaid balance as at 1 January	Paid in 2005 Outstanding	
<u>Former Members:</u>			
Democratic People's Republic of Korea c/	39 712	-	39 712 -
Yugoslavia d/	1 302	-	1 302 -
<u>Outstanding arrears:</u>			
Bosnia and Herzegovina, Croatia, Slovenia, the former Yugoslav Republic of Macedonia and Yugoslavia d/	381 410	-	381 410 -
TOTAL	5 359 029	829 425	4 529 604 74 449

- 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 2005
(expressed in United States dollars)

Member	Assessed	Paid	Outstanding	Advance payments/ credits
Albania	78 342	62 150	16 192	-
Algeria	95 757	86 492	9 265	-
Argentina	70 109	70 109	-	-
Armenia	61 422	60 172	1 250	-
Azerbaijan	52 062	51 932	130	-
Belarus	55 823	19 363	36 460	-
Bolivia	27 584	20 078	7 506	-
Bosnia and Herzegovina	57 506	28 753	28 753	-
Botswana	7 971	7 971	-	-
Brazil	76 488	57 969 a/	18 519	-
Bulgaria	101 342	101 342	-	-
Cameroon	58 078	27 172	30 906	-
Chile	50 301	50 301	-	-
China	132 044	132 044	-	366
Colombia	50 985	29 091	21 894	-
Costa Rica	29 188	29 188	-	-
Côte d'Ivoire	32 890	-	32 890	-
Croatia	43 718	43 718	-	-
Cuba	64 982	64 982	-	-
Cyprus	5 790	-	5 790	-
Czech Republic	21 737	21 737	-	4 636
Dominican Republic	6 165	3 512	2 653	-
Ecuador	29 246	24 252	4 994	-
Egypt	92 233	41 032	51 201	-
El Salvador	37 342	37 342	-	-
Estonia	17 000	17 000	-	-
Gabon	18 964	9 482	9 482	-
Georgia	64 101	32 405	31 696	-
Ghana	45 775	19 297	26 478	-
Greece	11 417	11 417	-	-
Guatemala	23 263	23 263	-	-
Honduras	25 207	25 207	-	-
Hungary	21 073	21 073	-	-
Indonesia	67 367	61 067	6 300	-
Iran, Islamic Republic of	82 423	82 423	-	-
Iraq	32 303	-	32 303	-
Israel	17 461	17 461	-	-
Jamaica	22 346	11 029	11 317	-
Jordan	58 035	58 035	-	-
Kazakhstan	59 550	59 550	-	-
Kenya	71 523	71 523	-	2 479
Korea, Republic of	26 726	13 363	13 363	-
Kuwait	13 834	13 834	-	-
Kyrgyzstan	13 546	6 773	6 773	-
Latvia	54 528	54 528	-	-

SCHEDULE S9b (continued)

Member	Assessed	Paid	Outstanding	Advance payments/ credits
Lebanon	18 133	-	18 133	-
Libyan Arab Jamahiriya	64 986	64 986	-	-
Lithuania	44 661	44 661	-	96
Malaysia	61 180	61 180	-	-
Malta	29 401	11 830	17 571	-
Mauritius	18 874	18 874	-	-
Mexico	72 458	52 791	19 667	-
Mongolia	55 116	55 116	-	-
Morocco	125 759	-	125 759	-
Namibia	51 274	51 274	-	-
Nicaragua	43 092	24 949	18 143	-
Nigeria	103 861	103 861	-	-
Pakistan	149 752	70 276	79 476	-
Panama	29 061	22 012	7 049	-
Paraguay	2 972	1 486	1 486	-
Peru	39 150	39 150	-	-
Philippines	83 148	34 127	49 021	-
Poland	65 064	38 855	26 209	-
Portugal	5 528	5 528	-	-
Qatar	11 419	11 419	-	-
Republic of Moldova	46 080	23 040	23 040	-
Romania	67 170	36 071	31 099	-
Russian Federation	13 292	13 292	-	-
Saudi Arabia	9 804	9 804	-	361
Serbia and Montenegro	115 630	105 802	9 828	-
Seychelles	4 604	4 604	-	-
Slovakia	32 133	32 133	-	-
Slovenia	40 886	12 172	28 714	-
South Africa	122 087	122 087	-	-
Sri Lanka	54 539	54 539	-	-
Syrian Arab Republic	56 845	28 423	28 422	-
Tajikistan	85 685	37 027	48 658	-
Thailand	66 121	47 033	19 088	-
The former Yugoslav Republic of Macedonia	42 886	18 409	24 477	-
Tunisia	62 262	62 262	-	-
Turkey	67 829	67 829	-	-
Ukraine	136 996	107 546	29 450	-
United Arab Emirates	15 297	15 297	-	-
Uruguay	31 458	31 458	-	-
Uzbekistan	47 566	36 262	11 304	-
Venezuela	22 434	22 434	-	-
Vietnam	89 132	89 132	-	-
Zimbabwe	38 322	-	38 322	-
TOTAL	4 429 494	3 368 463	1 061 031	7 938

a/ Represents a contribution resulting from the offsetting of training fee charges.

SCHEDULE S10

CURRENT ACCOUNTS AT BANKS
AS AT 31 DECEMBER 2005

Local currency	Amount in local currency	UN operational exchange rate	US dollar equivalent
<u>Agency Funds</u>			
Australian dollars	191 005	1.3700	139 419
Brazilian reals	61 414	2.3200	26 472
Canadian dollars	682 415	1.1700	583 260
Chinese yuan renminbi	49 829 802	8.0700	6 174 697
Cuban pesos	1 233 402	1.0000	1 233 402
Democratic People's Republic of Korea won	1 692 579	141.0000	12 004
Euro	643 027	0.8450	760 979
Hungarian forints	260 899	213.0000	1 225
Indian rupees	590 558	45.2400	13 054
Japanese yen	2 124 655	117.0000	18 159
Pakistani rupees	7 095 659	59.5000	119 255
Philippine pesos	550 602	53.0500	10 379
Polish zlotys	61 592	3.1600	19 491
Romanian lei	105 702	3.1000	34 098
Slovak koruna	8 087	31.6200	256
Swedish kronor	114 288	7.9600	14 358
Swiss francs	196 688	1.3100	150 143
United Kingdom pounds	5 635	0.5810	9 700
United States dollars	2 218 136	1.0000	2 218 136
TOTAL CURRENT ACCOUNTS AT BANKS			11 538 487

NOTE: The free use by the Agency of some currencies is legally or otherwise restricted. At year-end, the US dollar equivalent of these currencies is \$7 454 200 (2004: \$6 192 016) based on the respective United Nations rate of exchange.

SCHEDULE S11

**DEPOSIT ACCOUNTS AT BANKS
AS AT 31 DECEMBER 2005**

Deposit	Interest rate p.a.	Maturity date	Amount in local currency	UN operational exchange rate	US dollar equivalent
<u>Agency Funds</u>					
Anglo Irish Bank, Vienna	4.280 %	Call	US\$ 4 000 000	1.000	4 000 000
JPMorgan Chase, New York	3.610 %	Call	US\$ 4 000 000	1.000	4 000 000
San Paolo Bank, Vienna	2.250 %	Call	EUR 4 000 000	0.845	4 733 726
BACA AG	2.150 %	Call	EUR 2 200 000	0.845	2 603 550
Banco do Brasil, Vienna	3.800 %	06-01-03	US\$ 1 000 000	1.000	1 000 000
BAWAG, Vienna	3.770 %	06-01-03	US\$ 3 000 000	1.000	3 000 000
Fortis Bank, Brussel	3.750 %	06-01-03	US\$ 3 000 000	1.000	3 000 000
Tokyo-Mitsubishi, London	3.730 %	06-01-06	US\$ 15 000 000	1.000	15 000 000
SE Banken, London	3.710 %	06-01-06	US\$ 7 000 000	1.000	7 000 000
San Paolo Bank, Vienna	2.360 %	06-01-12	EUR 2 000 000	0.845	2 366 864
Anglo Irish Bank, Vienna	4.120 %	06-01-13	US\$ 1 000 000	1.000	1 000 000
BNP Paribas	3.750 %	06-01-17	US\$ 10 000 000	1.000	10 000 000
Banco do Brasil, Vienna	3.900 %	06-01-18	US\$ 2 000 000	1.000	2 000 000
Anglo Irish Bank, Vienna	2.420 %	06-01-19	EUR 2 000 000	0.845	2 366 864
Societe Generale, Vienna	2.100 %	06-01-23	EUR 1 000 000	0.845	1 183 432
SMBC, London	3.800 %	06-01-23	US\$ 3 000 000	1.000	3 000 000
Anglo Irish Bank, Vienna	2.420 %	06-01-26	EUR 2 000 000	0.845	2 366 864
San Paolo Bank, Vienna	2.360 %	06-01-27	EUR 9 000 000	0.845	10 650 888
BACA AG	2.380 %	06-01-30	EUR 6 000 000	0.845	7 100 592
SE Banken, London	3.780 %	06-01-30	US\$ 5 000 000	1.000	5 000 000
SMBC, London	3.800 %	06-01-30	US\$ 2 500 000	1.000	2 500 000
JPMorgan Chase, New York	3.770 %	06-02-01	US\$ 3 000 000	1.000	3 000 000
Raiffeisen Landesbank, Vienna	2.380 %	06-02-01	EUR 2 000 000	0.845	2 366 864
Anglo Irish Bank, Vienna	3.960 %	06-02-06	US\$ 2 000 000	1.000	2 000 000
Raiffeisen Landesbank, Vienna	3.890 %	06-02-06	US\$ 2 000 000	1.000	2 000 000
Societe Generale, Vienna	3.890 %	06-02-06	US\$ 1 500 000	1.000	1 500 000
Fortis Bank, Brussel	3.850 %	06-02-08	US\$ 1 000 000	1.000	1 000 000
Raiffeisen Landesbank, Vienna	2.370 %	06-02-08	EUR 2 000 000	0.845	2 366 864
Anglo Irish Bank, Vienna	3.990 %	06-02-10	US\$ 2 000 000	1.000	2 000 000
JPMorgan Chase, New York	3.780 %	06-02-15	US\$ 2 000 000	1.000	2 000 000
Raiffeisen Landesbank, Vienna	2.370 %	06-02-15	EUR 1 000 000	0.845	1 183 432
SMBC, London	3.970 %	06-02-17	US\$ 1 000 000	1.000	1 000 000
Fortis Bank, Brussel	3.860 %	06-02-22	US\$ 3 000 000	1.000	3 000 000
SE Banken, London	3.965 %	06-02-22	US\$ 3 000 000	1.000	3 000 000
SMBC, London	3.980 %	06-02-22	US\$ 5 000 000	1.000	5 000 000
SMBC, London	3.850 %	06-02-22	US\$ 1 000 000	1.000	1 000 000
San Paolo Bank, Vienna	2.380 %	06-02-24	EUR 9 000 000	0.845	10 650 888
Tokyo-Mitsubishi, London	4.000 %	06-02-27	US\$ 3 000 000	1.000	3 000 000
BNP Paribas	3.820 %	06-03-01	US\$ 3 000 000	1.000	3 000 000
BAWAG, Vienna	3.900 %	06-03-08	US\$ 3 000 000	1.000	3 000 000
BAWAG, Vienna	3.920 %	06-03-13	US\$ 1 500 000	1.000	1 500 000
Banco do Brasil, Vienna	3.960 %	06-03-14	US\$ 2 000 000	1.000	2 000 000
Anglo Irish Bank, Vienna	3.980 %	06-03-15	US\$ 1 000 000	1.000	1 000 000
Fortis Bank, Brussel	4.050 %	06-03-23	US\$ 2 000 000	1.000	2 000 000
BNP Paribas	2.420 %	06-03-29	EUR 9 000 000	0.845	10 650 888

SCHEDULE S11 (continued)

Deposit	Interest rate p.a.	Maturity date	Amount in local currency	UN operational exchange rate	US dollar equivalent
Societe Generale, Vienna	4.030 %	06-03-30	US\$ 2 000 000	1.000	2 000 000
Banco do Brasil, Vienna	4.250 %	06-04-03	US\$ 2 000 000	1.000	2 000 000
Societe Generale, Vienna	4.040 %	06-04-03	US\$ 4 000 000	1.000	4 000 000
Fortis Bank, Brussel	4.060 %	06-04-07	US\$ 2 000 000	1.000	2 000 000
Banco do Brasil	4.330 %	06-04-11	US\$ 1 000 000	1.000	1 000 000
Fortis Bank, Brussel	4.060 %	06-04-14	US\$ 2 000 000	1.000	2 000 000
Fortis Bank, Brussel	4.070 %	06-04-21	US\$ 3 000 000	1.000	3 000 000
SE Banken, London	4.320 %	06-04-21	US\$ 2 000 000	1.000	2 000 000
BACA AG	2.500 %	06-04-26	EUR 3 500 000	0.845	4 142 012
Anglo Irish Bank, Vienna	4.400 %	06-04-28	US\$ 1 000 000	1.000	1 000 000
Banco do Brasil, Vienna	4.500 %	06-04-28	US\$ 1 000 000	1.000	1 000 000
Fortis Bank, Brussel	4.310 %	06-04-28	US\$ 3 000 000	1.000	3 000 000
Fortis Bank, Brussel	4.390 %	06-05-02	US\$ 3 000 000	1.000	3 000 000
SMBC, London	4.450 %	06-05-08	US\$ 5 000 000	1.000	5 000 000
SE Banken, London	4.490 %	06-05-15	US\$ 1 500 000	1.000	1 500 000
SMBC, London	4.500 %	06-05-16	US\$ 1 500 000	1.000	1 500 000
Raiffeisen Landesbank, Vienna	4.500 %	06-05-22	US\$ 2 000 000	1.000	2 000 000
San Paolo Bank, Vienna	4.510 %	06-05-31	US\$ 1 000 000	1.000	1 000 000
Banco do Brasil, Vienna	4.700 %	06-06-12	US\$ 1 000 000	1.000	1 000 000
Tokyo-Mitsubishi, London	4.620 %	06-06-15	US\$ 2 000 000	1.000	2 000 000
Anglo Irish Bank, Vienna	4.630 %	06-06-16	US\$ 6 000 000	1.000	6 000 000
Fortis Bank, Brussel	4.630 %	06-06-30	US\$ 3 000 000	1.000	3 000 000
Societe Generale, Vienna	4.590 %	06-06-30	US\$ 10 000 000	1.000	10 000 000
Anglo Irish Bank, Vienna	4.670 %	06-07-07	US\$ 2 000 000	1.000	2 000 000
TOTAL DEPOSIT ACCOUNTS					228 233 728

SCHEDULE S12

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

AS AT 31 DECEMBER 2005

Fund Group	Cash in hand	Current and Deposit Accounts	Total
I Regular Budget Fund and Working Capital Fund	356 211	78 412 085	78 768 296
II Technical Cooperation Fund	-	58 944 426	58 944 426
III Extrabudgetary Programme Fund	-	77 292 335	77 292 335
IV Technical Cooperation Extrabudgetary Fund	-	23 280 994	23 280 994
VI Trust Fund and Special Fund	-	1 842 375	1 842 375
TOTAL (Statement II)	356 211	239 772 215	240 128 426

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. 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 United States dollars (US dollars) and reflect the application of the IAEA's financial regulations and rules. The statements comply with the United Nations system accounting standards in all material respects.

B.2. Fund grouping

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

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

B.3. Income recognition

B.3.1. Fund group I

9. 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.3.2. Fund group II

10. 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.3.3. Fund groups III, IV and VI

11. Income in these Fund groups is recorded on a cash basis, except for a receivable guaranteed by a Letter of Credit of \$401 657 (2004: \$84 059).

B.4. Cash management

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

B.5. Expenditure recognition

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

14. 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.6. Split appropriation/assessment system

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

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

B.7. Transactions in foreign currencies

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

18. The treatment of exchange gains and losses is as follows:

B.7.1. 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.7.2. 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.8. Cash surpluses/deficits and fund balances

19. 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.

20. 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.9. Capital assets

21. 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 \$2 000 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.10. Uncollected assessments and contributions received in advance

22. 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.

23. 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.11. Contributions in kind

24. 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.12. Services without charge

25. The Agency provides certain administrative and audit services to the euro based Funds without charge.

C. Pension fund participation

26. 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.

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

D. Common Fund for Major Repairs and Replacements

28. 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.

29. As at 31 December 2005 the balance of the Fund, which is administered by UNIDO, was \$968 047 (2004: \$2 981 037).

E. Other/Miscellaneous income by major categories

	<u>2005</u>	<u>2004</u>
(a) Revenue producing activities		
Publications of the Agency-INIS	74 146	60 784
Publications of the Agency-Other	373 959	382 136
Laboratory income	325 801	195 150
Amounts recoverable from safeguards agreements	159 857	502 926
Other service income	1 100	3 200
Total (Statement I)	<u>934 863</u>	<u>1 144 196</u>
(b) Jointly financed activities		
Data processing services	348 865	284 299
Printing services	740 026	912 852
Medical services	841 396	813 240
Radiation protection and monitoring services	122 641	114 369
Translation services	37 622	52 228
Nuclear Fusion journal	156 688	165 097
Laboratory services	309 560	199 058
Marine Environmental Laboratory Services	39 823	-
Total (Statement I)	<u>2 596 621</u>	<u>2 541 143</u>

F. Expenditure (Statement I)

30. Total expenditure of \$72 350 437 for the Technical Cooperation Fund excludes obligations amounting to \$2 800 581 against future year project budgets (2004: \$933 873).

G. Prior period adjustments

	2005	2004
(a) Regular Budget Fund:		
Excess of assessment collection over previous years' outstandings		
Total (Statement I)	473 356	933 048
(b) Technical Cooperation Fund:		
Pledges and adjustments to pledges related to prior years' programmes		
Total (Statement I)	1 750 777	8 118 301

H. Credits to Member States

31. Cash surpluses surrendered amounted to \$3 050 717 (2004: \$953 776). This comprises the 2003 cash surplus in the amount of \$2 936 969 which was transferred to partly fund the Phase II Security Enhancement (GC(49)/RES/4) and prior years' cash surpluses in the amount of \$113 748 which were credited to the respective Member States' assessments (Statement I).

I. Reserves

I.1. Transfers to reserves

32. An amount of \$576 593 was allocated to the Reserve for Equipment Replacement Fund 2005 (ERF2005) in 2005 as approved by Board of Governors (GOV/2000/20 and GOV/2003/26), bringing the total reserved for the five year period to \$1 776 593 (Statement I and Statement II).

J. Trust Fund and Special Fund (Statement I)

33. Fund group VI contains one Trust Fund and one Special Fund as follows:

	Funds Available 1/	Expenditure	Unused Balance
<u>Trust Fund</u>			
Research Institute Trust Fund (RITF)	1 376 408	289 399	1 087 009
Total 2005	1 376 408	289 399	1 087 009
Total 2004	1 486 890	256 691	1 230 199
<u>Special Fund</u>			
IAEA Nobel Cancer and Nutrition Fund	669 563	-	669 563
Total 2005	669 563	-	669 563

1/ Includes unused balances carried forward from prior years.

K. Investment in commissary

34. 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.

35. 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.

36. As at 31 December 2005 the investment in the Commissary by the IAEA was \$957 253 (euro 808 879) (Statement II).

L. Assessed contributions receivable

37. Assessments outstanding by budget years amount to:

Budget Year	2005	2004
1961-1997	5 136 425	6 532 963
1998	753 232	1 017 927
1999	525 510	814 819
2000	329 093	491 405
2001	306 667	361 798
2002	324 290	4 476 432
2003	3 267 917	8 892 460
2004	8 554 517	34 511 326
	(Schedule S1a) 19 197 651	57 099 130
2005	(Schedule S1a & S1b) 33 816 479	-
Total (Statement II)	53 014 130	57 099 130

M. Accounts receivable – Other

M.1. Regular Budget Fund

	2005	2004
Member States	3 904 951	2 795 321
United Nations, specialized agencies and other international organizations	158 082	310 461
Staff	1 604 624	2 722 286
Suppliers and contractors	603 988	864 465
Other accounts	3 107 434	909 255
Working Capital advances	13 240	7 363
Total (Statement II)	9 392 319	7 609 151

M.2. Technical Cooperation Fund

	<u>2005</u>	<u>2004</u>
Member States	60 782	115 982
United Nations, specialized agencies and other international organizations	540 235	289 313
Staff	187 769	31 203
Suppliers and contractors	316 734	420 030
Funds with agents	3 100 737	3 401 121
Total (Statement II)	<u>4 206 257</u>	<u>4 257 649</u>

N. Unliquidated Obligations - Regular Budget Fund

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

	<u>2005</u>	<u>2004</u>
Current year	35 702 496	25 458 227
Prior years	1 004 247	1 010 959
Provision for unobligated balances of 2004 appropriations	12 545 612	-
Total (Statement II)	<u>49 252 355</u>	<u>26 469 186</u>

O. Accounts payable – Other

O.1. Regular Budget Fund

	<u>2005</u>	<u>2004</u>
Member States	-	530 083
Staff	601 112	554 173
Other accounts	618 253	854 476
Suppliers and contractors	19 374	69 762
Total (Statement II)	<u>1 238 739</u>	<u>2 008 494</u>

O.2. Technical Cooperation Fund

	<u>2005</u>	<u>2004</u>
Staff	(2 744)	14 678
Other accounts	114 109	91 188
Suppliers and contractors	1 173	8 155
Total (Statement II)	<u>112 538</u>	<u>114 021</u>

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

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

	<u>2005</u>	<u>2004</u>
Regular Budget Fund	14 212 174	25 945 449
Technical Cooperation Fund	-	768 124
Total (Statement II)	<u>14 212 174</u>	<u>26 713 573</u>

40. The strengthening of the dollar against the euro led to a net decrease in unrealized gains for the Regular Budget Fund in comparison to last year and to a net unrealized loss in the Technical Cooperation Fund, thus offsetting in full their provision from last year.

Q. Contributions in kind

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

	Thousands of US dollars					
	Member States		United Nations, international organizations and non-governmental sources		Totals	
	2005	2004	2005	2004	2005	2004
Fellowships	769	218	-	-	769	218
Equipment and supplies	88	78	6	47	94	125
Meetings and other items	1 467	1 653	-	-	1 467	1 653
Human resources	13 359	14 317	27	206	13 386	14 523
Total	15 683	16 266	33	253	15 716	16 519

42. 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

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

	Thousands of US dollars	
	2005	2004
Scientific and technical equipment	16 162	14 971
Computer equipment	2 194	2 151
Office equipment	3	5
Transportation equipment	377	487
Furniture and fittings	0	2
Total	18 736	17 616

44. Equipment for inventory purposes are all items with an original purchase value of \$2 000 or more, and all sensitive items.

45. 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.

46. 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

47. Three members of the General Service Staff of the Agency filed 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 is contesting this claim; however, if the complaint is ultimately successful, it is estimated that the cost to reinstate the language allowance will be approximately \$9.1 million for the period 1 April 2002 to 31 December 2005.

T. Technical Cooperation Support Costs

48. 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.

49. In the Programme and Budget for 2004-2005 (GC(47)/3), the amount of the regular budget dedicated to support the Technical Cooperation Programme for 2005 was estimated to be \$29 616 000.

U. Health Insurance Premium Reserve Fund

50. 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 2005 was \$ 1 945 285 (euro 1 643 766). The fund is owned jointly by the Agency and the plan participants on the basis of their contributions.

V. Separation benefits

51. 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 2005 are estimated as follows:

		Thousands of US dollars	
		2005	2004
Repatriation	- grants	17 177	16 087
	- travel and household removal	9 834	8 098
Accrued annual leave		21 819	23 122
End-of-service allowances		19 456	21 179
Total		68 286	68 486

W. Post-retirement benefits

52. 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 \$1 792 033 (2004: \$1 743 913).

53. 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 2002 to carry out an actuarial valuation of post-retirement health insurance benefits for periods ending 2002-2005. The valuations method used was the projected unit credit cost technique. The accrued liability is projected as at 31 December 2005 to be \$93 million (2004: \$84.9 million) based on an Interest rate of 8.5% and medical inflation rate of 6%.

PART V

ANNEXES

ANNEX A1

REGULAR BUDGET FUND

ESTIMATED AND ACTUAL RESOURCES FOR THE YEAR ENDED 31 DECEMBER 2005
(expressed in United States dollars)

	Budget estimates a/	Adjustments	Adjusted estimates	Actual resources			Excess (shortfall) of actual resources over adjusted budget estimates
				Receipts	Outstanding	Total	
Assessed contribution from Member States	313 572 014	-	313 572 014	282 449 059	31 122 955	313 572 014	-
Assessed contribution from Member States (Supplementary)		2 896 534	2 896 534	207 586	2 688 948	2 896 534	
Sub-total	313 572 014	2 896 534	316 468 548	282 656 645	33 811 903	316 468 548	-
Difference, Actual/Average Exchange Rate	(4 240 014)	157 466	(4 082 548)	-	-	-	4 082 548
Sub-total	309 332 000	3 054 000 b/	312 386 000	282 656 645	33 811 903	316 468 548	4 082 548
Assessed contribution from new Member States	-	4 576 c/	4 576	-	4 576	4 576	-
Total assessments and revaluation	309 332 000	3 058 576	312 390 576	282 656 645	33 816 479	316 473 124	4 082 548
Miscellaneous income							
(a) Reimbursable work for others (Appropriation 8)							
Data processing services	-	-	-	348 865	-	348 865	348 865
Printing services	1 520 000	-	1 520 000	706 881	33 145	740 026	(779 974)
Medical services	922 000	-	922 000	753 940	87 456	841 396	(80 604)
Radiation protection and monitoring services	119 000	-	119 000	122 641	-	122 641	3 641
Translation services	260 000	-	260 000	37 622	-	37 622	(222 378)
Nuclear Fusion Journal	180 000	-	180 000	156 688	-	156 688	(23 312)
Laboratory services	200 000	-	200 000	309 560	-	309 560	109 560
Marine Environmental Laboratory services	60 000	-	60 000	39 823	-	39 823	(20 177)
Sub-total	3 261 000	-	3 261 000	2 476 020	120 601	2 596 621	(664 379)
(b) Attributable to specific programmes							
Publications of the Agency - INIS Products	64 000	-	64 000	74 146	-	74 146	10 146
Publications of the Agency - other	483 000	-	483 000	373 959	-	373 959	(109 041)
Laboratory income	220 000	-	220 000	325 801	-	325 801	105 801
Amounts recoverable under safeguards agreements	500 000	-	500 000	159 857	-	159 857	(340 143)
Programme support income	20 000	-	20 000	72 893	-	72 893	52 893
Other service income	2 000	-	2 000	1 100	-	1 100	(900)
Sub-total	1 289 000	-	1 289 000	1 007 756	-	1 007 756	(281 244)
(c) Not attributable to specific programmes							
Investment and interest income	1 237 000	-	1 237 000	3 148 374	-	3 148 374	1 911 374
Gain (Loss) on exchange of currencies	-	-	-	(861 600)	-	(861 600)	(861 600)
Other	569 000	-	569 000	620 805	-	620 805	51 805
Sub-total	1 806 000	-	1 806 000	2 907 579	-	2 907 579	1 101 579
Sub-total (b) and (c)	3 095 000	-	3 095 000	3 915 335	-	3 915 335	820 335
Sub-total (a), (b) and (c)	6 356 000	-	6 356 000	6 391 355	120 601	6 511 956	155 956
TOTAL ASSESSMENTS AND MISCELLANEOUS INCOME	315 688 000	3 058 576	318 746 576	289 048 000	33 937 080	322 985 080	4 238 504
Additional Appropriation from 2003 Cash Surplus for Phase II Security Enhancement		2 937 000 b/	2 937 000	2 936 969	-	2 936 969	(31)
TOTAL	315 688 000	5 995 576	321 683 576	291 984 969	33 937 080	325 922 049	4 238 473

a/ GC (48)/RES/6

b/ GC (49)/RES/4

c/ Schedules S1a and S1b

ANNEX A2

TECHNICAL COOPERATION FUND

ESTIMATED AND ACTUAL RESOURCES IN THE YEAR ENDED 31 DECEMBER 2005

	Current year	2004	2003	2002	2001	Prior to 2001	Total
I. Estimates							
Targets	77 500 000	74 750 000	74 750 000	73 000 000	73 000 000		373 000 000
Estimated other income	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000		5 000 000
Total allocations	78 500 000 a/	75 750 000	75 750 000	74 000 000	74 000 000		378 000 000
II. Actuals							
1. Voluntary contributions received for 2005							
2004	68 866 684	-	-	-	-		68 866 684
2003	2 071 265	64 752 326	-	-	-		66 823 591
2002	405 980	8 703 737	56 371 128	-	-		65 480 845
2001	424 840	90 711	1 895 103	57 513 069	-		59 923 723
for prior years	156 869	498 688	108 760	564 979	57 981 151		59 310 447
	24 980	115 888	402 386	70 188	5 496 760		6 110 202
Total	71 950 618	74 161 350	58 777 377	58 148 236	63 477 911		326 515 492
2. Assessed programme costs received	829 425	1 565 296	2 649 195	2 363 301	2 125 644		9 532 861
3. National participation costs received	3 368 463	-	-	-	-		3 368 463
4. Miscellaneous income	486 257	665 737	784 633	420 375	1 687 991		4 044 993
Total received	76 634 763	76 392 383	62 211 205	60 931 912	67 291 546		343 461 809
5. Resources outstanding							
Voluntary contributions pledged and unpaid	487 397	140 508	4 680	4 380	6 190	995 415	1 638 570 b/
Assessed programme costs	-	-	577 839	489 558	377 373	3 084 834	4 529 604 c/
National participation costs	1 061 031	-	-	-	-	-	1 061 031 d/
Total outstanding	1 548 428	140 508	582 519	493 938	383 563	4 080 249	7 229 205
Total actual resources	78 183 191	76 532 891	62 793 724	61 425 850	67 675 109	4 080 249	350 691 014
III. Difference between actuals and estimates	(316 809)	782 891	(12 956 276)	(12 574 150)	(6 324 891)	4 080 249	(27 308 986)

- a/ GC(48)/RES/7
b/ Schedule S8
c/ Schedule S9a
d/ Schedule S9b

ANNEX A3a

**RESOURCES MADE AVAILABLE TO THE AGENCY
BY MEMBER STATES FOR 2005 INCLUDING CONTRIBUTIONS IN CASH AND IN KIND**
(expressed in United States dollars)

Member State	TOTAL	C A S H			I N K I N D a/ (Note Q)			
		Assessed contributions Schedule S1a/S1b	Voluntary contributions (Technical Cooperation Fund) Schedule S8	Voluntary contributions and other extrabudgetary resources	Type II fellowships	Equipment and supplies	Meetings and other items	Human Resources
Afghanistan	5 452	4 652	-	-	-	-	-	800
Albania	16 341	12 341	4 000	-	-	-	-	-
Algeria	253 646	175 325	56 575	-	-	-	-	21 746
Angola	3 923	2 428	1 495	-	-	-	-	-
Argentina	2 445 537	2 110 714	-	110 000	-	2 165	930	221 728
Armenia	20 032	4 652	-	-	-	-	-	15 380
Australia	6 842 010	5 133 338	1 549 187	575	-	2 510	-	156 400
Austria	3 585 921	2 858 593	642 475	2 418	-	5 225	-	77 210
Azerbaijan	18 991	11 391	4 000	-	-	-	-	3 600
Bangladesh	39 436	24 686	7 750	-	-	-	-	7 000
Belarus	88 354	41 796	13 175	-	-	-	-	33 383
Belgium	4 126 531	3 441 439	396 614	b/ 11 111	-	1 315	-	276 052
Benin	5 380	4 580	-	-	-	-	-	800
Bolivia	370 603	20 603	-	350 000	-	-	-	-
Bosnia and Herzegovina	9 730	7 405	2 325	-	-	-	-	-
Botswana	43 419	28 159	9 300	-	-	-	-	5 960
Brazil	3 999 172	3 362 948	400 000	-	-	595	-	235 629
Bulgaria	133 350	40 230	12 400	-	-	130	-	80 590
Burkina Faso	7 730	4 580	1 550	c/	-	-	-	1 600
Cameroon	19 914	18 314	-	-	-	-	-	1 600
Canada	12 093 803	9 259 679	2 102 564	28 325	-	1 360	-	701 875
Central African Republic	2 288	2 288	-	-	-	-	-	-
Chile	696 425	492 193	153 652	11 750	-	400	-	38 430
China	7 146 865	4 647 785	1 535 275	710 050	-	1 505	-	252 250
Colombia	452 430	341 102	103 928	-	-	-	-	7 400
Costa Rica	119 390	66 390	-	50 000	-	-	-	3 000
Côte d'Ivoire	22 894	22 894	-	-	-	-	-	-
Croatia	165 399	88 856	27 900	-	-	-	-	48 643
Cuba	153 580	93 861	31 775	-	-	-	-	27 944
Cyprus	149 585	120 135	29 450	-	-	-	-	-
Czech Republic	1 258 898	437 265	136 400	500 526	-	685	-	184 022
Democratic Republic of the Congo	12 668	6 868	-	-	-	-	-	5 800
Denmark	2 899 222	2 316 140	537 075	-	-	2 100	-	43 907
Dominican Republic	78 835	77 835	-	-	-	-	-	1 000
Ecuador	371 807	41 207	-	328 000	-	-	-	2 600

ANNEX A3a (continued)

Member State	TOTAL	C A S H			I N K I N D a/ (Note Q)			
		Assessed contributions Schedule S1a/S1b	Voluntary contributions (Technical Cooperation Fund) Schedule S8	Voluntary contributions and other extrabudgetary resources	Type II fellowships	Equipment and supplies	Meetings and other items	Human Resources
Egypt	400 466	269 735	91 000	-	-	15	-	39 716
El Salvador	168 474	48 074	-	120 000	-	-	-	400
Eritrea	3 203	2 428	775	-	-	-	-	-
Estonia	741 049	30 172	9 300	701 577	-	-	-	-
Ethiopia	12 973	9 873	3 100	-	-	-	-	-
Finland	2 418 348	1 787 017	398 350	46 878	-	550	-	185 553
France	26 724 270	20 228 595	4 508 175	1 022 227	57 600	14 623	30 348	862 702
Gabon	20 603	20 603	-	-	-	-	-	-
Georgia	13 668	6 868	-	-	-	-	-	6 800
Germany	35 132 256	27 710 049	4 600 000	1 672 485	-	5 155	-	1 144 567
Ghana	60 906	9 156	3 100	41 250	-	-	-	7 400
Greece	1 616 989	1 187 057	396 025	-	13 000	190	-	20 717
Guatemala	68 990	66 390	-	-	-	-	-	2 600
Haiti	9 468	6 868	-	-	-	-	-	2 600
Holy See	4 573	3 301	1 272	-	-	-	-	-
Honduras	11 446	11 446	-	-	-	-	-	-
Hungary	643 203	304 258	93 775	37 937	-	3 275	-	203 958
Iceland	157 406	111 247	31 041	-	-	-	-	15 118
India	1 581 900	1 008 688	314 650	-	23 900	1 946	-	232 716
Indonesia	418 478	314 878	80 000	-	-	-	-	23 600
Iran, Islamic Republic of	643 524	345 681	-	239 650	-	-	-	58 193
Iraq	48 149	34 011	-	-	-	-	-	14 138
Ireland	1 535 728	1 129 598	261 950	122 776	-	125	-	21 279
Israel	1 546 214	1 384 644	110 000	-	-	100	-	51 470
Italy	19 966 680	15 888 264	3 652 575	102 880	-	1 100	-	321 861
Jamaica	19 114	18 314	-	-	-	-	-	800
Japan	83 851 851	62 907 956	14 556 050	4 998 447	37 280	2 675	-	1 349 443
Jordan	105 550	25 503	8 525	70 522	-	-	-	1 000
Kazakhstan	149 569	60 047	18 600	-	-	-	-	70 922
Kenya	22 803	20 603	-	-	-	-	-	2 200
Korea, Republic of	6 394 862	3 961 892	1 000 000	451 934	-	25	56 432	924 579
Kuwait	542 486	542 486	-	-	-	-	-	-
Kyrgyz Republic	6 688	2 288	-	-	-	-	-	4 400
Latvia	220 112	35 938	10 850	154 698	-	-	-	18 626
Lebanon	52 652	52 652	-	-	-	-	-	-
Liberia	2 288	2 288	-	-	-	-	-	-
Libyan Arab Jamahiriya	550 696	287 944	98 425	159 417	-	-	-	4 910
Liechtenstein	25 522	17 381	8 141	-	-	-	-	-
Lithuania	176 323	53 367	17 825	30 860	-	-	-	74 271
Luxembourg	315 482	257 332	57 350	b/	-	-	-	800
Madagascar	14 848	6 806	2 242	-	-	-	-	5 800
Malaysia	711 521	491 759	151 900	19 136	-	50	-	48 676
Mali	5 739	4 139	-	b/	-	-	-	1 600
Malta	676 802	31 579	10 075	633 948	-	-	-	1 200
Marshall Islands	2 288	2 288	-	-	-	-	-	-

ANNEX A3a (continued)

Member State	T O T A L	C A S H			I N K I N D a/ (Note Q)			
		Assessed contributions Schedule S1a/S1b	Voluntary contributions (Technical Cooperation Fund) Schedule S8	Voluntary contributions and other extrabudgetary resources	Type II fellowships	Equipment and supplies	Meetings and other items	Human Resources
Mauritius	38 288	27 963	8 525	-	-	-	1 800	
Mexico	4 324 417	4 159 616	-	60 000	10 900	315	93 586	
Monaco	1 662 049	10 108	2 325	216 149	-	-	73 200	
Mongolia	3 907	2 332	775	-	-	-	800	
Morocco	154 594	107 636	34 875	-	-	-	12 083	
Myanmar	23 463	23 463	-	-	-	-	-	
Namibia	33 731	14 575	4 650	-	-	-	14 506	
Netherlands	7 232 490	5 494 984	1 263 250	345 605	-	835	127 816	
New Zealand	763 765	726 716	-	35 224	-	25	1 800	
Nicaragua	3 344	2 344	-	-	-	-	1 000	
Niger	6 263	2 288	775	-	-	-	3 200	
Nigeria	258 479	91 572	31 000	99 867	-	-	36 040	
Norway	2 819 745	2 234 739	507 625	11 077	-	100	66 204	
Pakistan	736 315	131 676	41 075	489 250	-	310	74 004	
Panama	43 807	41 207	-	-	-	-	2 600	
Paraguay	27 471	27 471	-	-	-	-	-	
Peru	208 970	203 745	-	-	-	25	5 200	
Philippines	344 495	210 613	-	117 144	-	25	16 713	
Poland	1 541 948	1 140 440	344 875	10 000	-	30	46 603	
Portugal	1 254 316	1 113 932	100 000	-	-	-	40 384	
Qatar	195 419	195 419	-	-	-	-	-	
Republic of Moldova	7 488	2 288	-	-	-	-	5 200	
Romania	307 538	138 716	44 950	33 690	-	25	90 157	
Russian Federation	6 230 702	3 608 183	822 275	909 091	-	270	890 883	
Saudi Arabia	1 667 927	1 653 649	-	-	-	-	14 278	
Senegal	17 016	11 730	3 686	-	-	-	1 600	
Serbia and Montenegro	149 480	41 207	13 950	84 347	-	-	9 976	
Seychelles	5 380	4 580	-	-	-	-	800	
Sierra Leone	2 288	2 288	-	-	-	-	-	
Singapore	1 543 054	1 252 604	289 850	-	-	-	600	
Slovakia	773 003	121 731	37 975	500 420	-	-	112 877	
Slovenia	398 205	266 326	61 225	-	-	100	70 554	
South Africa	1 102 100	705 715	218 550	-	-	125	177 710	
Spain	10 630 981	8 125 523	1 884 025	236 627	36 215	770	347 821	
Sri Lanka	47 220	39 420	7 000	-	-	-	800	
Sudan	75 484	18 314	6 200	49 970	-	-	1 000	
Sweden	4 354 650	3 225 448	746 325	97 333	-	3 170	282 374	
Switzerland	4 357 532	4 016 508	147 059	-	13 450	1 460	179 055	
Syrian Arab Republic	168 706	86 206	50 000	-	-	20 500	12 000	
Tajikistan	12 496	2 321	775	-	-	-	9 400	
Thailand	686 493	517 683	156 550	-	-	-	12 260	
The former Yugoslav Republic of Macedonia	70 586	13 736	4 650	50 000	-	-	2 200	
Tunisia	221 230	72 759	24 025	120 000	-	-	4 446	
Turkey	1 164 244	837 443	278 225	-	-	25	48 551	
Uganda	14 536	13 736	-	-	-	-	800	

ANNEX A3a (continued)

Member State	T O T A L	C A S H			I N K I N D a/ (Note Q)			
		Assessed contributions Schedule S1a/S1b	Voluntary contributions (Technical Cooperation Fund) Schedule S8	Voluntary contributions and other extrabudgetary resources	Type II fellowships	Equipment and supplies	Meetings and other items	Human Resources
Ukraine	208 608	88 101	29 450	-	-	75	-	90 982
United Arab Emirates	898 343	717 618	175 925	-	-	-	-	4 800
United Kingdom of Great Britain and Northern Ireland	26 883 626	20 555 481	4 581 025	1 098 050	-	4 825	-	644 245
United Republic of Tanzania	20 727	14 127	5 000	-	-	-	-	1 600
United States of America	127 310 296	77 733 721	19 144 625	28 327 083	576 733	7 410	19 000	1 501 724
Uruguay	127 268	105 308	-	10 000	-	-	-	11 960
Uzbekistan	43 800	29 760	-	-	-	-	-	14 040
Venezuela	383 240	377 840	-	-	-	-	-	5 400
Viet Nam	66 338	46 598	15 500	-	-	-	-	4 240
Yemen	18 727	14 077	4 650	-	-	-	-	-
Zambia	6 305	4 805	1 500	-	-	-	-	-
Zimbabwe	21 449	16 024	5 425	-	-	-	-	-
Sub-total	447 130 063	316 468 548	69 354 081	45 630 304	769 078	88 239	1 466 977	13 352 836
<u>New Members:</u>								
Chad	2 288	2 288	-	-	-	-	-	-
Mauritania	3 888	2 288	-	-	-	-	-	1 600
Sub-total	6 176	4 576	-	-	-	-	-	1 600
GRAND TOTAL	447 136 239	316 473 124	69 354 081	45 630 304	769 078	88 239	1 466 977	13 354 436

Others:

Cape Verde	1 600	-	-	-	-	-	-	1 600
Comoros	800	-	-	-	-	-	-	800
Togo	1 600	-	-	-	-	-	-	1 600

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/ Pledged/paid a contribution in 2005 relating to 2004: Belgium - \$420 422; Luxembourg - \$56 810; Mali - \$1 495; Mexico - \$772 167; Spain - \$480 289; The former Yugoslav Republic of Macedonia - \$4 485; relating to 2003: Mali - \$1 495; The former Yugoslav Republic of Macedonia - \$4 485; relating to 2002: Mali - \$1 460; The former Yugoslav Republic of Macedonia - \$3 380; relating to 2001: Mali - \$1 460; The former Yugoslav Republic of Macedonia - \$2 920.

c/ Revalued pledge of contribution: Burkina Faso pledge relating to 2001 - (\$91)

ANNEX A3b

**RESOURCES MADE AVAILABLE TO THE AGENCY
BY UNITED NATIONS AND OTHER INTERNATIONAL ORGANIZATIONS FOR 2005 INCLUDING CONTRIBUTIONS IN CASH AND IN KIND**
(expressed in United States dollars)

	T O T A L	C A S H	I N K I N D ^{a/} (Note Q)			
		Voluntary contributions and other extrabudgetary resources	Type II fellowships	Equipment and supplies	Meetings and other items	Human Resources
African Union (AU)	2 200	-	-	-	-	2 200
American Association of Physicists in Medicine (AAPM)	3 449	-	-	-	-	3 449
Bureau Internationale des Poids et Mesures (BIPM)	6 200	-	-	6 200	-	-
Commission of the European Communities (CEC)	4 217 084	4 213 424	-	-	-	3 660
Food and Agriculture Organization of the United Nations (FAO)	2 486 850	2 486 850	-	-	-	-
Nuclear Threat Initiative (NTI)	50 000	50 000	-	-	-	-
Organization for Security and Co-operation in Europe (OSCE)	4 110	-	-	-	-	4 110
OPEC Fund for International Development	170 000	170 000	-	-	-	-
Pan American Health Organisation (PAHO)	2 000	-	-	-	-	2 000
Procter and Gamble	40 982	40 982	-	-	-	-
Regional Organization for the Conservation of Environment of the Red Sea and Gulf of Aden (PERSGA)	12 000	12 000	-	-	-	-
Regional Organization for the Protection of the Marine Environment (ROPME)	50 000	50 000	-	-	-	-
United Nations (UN)	112 000	112 000	-	-	-	-
United Nations Development Programme (UNDP)	(1 521 872)	(1 523 472)	-	-	-	1 600
United Nations Environment Programme (UNEP)	237 870	233 290	-	-	-	4 580
United Nations Fund for International Partnerships (UNFIP)	300 000	300 000	-	-	-	-
United Nations Office for Project Services (UNOPS)	104 369	104 369	-	-	-	-
World Association of Nuclear Operators (WANO)	1 000	-	-	-	-	1 000
World Bank	20 000	20 000	-	-	-	-
World Health Organization (WHO)	4 559	-	-	-	-	4 559
Other sources	535 566	535 566	-	-	-	-
TOTAL	6 838 367	6 805 009	-	6 200	-	27 158

a/ Shown at actual cost where known, otherwise estimates provided by the Agency's scientific Divisions and/or cost as provided by the organizations for equipment and supplies; costs as provided by the organizations for meetings and other items; and for human resources estimated salary cost of \$200 per day plus cost of travel and subsistence provided by the organizations.

RESOURCES MADE AVAILABLE TO THE AGENCY
BY MAJOR PROGRAMME FOR 2005 INCLUDING CONTRIBUTIONS IN CASH AND IN KIND
(expressed in United States dollars)

	T O T A L	C A S H		I N K I N D (Note Q)		
		Voluntary contributions and other extrabudgetary resources a/	Type II fellowships	Equipment and supplies	Meetings and other items	Human resources
Major Programme 1 - Nuclear Power, Fuel Cycle & Nuclear Science						
1. Overall Management, Coordination and Common Activities	111 633	(2 367)	-	-	-	114 000
Programme A - Nuclear Power	4 032 275	1 634 019	8 455	-	56 432	2 333 369
Programme B - Nuclear Fuel Cycle and Material Technologies	1 836 559	551 425	31 943	-	-	1 253 191
Programme C - Capacity Building and Nuclear Knowledge Maintenance for Sustainable Energy Development	1 259 485	330 300	4 400	10 000	-	914 785
Programme D - Nuclear Science	2 376 400	250 000	3 000	-	-	2 123 400
Total Major Programme 1	9 616 352	2 763 377	47 798	10 000	56 432	6 738 745
Major Programme 2 - Nuclear Techniques for Development and Environmental Protection						
2. Overall Management, Coordination and Common Activities	104 741	104 741	-	-	-	-
Programme E - Food and Agriculture	2 596 013	2 505 386	78 427	-	-	12 200
Programme F - Human Health	720 349	237 000	237 427	27 300	-	218 622
Programme G - Water Resources	76 979	-	47 253	9 938	-	19 788
Programme H - Protection of the Marine and Terrestrial Environments	2 236 801	693 721	5 620	-	1 410 545	126 915
Programme I - Physical and Chemical Applications	229 070	39 985	96 843	-	-	92 242
Total Major Programme 2	5 963 953	3 580 833	465 570	37 238	1 410 545	469 767
Major Programme 3 - Nuclear Safety and Security						
3. Overall Management, Coordination and Common Activities	873 024	264 741	-	-	-	608 283
Programme J - Safety of Nuclear Installations	4 043 271	2 695 076	60 517	-	-	1 287 678
Programme K - Radiation and Transport Safety	5 619 213	4 107 568	35 573	10 500	-	1 465 572
Programme L - Management of Radioactive Waste	3 126 316	969 706	121 915	-	-	2 034 695
Programme M - Nuclear Security	6 341 571	6 258 065	-	-	-	83 506
Total Major Programme 3	20 003 395	14 295 156	218 005	10 500	-	5 479 734
Major Programme 4 - Nuclear Verification						
4. Overall Management, Coordination and Common Activities	231 873	231 873	-	-	-	-
Programme N - Safeguards	16 369 206	15 896 983	-	-	-	472 223
Programme O - Verification in Iraq pursuant to UNSC Resolutions	112 000	112 000	-	-	-	-
Total Major Programme 4	16 713 079	16 240 856	-	-	-	472 223
Major Programme 5 - Information Support Services						
Programme P - Public Information and Communication	894 680	894 680	-	-	-	-
Programme Q - Information and Communication Technology (ICT)	-	-	-	-	-	-
Programme R - Nuclear Information Resources	34 701	-	-	34 701	-	-
Programme S - Conference, Translation and Publishing Services	3 000	-	-	-	-	3 000
Total Major Programme 5	932 381	894 680	-	34 701	-	3 000
Major Programme 6 - Management of Technical Cooperation for Development						
Programme T - Management of Technical Cooperation for Development	794 900	534 670	36 105	2 000	-	222 125
Total Major Programme 6	794 900	534 670	36 105	2 000	-	222 125
Major Programme 7 - Policy and General Management						
Programme U - Executive Management, Policy Making and Coordination	178 842	177 242	1 600	-	-	-
Programme V - Administration and General Services	638 194	638 194	-	-	-	-
Programme W - Oversight Services and Performance Assessment	239 000	239 000	-	-	-	-
Total Major Programme 7	1 056 036	1 054 436	1 600	-	-	-
GRAND TOTAL	55 080 096	39 364 008	769 078	94 439	1 466 977	13 385 594

a/ Excludes Technical Cooperation Extrabudgetary Projects Amounting to \$ 13 071 305.