

**THE
AGENCY'S ACCOUNTS
FOR 2010**



IAEA

International Atomic Energy Agency

THE AGENCY'S ACCOUNTS FOR 2010

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Report by the Board of Governors

1. In accordance with Financial Regulation 11.03(b) [1], the Board of Governors hereby transmits to the Members of the Agency the report of the External Auditor on the Agency's accounts for 2010.
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 2010 and of the report of the Board of Governors thereon [*].

[*] GC(55)/4

[1] INFCIRC/8/Rev.2

Fifty-fifth regular session

The Agency's Accounts For 2010

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The Agency's Accounts for 2010

A. Introduction and Financial Highlights

1. I present herewith the Agency's accounts for the year ended 31 December 2010. 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 S13, 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.

2. These accounts have been prepared in accordance with the United Nations System Accounting Standards (UNSAS). Starting from next year, the Agency plans to prepare its accounts on the accrual basis of accounting in accordance with the requirements of the International Public Sector Accounting Standards (IPSAS).

A.1. Significant changes

3. There are no significant changes in the presentation and format this year. The Statement of the Regular Budget Appropriations (Statement IV) has two parts: Statement IV.1 Statement of the Operational Portion of the Regular Budget and Statement IV.2 Statement of the Capital Portion of the Regular Budget.

4. The General Fund has new accounts under the Extrabudgetary Programme Fund (Fund Group III) as per attached Annex A.

5. The General Fund has new accounts under the Technical Cooperation Extrabudgetary Fund (Fund Group IV) as per attached Annex B.

A.2. Financial highlights

A.2.1. General

6. As of the end of 2010, the Agency's total cash and cash equivalent holdings in all Fund groups amounted to €289.7 million (2009: €266.3 million).

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

7. Appropriations originally approved in the amount of €318.3 million for the operational portion of regular budget expenses and €0.1 million for the capital portion at the rate of 1.0000 US dollars to the euro were recalculated at €303.5 million and €0.1 million using the average rate of exchange of 1.3248 US dollars, in accordance with Resolution GC(53)/RES/6.

8. Cash and cash equivalents for the Regular Budget Fund, including the Working Capital Fund (WCF), decreased from €65.9 million in 2009 to €6.7 million in 2010. Therefore the cash flow was

less satisfactory than in the previous year. Of the total cash, the amount of €23.7 million represents payments for 2011 made in advance by some Member States (€17.6 million in 2009 for 2010).

9. Assessed contributions have increased in comparison to the previous year. The current year's figure is €98.4 million as compared with last year's figure of €78.8 million. The main reason is the increase in the 2010 budget in comparison with the 2009 budget. The total unpaid assessed contributions at year end amounted to €37.3 million compared to €30.5 million at the end of 2009.

10. There was a small cash deficit for 2009 amounting to €0.3 million. This was primarily due to the insufficient receipt of prior years' outstanding contributions. This deficit has been temporarily covered by the Working Capital Fund.

11. The 2010 shortfall of income over expenditure of €2.2 million (2009: €1.5 million) consists of the following:

	<u>Millions of Euro</u>	
	<u>2010</u>	<u>2009</u>
Unused balance of appropriations (Statement IV)	(0.3)	(0.5)
Surplus (deficit) of actual resources over adjusted estimates (Annex A1)	(1.9)	(1.3)
Contributions assessed on new Member States	<u>0.0</u>	<u>0.3</u>
Excess (shortfall) of income over expenditure (Statement I)	<u>(2.2)</u>	<u>(1.5)</u>

12. The shortfall of income over expenditure is, for the most part, due to the shortfall in miscellaneous income as a result of unusually low interest rate and a large amount of write off related to US income tax. Miscellaneous income received in 2010 is €3.3 million while the estimated budget amount was €4.7 million.

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

13. The Fund's resources decreased with total pledges amounting to \$78.5 million (2009: \$79.9 million) against a target of \$85.0 million (2009: \$85.0 million). Cash held was less than last year at \$63.7 (€48.5) million (2009: \$73.5 million). Approximately \$2.1 million (3.3%) of this cash is held in difficult to use currencies as compared with last year's figure of \$13.7 million (18.7%). This significant reduction is due to the Agency's successful efforts to reduce these holdings.

A.4. Other Fund groups

14. The cash resources of Fund groups III, IV and VI are shown in Statement II. Their resources are based on extrabudgetary contributions from Member States or Member State institutions received before the respective activities are undertaken, or funding agreements with United Nations or other international organizations and agreements with contributors. These resources have increased to €184.5 million from €149.5 million in the previous year. The main reason for the increase in cash resources in these Fund groups is the receipt of substantial funding amounts for some extrabudgetary projects towards the end of 2010, disbursement of which will happen in future years.

(signed) YUKIYA AMANO
Director General

ANNEX A

New Accounts under the Extrabudgetary Programme Fund (Fund Group III)

- **Hungary** – for a contribution in euro to examine whether follow-up remediation actions at the former uranium mining sites near the town of Pecs are in compliance with the relevant Agency’s safety standards, and whether further remediation actions are needed to ensure the protection of public and the environment in the long term.
- **Ireland** – for a contribution in euro to support the modernization of the Agency’s Laboratories in Seibersdorf.
- **Liverpool School of Tropical Medicine (LSTM)** – for a contribution in euro to support an EU-funded research project “Tsetse flies and control of African Sleeping Sickness”.
- **Poland** – for a contribution in euro to support the Agency’s activities in the field of the International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO).
- **Roche African Research Foundation** – for a contribution in United States dollars as per the Collaboration Agreement signed between the IAEA and F. Hoffman-La Roche Ltd. to support the Programme of Action for Cancer Therapy (PACT) for the training and education of cancer control health workers in sub-Saharan Africa.
- **Slovak Republic** – for a contribution in euro to support a cost free expert (CFE) in the Agency’s Department of Nuclear Energy.

ANNEX B

New Accounts under the Technical Cooperation Extrabudgetary Fund (Fund Group IV)

- **Argentina** – for a contribution in United States dollars to support the activities under the Cooperation Agreement for the Promotion of Nuclear Science and Technology in Latin America and the Caribbean (ARCAL).
- **Australia TC-NSF** – for funds transferred in United States dollars from the Nuclear Security Fund to the TC-NSF to support the TC project RAS/9/060 – Developing Human Resources in Nuclear Security.
- **Finland TC-NSF** – for funds transferred in euro from the Nuclear Security Fund to the TC-NSF to support the TC project RER/9/102 – Developing Human Resources in Nuclear Security.
- **Korea, Republic of TC-NSF** – for funds transferred in United States dollars from the Nuclear Security Fund to the TC-NSF to support the TC project RER/3/006 – Supporting of Repatriation, Management and Disposal of Fresh and/or Spent Nuclear Fuel from Research Reactors.
- **Sweden TC-NSF** – for funds transferred in United States dollars from the Nuclear Security Fund to the TC project RER/3/006 – Supporting of Repatriation, Management and Disposal of Fresh and/or Spent Nuclear Fuel from Research Reactors.
- **Turkey** – for a contribution in United States dollars to support the activities of the Central Asian Member States (CAMS) under two TC projects: KAZ/6/009 – Establishing a Nuclear Medicine Department at the East Kazakhstan Oncology Centre No. 2, and TAD/6/005 – Implementing Laboratory Services for Tumour Markers.
- **United States of America TC-PUI** – for a contribution in United States dollars to the Peaceful Use Initiative (PUI) to support IAEA efforts relating to nuclear power infrastructure development under various TC projects.
- **United States of America** – for a contribution in United States dollars to support TC project RER/3/006 – Supporting of Repatriation, Management and Disposal of Fresh and/or Spent Nuclear Fuel from Research Reactors.

**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 2010**

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 S13 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) YUKIYA AMANO
Director General

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

16 March 2011

PART I

Letter from the External Auditor to the Chairperson of the Board of Governors

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

31 March 2011

Sir,

I have the honour to transmit the financial statements of the International Atomic Energy Agency for the year ended 31 December 2010 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 2010.

Accept Sir, the assurances of my highest consideration.

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

Bonn, 31st March 2011

AUDIT OPINION

CERTIFICATE OF THE EXTERNAL AUDITOR ON THE ACCOUNTS OF THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010

To the General Conference of the International Atomic Energy Agency

Report on the Financial Statements

I have audited the accompanying financial statements of the International Atomic Energy Agency, which comprise the statement of assets, liabilities and reserves, and fund balances as at December 31, 2010, the statement of income and expenditure and changes in reserves and fund balances, the statement of cash flow, the statement of appropriations (Statements I to IV.2 and the Schedules S 1 to S 13 for the financial period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with United Nations System Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in these circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing as adopted and expanded by the International Organization of Supreme Audit Institutions. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence for the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of the International Atomic Energy Agency as of 31 December 2010, its financial performance and its cash flows for the year then ended in accordance with United Nations System Accounting Standards.

Report on Other Legal and Regulatory Requirements.

Further, in my opinion, the transactions of the International Atomic Energy Agency that have come to my notice or which I have tested as part of my audit have, in all significant respects, been in accordance with the Financial Regulations and Rules.

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, 31 March 2011

**REPORT OF THE EXTERNAL AUDITOR
ON THE AUDIT OF THE ACCOUNTS OF THE
INTERNATIONAL ATOMIC ENERGY AGENCY
FOR THE YEAR ENDED 31 DECEMBER 2010**

➤	A. Executive Summary	(paragraphs 1 - 54)
	A.1. Scope and Approach of the Audit	(paragraphs 1 - 9)
	A.2. Main Audit Findings and Recommendations	(paragraphs 10 - 54)
➤	B. Analysis of the Financial Statements	(paragraphs 55 - 71)
	B.1. General	(paragraph 55)
	B.2. Assets	(paragraphs 56 - 65)
	B.3. Income and Expenditures	(paragraphs 66 -67)
	B.4. Voluntary Contributions	(paragraphs 68 - 71)
➤	C. Detailed Findings for 2010	(paragraphs 72 - 174)
	C.1. Financial Issues	(paragraphs 72 - 80)
	C.2. Budgetary Issues	(paragraphs 81 - 86)
	C.3. Administrative Issues	(paragraphs 87 - 109)
	C.4. Nuclear Security - Border Monitoring	(paragraphs 110 - 120)
	C.5. Technical Cooperation	(paragraphs 120 - 159)
	C.6. Information Technology	(paragraphs 160 - 174)
➤	D. Follow-up on the results of my findings and recommendations last year and in prior years	(paragraphs 175 - 193)
➤	E. Other Matters	(paragraphs 194 - 197)
	E.1. Cases of Fraud or presumptive Fraud	(paragraph 194)
	E.2. Losses, write-offs and ex-gratia payments	(paragraphs 195 - 197)
➤	F. Acknowledgement	(paragraph 198)

A. EXECUTIVE SUMMARY

A.1. SCOPE AND APPROACH OF THE AUDIT

A.1.1. Scope of the audit

Audit of the accounts and performance of the IAEA, principles governing my audit - ISA and ISSAI

1. I have audited the accounts of the International Atomic Energy Agency (IAEA) for the financial period 1 January to 31 December 2010 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 International Standards on Auditing (ISA) as adopted by the International Organization of Supreme Audit Institutions (INTOSAI) and issued as International Standards for Supreme Audit Institutions (ISSAI). These standards require me to comply with ethical requirements, and 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 was responsible for preparing these financial statements, and I am responsible for expressing an opinion on them based on evidence obtained in the course of my audit.

Audit of the financial statements

2. The financial statements for the IAEA, together with my audit report and the audit opinion, have been submitted to the Director General (DG) as provided for by the relevant financial regulation. The DG has taken note of the contents of my report and had no further comments.

Performance audits

3. The ISA as issued for the private sector require the auditor to carry out an audit of the organization's accounts and financial transactions. In addition to this the ISSAIs under series 3000 also require performance audits. I therefore 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. The results can be found in chapters C and D of this report.

A.1.2. Audit objective

Financial audit to form the audit opinion

4. According to the requirements of ISSAIs 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 2010.

Value-for-money audit to give proactive advice

5. In addition, to a large extent I also examined the Agency's performance in order to assess whether expenditures are being incurred according to the principles of economy, efficiency and effectiveness. This enables me to follow my objective of giving constructive advice rather than criticizing after the event.

A.1.3. Audit approach

My team examined the accounting records as necessary.	6. 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 to allow an opinion on the IAEA's financial statements to be formed.
Examination of invoices	7. We examined invoices from domestic and international vendors to check whether they had been handled according to the regulations. We also verified the existence of invoices constituting the basis for payments, and checked that the vouchers had been signed by all responsible officers. None of the invoices examined gave cause for criticism.
Random sample check	8. In addition, we analysed the Agency's transactions using professional audit software. We took a random sample of a significant number of all invoices. We also checked that invoices and the related documents had been filed in accordance with the regulations and cross-checked the basis for payment and the necessary signatures. None of the invoices examined gave cause for criticism.

A.1.4. Audit conclusion

There were no material weaknesses that affected the audit opinion. I placed an unqualified audit opinion on the financial statements.	9. Notwithstanding the observations in this report, my examination revealed no weaknesses or errors which I considered material to the accuracy, completeness and validity of the financial statements as a whole. During 2010, in accordance with normal practice, my staff reported additional findings to the Agency's 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 2010.
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A.2. MAIN AUDIT FINDINGS AND RECOMMENDATIONS

A.2.1. Subjects of my performance audits during 2010

Results of a further field mission concerning Technical Cooperation	10. In each of my prior reports I presented the results of field missions dealing with the Agency's Technical Cooperation Fund (TCF). In 2010 my team carried out another field mission examining regional aspects, the results of which support my prior findings and call for an increase in efforts to join the United Nations Development Assistance Framework (UNDAF) process as designed by the United Nations Development Group (UNDG) as a consequence of the idea of 'delivery as one' (chapter C.5).
Another field mission focussed on Nuclear Security Projects funded by the EC.	11. My team also carried out a field mission to one Middle-Eastern country in 2010 that focussed on Border Monitoring Projects funded by the European Commission (EC). This aimed at avoiding a further costly verification mission to the IAEA by the EC (chapter C.4).
Visit to the Agency's office in Toronto	12. Another field mission was carried out in the Agency's office in Toronto where my staff checked among other things how Information Technology (IT) cooperation between IAEA Headquarters (HQ) and a remote office is organized (chapter C.6).
Other matters and follow-up	13. My report also includes a follow-up to audit recommendations contained in my reports for 2009 and prior years and a commentary on other matters arising from the audit of the Agency's financial statements for 2010 (chapter D).

Performance areas covered by this report

14. For 2010, performance audit was again the main focus of my team's audit work. It has mainly covered the following areas:

- Travel
- Human Resources
- Nuclear Security - Border Monitoring Projects dealing with radioactive sources
- Field Mission to Latin America
- Information Technology

International Public Sector Accounting Standards

15. The report also provides an update on the Agency's decision to adopt International Public Sector Accounting Standards (IPSAS) and the progress achieved (chapter C.1.1).

Verification visits by the EC in addition to my regular audit are still on the agenda.

16. Since 2006 I have been reporting on the EC's condition to carry out separate on the spot checks to verify expenditure on projects financed by this donor. I inform Member States about developments during 2010 (chapter C.3.1).

A.2.2. Summary of findings and recommendations for the Secretariat

A.2.2.1. Financial issues

17. I reiterate my annual recommendation to recover outstanding assessed contributions (paras. 56-58).

18. Despite the Secretariat's continued negotiations with the successor states on the treatment of the assessed contributions from the former Socialist Federal Republic of Yugoslavia, no progress was achieved in 2010. This issue should be addressed urgently (para. 59).

19. The adoption of IPSAS in the Secretariat made good progress. I recommend keeping close contact with me and my team bilaterally in connection with a number of issues still outstanding (paras. 72-77).

20. The costs of the non-refunded part of United States' (US) income tax will have to be borne by the community of Member States. I recommend reconsidering the refunding method (paras. 78-80).

A.2.2.2. Administrative matters

A.2.2.2.1 Travel

21. I continue to encourage the Secretariat to consider reducing the lump sum entitlement for home leave travel from 75 % to 65 %. (para. 97).

22. Planning, initiation and authorization of travel need to be accelerated so that the Agency can benefit from the cheaper airfares usually available for earlier booking (paras. 98-99).

23. The quarterly travel plans should be produced with highest diligence and not leave out a significant percentage of duty travel. Further, duty travel should be planned at the earliest possible date (para. 100).

24. In a large number of all the journeys undertaken for IAEA a private component was included. In 5 % of all cases the number of private days was higher than that of the official days. It should be carefully considered whether in these cases the duty travel is really justified (paras. 101-102).

A.2.2.2.2 Human Resources Management

25. I encourage the Secretariat in its efforts to streamline the recruitment process (paras. 103-108).

26. The Secretariat should report on the implementation and the effects of the streamlining process by the end of the year 2011 (para. 109).

A.2.2.3.Nuclear Fuel Bank

27. The establishment of a nuclear fuel bank was approved by the Board of Governors on 3 December 2010. I recommend that the Secretariat verify whether the conditions for further payments by the Nuclear Threat Initiative (NTI) and the EC have been met and claim any outstanding amounts (paras. 84-86).

28. I recommend that the Secretariat should carefully consider all risks for the IAEA connected with the implementation of the Nuclear Fuel Bank and define the Agency's role (para. 85).

A.2.2.4.Nuclear Security Fund - Border Monitoring

29. Before Radiation Portal Monitors (RPMs) are installed, a comprehensive site description addressing all potential risks known from past experience should be prepared (paras. 110-113).

30. In particular, the physical protection of the RPMs should be ensured, as accidents causing their destruction are foreseeable (paras. 114-117).

31. Project Agreements involving third parties should be revised in order to avoid disputes over timing and conditions of final payments (para. 120).

A.2.2.5.Technical Cooperation

A.2.2.5.1 United Nations Development Assistance Framework Process

32. The IAEA should seek a much higher level of international cooperation, as the Agency does not operate with field representatives and does not receive sufficient and reliable information from the field (paras. 121-124).

33. The Agency should consider itself to be a development organization also and act accordingly (para. 126).

34. I strongly support the Agency's intention to cooperate with other partners and consider it of utmost importance that the Secretariat should henceforth be represented in UNDAF processes in all parts of the developing world (paras. 127-131).

A.2.2.5.2 Recurrent Findings

35. I consider it extremely necessary that the Secretariat should exert its influence to ensure that Project Progress Reports are consistently provided and project key indicators defined (paras. 135-136).

36. The Secretariat should make delivery of equipment subject to trouble-free and uninterrupted customs clearance in the recipient countries (para. 138).

A.2.2.5.3 Regional Cooperation

37. The roles of National Liaison Officers (NLOs) and National Coordinators set out in the Regional Agreements should be assigned to one incumbent (para. 143).

38. The Agency should consider how the Programme Cycle Management Framework (PCMF) could support the counterparts (CPs) more effectively in the preparation of the Logical Framework Matrix (LFM). Furthermore, training should be provided for CPs and NLOs concerning PCMF and the LFM methodology (paras. 133-134).

39. Frequent changes of the Agency's 'Focal Point' lead to inconsistencies. The Secretariat should assign a long-term incumbent as an Agency's 'Focal Point' for issues relating to Regional Cooperation (para. 143).

40. The Secretariat should sensitize Member States to the major differences in the Agency's involvement in regional TC-projects, especially in financial terms (para. 146).

A.2.2.5.4 Provision of Radioactive Sources

41. The delivery of radioactive sources to Member States that do not meet the basic requirements set by the Agency itself for handling this dangerous material should be strictly avoided (paras. 150-154).

42. I urge the Secretariat to take immediate action to strengthen the process of reviewing new projects and to ensure that safety and security will be re-established in the countries concerned (paras. 155-157).

43. I recommend ensuring through administrative measures of coordination and cooperation in the Agency that this avoidable mistake cannot be repeated (paras. 158-159).

A.2.2.6. Information technology

44. I recommend achieving a sound, effective and completed 'plateau 1' version of the Agency-wide Information System for Programme Support (AIPS) before extending the system to parts of 'plateau 2'. The stabilization of the system and the integration of all parts originally planned for 'plateau 1' should receive the highest priority (para. 166).

45. I recommend reassessing the decision to outsource hosting and operation of the AIPS database to Geneva, taking into account the long term importance of AIPS as the Secretariat's central financial application (paras. 167-170).

46. Locations outside HQ should be operated in a consistent professional manner applying all the Secretariats' IT related rules and regulations. Neither the staff nor the IT infrastructure should be handled differently (para. 174).

A.2.2.7. Other

47. I urge the Secretariat as well as the Member States to examine closely any future verification exercise started by the EC. Unless the EC have already examined all existing internal or external audit reports and all other information received by the donor, they should not be allowed to start another verification process. In particular part of the EC's audit approach (known as the 'four pillars exercise') appears questionable (paras. 87 ff).

A.2.3. Recommendations for consideration by the Member States

48. Outstanding assessed contributions should be reduced as much as possible and new arrears excluded (paras. 56-58).

49. I recommend again that efforts be made by Member States to complete the ratification process with a view to implementing the decision taken 12 years ago to introduce biennial budgeting (paras. 81-83).

A.2.4. Recommendations resulting from prior years' findings

50. Together with the implementation of IPSAS, the Secretariat should also envisage full accrual budgeting in the longer term in order to make maximum use of IPSAS (paras. 175-176).

51. Greater efforts should be made to claim unpaid assessed contributions from the former Yugoslavia from all successor states (paras. 177-179).

52. The Secretariat should continue its work on overall risk assessment and fully implement the risk management system (para. 181).

53. A new procurement strategy has been implemented. Now possible synergies and cost reductions should be verified (para. 182).

54. I encourage the Secretariat to take the steps that are still necessary to reform the information security policy in a timely manner (para. 189).

B. ANALYSIS OF THE FINANCIAL STATEMENTS

B.1. GENERAL

I report on the Agency's financial development over a period of five years.

55. In the following paragraphs I provide information showing trends, tendencies and background information over the last five 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 since 2006.

B.2. ASSETS

B.2.1. Assessed Contributions Receivable

Arrears of assessed contributions increased again in 2010.

56. In 2010, the level of outstanding assessed contributions increased by roughly €7.7 million. Some Member States paid off older debts, but one Member State in particular dramatically increased its debts in 2010, which now amount to more than €10 million.

Year	2006	2007	2008	2009	2010
Assessed Contributions Receivable	59,357	41,804	38,015	30,507	37,256

Table 1: Assessed contributions receivable in thousands of Euros (source: Schedule S 1)

There is again a large amount of outstanding assessed contributions.

57. I consider the total amount outstanding to be still unacceptably high. I appreciate that the Secretariat continues its efforts to collect the funds. But the success of these efforts is not very convincing. Towards the end of 2010 the Agency was unnecessarily exposed to liquidity problems.

Member States with significant arrears should do their utmost to fulfil their obligations and to pay their contributions when due.

Outstanding assessed contributions still include funds owed by the former Yugoslavia.

58. The Secretariat made great efforts to collect outstanding assessed contributions. I can only urge the few Member States with significant arrears to do their utmost to fulfil their obligations. It is also a question of fairness vis-à-vis the other Member States to contribute to the well-being of the Agency in accordance with the agreed scale of assessment. Let me once more point out that the assessed contributions are due on 1 January of each year.

59. The outstanding assessed contributions still contain the amount of €2.3 million owed by the former Socialist Federal Republic of Yugoslavia. The IAEA can still claim a total of €61,070 from the successor states. The rest will have to be written off (paras. 177-179, refer).

B.2.2. Cash and Term Deposits

The cash situation is significantly influenced by advances.

60. The Agency's overall cash situation is significantly influenced by advances made to the intended Nuclear Fuel Bank. This amount can be found in Fund Group III, Extrabudgetary (EB) Programme Fund. Also considerable increases in TC EB Funds can be noted.

Year	Regular Budget Fund Fund Group I	Technical Cooperation Fund Fund Group II	EB Programme Fund Fund Group III	Technical Cooperation EB Fund Fund Group IV	Trust Funds Fund Group VI
(1)	(2)	(3)	(4)	(5)	(6)
2006	46,276,865	42,764,541	58,933,530	18,240,010	2,640,876
2007	65,784,115	42,805,495	61,326,960	18,387,852	3,076,456
2008	75,702,191	43,491,916	68,410,930	22,663,006	2,402,922
2009	65,862,656	50,923,935	118,228,390	25,691,863	5,620,773
2010	56,737,017	48,482,228	132,923,679	47,919,596	3,670,452

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

Regular Budget cash resources which decreased by € million are mainly committed.

61. In 2010 the Regular Budget cash resources further decreased by roughly € million (column 2). A large portion of these funds is required to meet unliquidated obligations amounting to €35.5 million. In addition, the availability of these funds must still be regarded in the light of the total of advance payments by Member States in 2010 for 2011 which amounted to €23.7 million. Without these advances the Agency would not have been able to meet its obligations towards the end of 2010.

Cash in the TCF is to a large extent committed.

62. In the Technical Cooperation Fund (TCF) availability of the year-end total amount in cash and term deposits of €48.4 million is also limited, because the resources are to a large extent already committed by unliquidated obligations totalling €28.9 million.

The credit balances of currencies which are difficult to use were significantly reduced.

63. Unlike in previous years, the total amount held in currencies the use of which is described as legally or otherwise restricted (Schedule 10, refers), has significantly reduced. The Secretariat found ways to exchange these currencies in collaboration with the United Nations Development Programme (UNDP) which carries out projects in these countries with higher local expenditure. Thus a total of US\$13.7 in 2009 was reduced to US\$2.1 at the end of 2010 and the funds could be freely utilized in the TCF. I welcome this solution.

The reasons for the unusual balance in EB cash are prepayments by Member States for the planned nuclear fuel bank.

The cash balance of the TC EB Funds increased significantly by almost 50 %.

64. EB cash (Fund Group III) still includes approximately €40 million, which mainly represents prepayments by two Member States which were made in order to finance the Agency's activities in the administration of the nuclear fuel bank. As these funds have not yet been formally accepted by the Secretariat, this money cannot yet be considered as income.

65. The cash balance of the TC EB Funds increased significantly by almost 50 %. This is of course welcomed by the Secretariat, but caused the situation described in paras. 69-71 below.

B.3. INCOME AND EXPENDITURE

The Agency experienced a shortfall of income over expenditure.

Investment income has dropped to €0.8 million as the Secretariat put priority on the security of investments.

66. In 2010 the Agency experienced a shortfall of income over expenditure of €2.2 million. The reason can be found in the non-payment of assessed contributions.

67. A lower interest income amounting to €0.8 million for all funds was achieved because interest rates, especially for investments in US\$, decreased to below 1 %. Investments were mainly made in Triple-A short-term US government debts (US T-Bills) and Triple-A Government Money Market Funds. At the end of the year 2010, the total amount held in these instruments is equivalent to more than €126 million (schedule 12, refers).

B.4. VOLUNTARY CONTRIBUTIONS

B.4.1. Income and expenditure

Member States provided significant voluntary contributions.

68. Member States increasingly met demands for the Agency's services by providing voluntary contributions. The figures for the last five years are as follows:

	2006	2007	2008	2009	2010
Technical Cooperation Fund	60,847,122	60,329,704	54,101,725	61,325,762	60,502,580
EB Programme Fund	29,042,936	42,160,968	29,648,407	58,054,310	60,880,939
Technical Cooperation EB Fund	14,872,011	10,121,146	7,535,097	17,952,578	35,487,475
Trust Funds Reserve Funds and Special Funds	4,437,145	1,595,299	291,251	5,054,516	251,888
Total	109,199,214	114,207,117	91,576,480	142,387,166	157,122,882

Table 3: TC and EB activities - total income in Euros (source: Statement I)

	2006	2007	2008	2009	2010
Technical Cooperation Fund	66,061,986	60,973,083	53,202,892	62,365,729	63,337,243
EB Programme Fund	31,351,337	37,063,809	41,375,483	43,462,460	49,336,236
Technical Cooperation EB Fund	16,962,882	11,363,934	7,441,949	11,382,543	37,082,992
Trust Funds Reserve Funds and Special Funds	3,390,029	1,162,662	1,181,211	1,568,898	2,079,112
Total	117,766,234	110,563,488	103,201,535	118,779,630	151,835,583

Table 4: TC and EB activities – total expenditure in Euros (source: Statement I)

Income as well as expenditure of all TC and EB activities increased significantly.

Income in the TC EB Fund nearly doubled, while expenditure tripled.

A large part of the expenditure in this Fund was recorded as unliquidated obligations amounting to €34.3 million.

69. Total TC and EB activities increased significantly. While the agreed target for the level of voluntary contributions to the TCF was kept at US\$85 million in 2010, income and expenditure in Fund Group IV (EB technical cooperation) went up sharply. Another reason is that Member States increasingly tend to increase EB funding on a voluntary basis (chapter C.3.2 of my 2009 report, refers).

70. Interesting in this context is the sharp increase of income and expenditure in the TC EB Fund. Income nearly doubled, while expenditure tripled. Part of the higher revenue was received voluntarily for a project of repatriation of two and a half tons of spent nuclear fuel from a shuttered research reactor in the Balkans.

71. It was not possible for the Secretariat to actually disburse the additional funds in 2010. However, they entered into a large number of commitments. As soon as service contracts are concluded or purchase orders issued the Secretariat is currently (in accordance with United Nations System Accounting Standards - UNSAS) allowed to obligate the respective funds. Therefore the Fund Group IV shows unliquidated obligations amounting to €34.3 million. This means that the majority of funds are still in the Agency's bank accounts (table 2 of this report, refers). Under IPSAS (reporting will start with the financial statements as at 31 December 2011) there will no longer be unliquidated obligations. This will contribute to a more precise presentation of the financial situation.

C. DETAILED FINDINGS FOR 2010

C.1. FINANCIAL ISSUES

C.1.1. International Public Sector Accounting Standards

The application of IPSAS from 1 January 2010 was decided by the Board of Governors.

It can be expected that the implementation of IPSAS will be possible for the year 2011.

There are still several risk factors involved in a successful IPSAS implementation.

72. The Board of Governors decided on the adoption of IPSAS from 1 January 2010. I would like to give Member States an update on developments during 2010.

73. The implementation of IPSAS in the IAEA was divided into three phases. The first phase of AIPS implementation ('plateau 1') was completed as planned by 1 January 2011. The finance and the procurement system were launched 24 January under the new Enterprise Resource Planning System (ERP system) AIPS. The Agency's accounts can now be prepared in accordance with IPSAS for the year 2011.

74. During 2011 I will closely monitor whether the Secretariat will cope with a number of critical risks to which the IAEA is still exposed:

- implementing AIPS and IPSAS in parallel will continue to cause reconciliation problems
- the UN-wide Task Force that is reviewing the IPSAS accounting policies and providing implementation guidelines is still continuing its work. Not all decisions on the accounting standards the Agency will have to apply have been taken yet, e.g. those concerning joint premises such as the Vienna International Centre. I would like to stress that ongoing and reliable funding of the AIPS project as precondition for successful IPSAS implementation has to be ensured.

After service benefits continue to be disclosed in the notes rather than on the face of the financial statements for the year 2010.

In the framework of the UN Panel of External Auditors, I am actively involved in IPSAS-related issues.

I encourage the Secretariat to continue to cooperate with me in the adoption of IPSAS.

75. In my last reports, I had recommended including after service benefits on the face of the Agency's balance sheet. As the financial statements will be IPSAS compliant only at 31 December 2011, the Agency's liabilities for separation benefits (€70 million) and post-retirement benefits such as after-service health insurance (€106 million) continue to be disclosed in the notes to the financial statements (V and W) in accordance with United Nations System Accounting Standards. The question of how to fund this current obligation is still unresolved.

76. As chairman of the Panel of External Auditors of the UN, I am actively involved in discussions of IPSAS-related topics. The UN Panel's technical group again dealt with some specific IPSAS issues. The results of the Annual Meeting of the UN Panel concerning IPSAS-related topics were reported to the Secretary-General of the UN and to the Chairman of the UN Task Force on IPSAS.

77. The Secretariat and my team continue to be in close contact bilaterally on specific accounting policies and implementation issues. All policy papers issued by the Task Force on IPSAS were considered. I encourage the Secretariat to continue to cooperate with my team on this issue.

C.1.2. US Income taxes reimbursement

IAEA Officials are exempt from taxation on the salaries and emoluments paid to them by the United Nations.

Contrary to an ILO Administrative Tribunal decision the US refuses to reimburse taxes resulting from a higher marginal rate.

The gap between the amount recovered by the US and the amount actually reimbursed to US staff members amounted to €1.1 million, payable at the expense of all Member States.

78. The Convention on the Privileges & Immunities of the United Nations Section 18 (b) states that officials are exempt from taxation on the salaries and emoluments paid to them by the United Nations. Unlike other countries, the US taxes the income of staff members with US nationality. As the salaries paid by the Agency to its staff are tax free, the IAEA reimburses income taxes paid by its US staff members. The US government then refunds the Agency for the tax reimbursement on the basis of a Tax Reimbursement Agreement with the IAEA.

79. The reimbursements to the staff member is based on IAEA income being the sole source of income, but the staff member is required to pay taxes on own income at the higher marginal rate. Three decisions by the International Labour Organisation (ILO) Administrative Tribunal stated that the only acceptable system for reimbursement was the 'Last Income' method, reimbursing the staff member as if no IAEA income was earned. In 2004, in accordance with the tribunal's decisions, the IAEA changed its policy for reimbursing US staff members from the 'first income' to the 'last income' method. This resulted in the refunds to US staff members for their taxes exceeding the reimbursements by the US to the Agency.

80. As the US government does not accept a renegotiation of the agreement and ultimately refused to refund the IAEA beyond the tax related to the salary as first income, the Secretariat decided to write off the gap between the amount recovered by the US during tax years 2004 to 2009 and the amount actually reimbursed to US staff members amounting to €1.1 million. I would like to point out that this cost will be borne by the community of member states and encourage the US authorities to reconsider their policy in the light of this.

C.2. BUDGETARY ISSUES

C.2.1. Biennial Budgeting

The implementation of biennial budgeting still needs formal acceptance by the Member States.

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

IPSAS does not require annual budgeting.

81. In my Audit Report for 2004, I already noted that the Agency aims to align its budgeting cycles with those common within the UN system. The Agency has taken the necessary steps to introduce biennial budgeting.

82. The amendment to Article XIV.A of the Statute to allow biennial budgeting was approved by the General Conference in 1999 and must be ratified by two-thirds of the Member States (101 out of 151; status November 2010) in accordance with their respective constitutional processes, before it enters into force (Article XVIII.C (ii) of the Statute). Although more than eleven years have passed since the General Conference resolution, it is still not in force due to a shortfall in its ratification by Member States.

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

C.2.2. Nuclear Fuel Bank

The establishment of a nuclear fuel bank - supported by the Nuclear Threat Initiative - has been approved by the Board of Governors.

The Agency's involvement in the nuclear fuel bank is currently considered in a concept paper.

I recommend clarifying whether outstanding amounts can be claimed following the decision taken by the Board.

84. A total of €41.6 million (included in the item 'Other Reserves', Statement II, Fund Group III) represents prepayments by two Member States which were made in order to finance the Agency's activities in the administration of a nuclear fuel bank. With this initiative the provision of low-enriched uranium for fuel is put under multilateral control. Within the framework of the Nuclear Threat Initiative (NTI) more than US\$150 million has been pledged. The establishment of this nuclear fuel bank, which is intended to be financed from these funds, has been approved by the Board of Governors on 3 December 2010 (GOV/2010/70).

85. The Secretariat is currently preparing a concept paper on the basis of the proposals made by the DG for the nuclear fuel bank (GOV/INF/2007/1) that is intended to analyse the way forward. I recommend monitoring closely all risks involved for the Agency in this activity. The decision on the Agency's role should be considered very carefully. For the time being the funds have not been formally accepted by the Secretariat. This money therefore cannot yet be considered as income and is provisionally kept under other reserves.

86. According to the conditions of the NTI, however, the total funds shall be made available as soon as the decision on the establishment of the nuclear fuel bank is taken. I recommend that the Secretariat clarify whether the conditions for the further payments by the NTI and the EC have been met and ask for payment of any outstanding amounts.

C.3. ADMINISTRATIVE ISSUES

C.3.1. Verification Visits by the EC

Voluntary contributions with unacceptable conditions are problematic.	87. In all of my previous reports I pointed out that the EC requires separate audits for its voluntary contributions based on a Financial and Administrative Framework Agreement (FAFA). My recommendation to refuse acceptance under these conditions, as this breaches the single audit principle, was repeatedly supported by the Board of Governors in the course of its discussion of my report.
FAFA was signed by the UN and the EC and is valid between the partners.	88. The agreed Terms of Reference (TOR) for verification missions should be strictly followed. In these TORs the Commission acknowledges the mandated primacy of UN oversight and control systems, including the principle of exclusive or single audit by UN External Auditors, and will endeavour to build reliance on these systems.
The EC will take into account internal and external audit results and results of previous verification missions in the verification process.	89. In early 2010 the Panel of External Auditors brought this matter to the attention of the UN Secretary General and the President of the General Assembly of the UN and requested their assistance. As a result the TORs now clearly provide that the EC will take into account the results of internal and external audit in their verification process. The results of previous verification missions would also be taken into account. The oversight functions of the UN entities could in the longer term take over all verification tasks.
This procedure would relieve the pressure put on client organizations.	90. This would relieve a good part of the pressure put on our client organizations, which currently have to accept costly and time-consuming audit exercises at the expense of all Member States, while the required assurance of accountability has already been provided by the appointed external auditor.
The EC does not follow the agreed procedure.	91. Experience however repeatedly showed that the EC does not follow this agreed procedure. In the IAEA one verification visit was carried out in spring 2010, when the European Court of Auditors (ECA) came for an on the spot check in the course of the Declaration of Assurance required by the European Parliament. Furthermore, in autumn last year a 'Four Pillars Exercise' (i.e. accounting, internal control, audit and procurement) was carried out by a private company at the request of the EC.
The EC verification team had no idea that there were audit reports available.	92. The 'Four Pillars Exercise' causes particular concern, because after all the discussions in this working group I had expected that the agreed procedure would be followed. The verification team, however, obviously had no idea that there already were audit reports covering the issues they were examining.
The EC ignored several audit reports in which I recommended the merger of two existing offices and the streamlining of the procedures.	93. Over the years my team and I have dealt with a necessary reorganization of the Agency's procurement office. There were several audit reports recommending the merger of two existing offices and the streamlining of the procedures by using basic supply agreements. Finally, in summer 2010, the Agency decided to follow my advice and changed the organization and the financial regulations relating to the procurement office completely, with effect from 1 January 2011.
The verification team wanted to assess the existing procurement system which will be discontinued in three months' time.	94. One part of the 'Four Pillars' is the procurement system. The team concentrated on the existing system and the IAEA had difficulties convincing the verification team that it would not make sense to verify a system which will be discontinued in three months' time. The EC's interest in this exercise is more of a proactive nature. Therefore they finally agreed to base their assessment on the new procurement system. This, however, shows that the team did not study any of the existing reports before they started their mission, nor did they ask for them.

The EC could easily accept the assurance of accountability expressed in the audit opinion and refrain from its own verifications.

EC verifications should only be accepted when all information available from other sources has been examined.

95. I would further like to point out that the EC could easily accept the assurance of accountability expressed in the audit opinion, because all Panel members generally apply the ISA, which are the same for the private and the public sector. The External Auditors' assurance of accountability should therefore not be generally questioned. Should further evidence be needed by the Commission it should contact the relevant external auditor who will be happy to assist to the extent possible.

96. I recommend that the Secretariat consider future verification attempts by the EC very carefully. They should only be accepted when the EC can demonstrate that they have examined all the information available in existing audit reports before carrying out their work.

C.3.2. Travel

I had recommended changes in the handling of travel to achieve considerable savings.

OIOS issued an audit report in 2010 that revealed that the regulatory framework might have to be revisited to address a number of shortcomings.

Planning, initiation and authorization of travel need improvement.

Quarterly Travel Plans do not contain complete information.

In about 10 % of all travel in IAEA a private component was included.

An official trip to Switzerland of one day was combined with 15 days of private activities.

97. In my report for the financial year 2008, I had already pointed out that the processing of travel claims could be accelerated. Further, the acceptable travel time could be slightly extended in order to make significant savings in the costs of duty travel. I also encouraged the Secretariat to consider reducing the lump sum entitlement for home leave travel from 75 % to 65 %.

98. An Office of Internal Oversight Services (OIOS) audit report issued in 2010 revealed that the regulatory framework might have to be revisited to address a number of shortcomings *inter alia* inconsistent practices in the application of lump sums paid to non-staff travellers; the combination of official and private travel which, in some instances, might be detrimental to the interest of the Agency; and non-compliance with the requirement to submit travel reports.

99. OIOS identified significant room for improvement in the planning, initiation and authorization of travel. Often arrangements and/or authorization of travel are coming late. This does not allow the Agency to benefit from the cheaper airfares usually available for earlier booking.

100. A significant percentage of duty travel is not included in the corresponding Quarterly Travel Plan. Around one third of all trips undertaken by staff members during the period under review were unplanned and did therefore not allow booking at reduced airfares.

101. In about 10 % of all travel in IAEA (approximately 5,000 trips per year) a private component was included. Moreover, in 258 cases, or 20 % of all trips including private components, the number of private days was higher than that of the official days.

102. In one case an official trip to Switzerland of one day was combined with 15 days on private matters. While the imbalance between official and private components does not mean that the travel was not necessary per se, it nevertheless raises some concerns about the real justification of the trip.

C.3.3. Recruitment of professional staff

Audit with focus on the time taken for the different recruitment actions.

103. My team examined the recruitment of Professional staff (P staff) in the Agency in the years 2008 to 2010 (status: 2010-10-12). The audit focused on the workflow and the time taken for the different recruitment actions.

436 vacancy notices and 43,500 applications in the period under study.

104. During the period under study, the Secretariat issued 436 vacancy announcements for positions at the P level (or higher) and received more than 43,500 applications. The average number of days taken to draft the vacancy notice, and the average number of days between advertising the vacancy notice approving the appointment of the selected candidate were as follows:

Action(s)	2008	2009	2010
	days	days	days
Drafting of the vacancy notice	127	116	94
Advertisement – Approval to appoint	314	268	177

The average time taken for the different recruitment actions is too long.

105. The high number of vacancy announcements and applications for P positions in the last three years underlines the importance of an efficient and timely recruitment process. Even if the figures show a significant improvement, an average time taken of 94 calendar days (13.5 weeks) for the drafting of the vacancy notice and 177 calendar days (25 weeks) for the process starting with the advertisement of the vacancy notice up to the approval to appoint are still too long.

Starting with advertisement of the vacancy notice up to the approval to appoint, the Secretariat's objective is 90 working days or 18 weeks.

106. At the time my team examined the recruitment process the guidelines in the Administrative Manual, Part II Section 3, were under revision. Part of the revision is intended to streamline the recruitment of P staff. The targeted maximum duration for the process starting with the advertisement of the vacancy notice up to the approval to appoint is 90 working days ('recruitment in 18 weeks') plus 3 to 20 working days for the drafting of the vacancy notice.

Streamlining the recruitment of P staff is in process.

107. The target maximum duration for the drafting period depends on the availability of a generic job description, and the need to reclassify and approve the post in the staffing plan. In the course of streamlining recruitment, the principal responsibility and authority for driving the recruitment process now lies with the Division Directors.

The Secretariat's objective is still far from being achieved.

108. As the current figures show, the objective of 'recruitment in 18 weeks' is still far from being achieved. Currently this period takes 25 weeks on average, which is seven weeks or almost 40 % more than the objective. And compared to the objective of 3 to 20 working days for the drafting period, the current average duration of 13.5 weeks is even worse.

I encourage the Secretariat's efforts and recommend a report on the implementation at the end of 2011.

109. I encourage the Secretariat in its efforts to streamline the recruitment process. I know that the implementation takes time, particularly as efficiency and timeliness in recruitment requires the engagement of all parties if the length of the process is to be reduced. I recommend that the Secretariat report on the implementation and the effects of the streamlining process by the end of the year 2011.

C.4. Nuclear Security Border Monitoring

C.4.1. Introduction

In 2010 my staff carried out a Field Mission to Nuclear Security Projects in a Member State in the Middle East Region.

110. In November 2010 my staff visited a Member State in the Middle East Region (hereafter: Country) which had received support through the European Community Instrument for Stability. On the basis of a Contribution Agreement (CA) the IAEA-Nuclear Security Office was assigned responsibility for the implementation of projects using the funds provided.

The purpose of the Contribution Agreement

The implementation of nine RPMs at seven locations, scheduled for February 2010, was extended to December 2010 (currently still in progress). Only three of the nine RPMs were operating.

Only three of the eight approved RPMs were actually in operation.

111. The purpose of the action funded under the CA was to strengthen national infrastructure related to the trade and border control of this country. The action was broken down into two sub-projects, namely:
- Installation of a radiation detection network at borders; and
- Establishment of an institutional response infrastructure.

112. The implementation phase of the Agreement started on 21 August 2008. The implementation period was scheduled for 18 months, but was extended to the end of March 2011 and is currently still in progress. During its on-site visits my team found that eight out of the nine Radiation Portal Monitors (RPMs) planned had been installed (one RPM was still stored at an airport warehouse) and had already been subjected to an acceptance test.

113. However, only three of the eight approved RPMs were actually in operation. Due to server problems caused by the high level of humidity, to none or unstable power supply, or to substantial damage, five RPMs were not running. My staff noticed that the delivered hand-held equipment was not in use.

C.4.2. Site Description and Site Design

The RPMs were not operational due to non-existing or unsteady power supply. Power generators were not integrated into the specification.

Additional funding for power generators is indispensable.

RPMs were damaged before starting the regular operating routine. The risk of damage was obvious.

The IAEA accepted the site design without an appropriate protection concept.

114. Information provided by the Country in the process of drawing up the documents for the work indicated that adequate power supplies existed at the sites. However, three of eight successfully installed RPMs were not in operation due to none or unstable power supply. Although the necessity of power generators was recognized during the project's Vendors Conference in March 2009, this requirement was never specified in the subsequent contracts.

115. The indispensability of power generators was only raised again in late October 2010, during the extended implementation phase, amongst the contractors IAEA and the Country. Since funds were not provided for this under the above-mentioned agreement, this issue is not yet resolved.

116. After acceptance test and before starting regular operations, two of eight RPMs were severely damaged by vehicles. These RPMs were located on a long steep road with heavy truck traffic and only protected by ordinary pillars which would be insufficient to stop trucks coming down-hill especially as these are often in poor technical condition. The steep downward slope and the potential failure of truck brakes are obvious risks at this location. Although the frequency of accidents was previously reported and had in the past led to death or injuries to customs officers and civilians, these risks were not mentioned in the site description.

117. The IAEA accepted the site design without an appropriate protection concept on the part of the company in charge. It is unlikely that the costs of repairs will be reimbursed by the responsible persons (usually truck drivers) or an insurance company.

C.4.3. Risk assessment

Although addressed in my Reports 2007 and 2009 risk assessment is still a problem.

Physical protection against damage should be an essential part of site description.

118. In my Report 2007, I noted that risk assessment concerning the physical protection of RPMs had been carried out for the first time. Again I had to point out the lack of risk assessment and the consequences in my Report 2009. However, an RPM installation was established afterwards and the recommended reconsiderations about site design were not followed. I noticed that this RPM was damaged shortly after its installation.

119. I strongly recommend that risk assessment concerning physical protection against damage be an essential part of a site description and that this should be reflected in the site design. Since this issue is not being adequately considered, the risk of damage is unnecessarily high.

C.4.4. Final Payments

The agreement type led to problems in finalizing the project.

120. The above-mentioned CA specifies that after implementation any open balance has to be paid within 45 days of approving the final report. As the project is financed by the EC, but the contribution agreement is signed between the IAEA and the country, the finalization of the project caused problems. The final payment in this project was still outstanding as at 31 December 2010. I recommend that Project Agreements involving third parties should be revised in order to avoid disputes over timing and conditions of final payments.

C.5. Technical Cooperation

C.5.1. Cooperation in the UNDAF process

The Secretariat needs to explore partnership opportunities with a much broader range of stakeholders.

UNDAF provides a collective, coherent and integrated UN system response to national priorities and needs.

From 104 existing UNDAF processes only 14 have been signed by the Agency.

121. The IAEA has a well-established mandate and long-standing partnerships in nuclear energy, safety, security and safeguards. These fields of activities, however, contribute to only about 20 % to 25 % of the TC programme. Approximately 70 % of the TC programme addresses food and agriculture, health, water and the environment, where the IAEA mandate is neither well known nor understood. As a matter of priority, TC needs to explore partnership opportunities with a much broader range of stakeholders in areas that address two-thirds of the TC programme.

122. The common strategic framework for the operational activities of the UN system at the country level, the UNDAF provides a collective, coherent and integrated UN system response to national priorities and needs. The Agency's TC programme and projects, technical assistance and budget contributions should be linked to the UNDAF results matrix.

123. However, the Agency's poor participation in the UNDAF process in previous years could only be slightly improved in 2010. From 104 countries where a UNDAF process is led by the Resident Coordinator only 14 UNDAFs have been signed by the Agency.

One of the major issues is that the Agency lacks representation at the national level. In the UNDAF process the PMO should represent the Agency.

The specialized nature of the Agency should not hinder its participation in the UNDAF process.

The Agency should consider itself to be a development organization and act as such.

The Agency can make a valuable contribution to the UNDAFs.

Participation in the UNDAF process should be stipulated in guidelines.

It should be defined what an outreach in the context of an UNDAF process is and what the objectives are.

In two regions there are no UNDAFs signed by the Agency yet. The Secretariat should set itself an objective e. g. a number of UNDAFs signed in each region.

124. As the Agency lacks representation at the national level, the NLO is the primary contact person between the IAEA and the Member State on matters relating to the IAEA. But acting for the Agency in the UNDAF process might be difficult for the NLOs, because they are in the first place representatives of their governments. Furthermore, their grade in the hierarchic position is generally different to that of the United Nation Country Teams (UNCTs). In my view the Vienna-based Programme Management Officers (PMOs) should represent the Agency in UNDAF processes. The close cooperation required should be assisted by, for example, the NLOs and supported by e. g. video conferences and effective coordination of business trips.

125. It is not clear why the specialized nature of the Agency should hinder a forceful participation in the UNDAF process. On the contrary, the guiding principles governing the provision of technical assistance (INFCIRC/267) require the Agency to coordinate its technical assistance with other UN organizations and specialized agencies.

126. Even though the Agency's general internal and external image is still that of the 'Nuclear watchdog', it spends more than half of its budget on Official Development Assistance, thus promoting the economic development and welfare of developing countries. Accordingly, the Agency should consider itself to be a development organization and act as such.

127. A gap between the policy approach of the UN and the Agency's project focus should not prevent the Secretariat from a more intensified cooperation in the UNDAF process. The 14 UNDAFs signed by the Agency and the results of 75 briefings already show that the Agency can make a valuable contribution to the UNDAF processes.

128. As cooperation with the UNCTs is already stipulated in the guidelines for Country Programme Frameworks (CPF), stronger participation in the UNDAF process should not cause significantly more expense than the procedures followed so far. In my view the Secretariat should specify its participation in the UNDAF process in the CPF-Guidelines.

129. In the context of UNDAF processes, outreaches aim at creating a dialogue between the UNCT and the Agency. So far they do not lead in all cases to sustainable results, such as closer cooperation or at least an established regular communication aimed finally at participating in the UNDAF process. Hence, in view of a closer cooperation with the UNCT and participation in the UNDAF process, it should be defined what an outreach is, what the objectives are and what the results should be.

130. The Secretariat confirmed that my observations regarding the linkage between the UNDAFs and the TC programme and projects were valid in general. In two regions (Asia and Latin America) not a single UNDAF has yet been signed by the Agency. The Secretariat should ensure that in these regions participation in the UNDAF process will be extended and intensified. The Secretariat should set an objective e. g. a certain number of UNDAFs to be signed by the Agency in each region in each of the coming years.

The Secretariat achieved only slight improvements in cooperation with other UN organizations over the past years.

131. The audits of the past years show that the Secretariat did not use all its possibilities to achieve a satisfactory degree of cooperation with other UN organizations. In addition the respective findings of the 2008, 2009 and 2010 Field Missions supported my conclusion. I have repeatedly stated that cooperation and exchange of information with relevant organizations concerning the Agency's projects made sense and that corresponding arrangements and measures should be initiated. Single activities at the country level and some slight development in the meantime within the TC-Department show that the Secretariat seems to be on the right track. I highly appreciate the tendencies shown by the Secretariat in the meantime. However, the measures taken can only be the beginning of the entire process.

C.5.2. Regional Cooperation

The Secretariat finally took steps to bring the appropriate participants together. The Secretariat's communications should be followed by appropriate activities.

132. The main objective of the 'Quadripartite Forum' is the information exchange regarding all Regional Cooperative Agreements in place. The National Project Coordinators (NPCs) generally had very limited awareness of the principles and the mode of cooperation. However, in the view of the NPCs this information needs to be communicated by the Agency in order to establish synergies between the Regional Cooperative Agreements. My team made similar findings in previous audits. I highly appreciate that the Secretariat finally took steps to bring the appropriate participants together. The Secretariat's communications should be followed by appropriate activities.

There is room for improvement in the application of the LFM and use of PCMF by CPs.

133. The correct application of the LFM methodology is of crucial importance for the smooth design and implementation of TC projects. Data are often entered into the LFM without a thorough understanding of the methodology. The concept of performance indicators is not yet fully understood by most CPs. The Agency should consider how the PCMF could support the CPs more effectively in the preparation of the LFM. Furthermore, training should be provided for CPs and NLOs in the LFM methodology.

The Secretariat stated that training in the LFM methodology had been a standard in Latin America for over ten years.

134. The Secretariat stated that training of CPs and NLOs in the LFM methodology had been a standard in Latin America for over ten years. Furthermore, two training courses were scheduled to be held in Peru in February 2011. Over 62 participants (NLOs, National Liaison Assistants and CPs) from the region would be trained in project design using the LFM. I hope that the training courses will now significantly improve the future use of LFM in project design.

There has been no improvement in providing PPRs.

135. The Project Progress Report (PPR) feature in the PCMF was not generally used. If used, the lines in the PPR screen were not duly completed. Indicators were not updated. PPRs were provided outside the PCMF as documents describing project participants, activities, meetings etc. but without updating the indicators. In my 2005 report I already criticized the poor delivery of PPRs. I recommended that the Agency should ensure that PPRs were produced in a comprehensive and timely manner and that in cases of non-compliance measures should be taken. The Field Missions in 2008 and 2009 supported this finding, even though in 2006 the Secretariat had agreed that the PCMF would increase the ability to monitor outcomes effectively. Finally, in January 2010, the Secretariat stated that in August 2009 the new PCMF application had been introduced, facilitating the submission of PPRs by CPs to meet their obligations. But up to now there has been no noticeable progress in this matter.

In cases of non-compliance the Secretariat should consider not only sanctions but also incentives.

CPs should be trained in PCMF. As users, they should be represented in the PCMF process.

The Secretariat should make delivery of equipment subject to trouble-free and uninterrupted customs clearance in the recipient countries.

The establishment of an arrangement with an expert freight forwarder resolved the problem of lacking information on the status of delivery.

136. I consider it essential that the Secretariat exert its influence to ensure that PPRs are consistently provided and project key indicators defined. In cases of non-compliance, the Secretariat should not only consider sanctions, but also introduce incentives for the CPs so that all requirements can be fulfilled.

137. Regarding the usability and features of the PCMF, there is a gap in the perception between the CPs and TC. This gap should be closed through appropriate measures e. g. through workshops on PCMF features during the implementation phase. Furthermore, user representation should be established with regular meetings involving CPs and PMOs. I already stated in my year 2009 report that the responsibility for user requirements should be taken over by an institutionalized user representation of CPs.

138. For the procurement of equipment the Agency uses in most cases the offices of the UNDP to enable duty free importation of equipment under UNDP host country agreements. In some cases communication regarding delivery of equipment and customs clearance did not work properly. For administrative reasons equipment delivered is held in bonded warehouses. Meanwhile the counterpart institutions have to pay warehouse charges, which in some cases exceeded the value of the equipment delivered. The Secretariat should make delivery of equipment subject to trouble-free and uninterrupted customs clearance in the recipient countries.

139. The Secretariat stated that the issues of communication dysfunction over delivery of equipment to CPs and customs clearance had meanwhile been resolved with the establishment of an arrangement with an expert freight forwarder. I will pursue this issue and, if necessary, revert to it in my next report.

C.5.3. General Issues concerning Field Mission to Regional TC projects

My team carried out a field mission to three ARCAL recipient countries.

ARCAL is an autonomous intergovernmental agreement that is supported by the Agency. The Agency is not a party to the ARCAL.

For ARCAL projects, ARCAL and Agency procedures apply.

140. In October/November 2010 my team carried out a field mission to three Latin America recipient countries for on-site examination of the Secretariat's implementation of regional TC projects mainly in connection with the Regional Cooperative Agreement for the Promotion of Nuclear Science and Technology in Latin America and the Caribbean (ARCAL).

141. The ARCAL is an inter-governmental agreement in Latin America and the Caribbean. It was established in 1998 under the auspices of the IAEA to promote, foster, coordinate and implement cooperation activities for training, research, development and applications of nuclear science and technology in the Latin America and the Caribbean region. The IAEA is not party to the ARCAL. Subject to available resources, the Agency should support the ARCAL programmes and projects established in accordance with this agreement through its technical cooperation and other programmes. The agreement is open to the participants of any Member State in Latin America and the Caribbean.

142. The Agency runs regional projects as 'regular' regional projects or as ARCAL regional projects. For the implementation of ARCAL projects, ARCAL and Agency procedures apply. The main objectives of ARCAL are to move towards regional self-sufficiency and the maximum utilization of available infrastructure and expertise in Latin America using the 'Technical Cooperation among Developing Countries' modality.

Frequent changes of the Agency's 'Focal Point' lead to inconsistencies. The Secretariat should assign a long-term incumbent as an Agency's 'Focal Point' for ARCAL issues.

The Secretariat argued the rotation of the PMOs would increase the knowledge base.

ARCAL should cooperate with the UNCT if possible.

The Secretariat should sensitize Member States to the major differences in the Agency's involvement in TC projects, especially in financial issues.

The Secretariat stated that there are differences in the way ARCAL and non-ARCAL projects are implemented.

For ARCAL-projects ARCAL and Agency procedures apply. Procedures need to be further illustrated at the NPC level in all their aspects.

Utilization of DCs should be established and made available to the personnel concerned.

143. Regarding the ARCAL agreement the Director of Technical Cooperation for Latin America and the Caribbean (TCLA) plays the role of the Secretariat and the PMO the role of the Agency's 'focal point' for all TC-activities in the Member States. The frequent changes of the Agency's 'Focal Point' lead to inconsistencies. The Secretariat should assign a long-term incumbent as the Agency's 'Focal Point' for ARCAL issues.

144. The Secretariat stated that the rotation of the PMOs provides assistance and increases the knowledge base of ARCAL among the TC staff. These weak arguments do not resolve all my doubts and confirm my recommendation.

145. There is no established cooperation between ARCAL and the UNCTs in the UNDAF process. In my view the Secretariat should exert its influence to determine whether cooperation between ARCAL and the UNCTs regarding ARCAL projects could further increase the benefits for the Member States.

146. There was no decisive difference in the Secretariat's implementation of ARCAL projects compared to 'regular' projects. NPCs and counterpart institutions generally did not differentiate between them either. ARCAL's special requirements and mechanisms were partly not known to them. The NPCs and counterpart institutions valued the meetings as opportunities to exchange experience, but generally felt uncomfortable because they did not know the methods used to allocate ARCAL project funds and their share. My team made similar findings in the course of their audits in the Member States of the African Regional Cooperative Agreement for Research, Development and Training Related to Nuclear Science and Technology (AFRA) and the Regional Cooperative Agreement for Research, Development and Training related to Nuclear Science and Technology (RCA). The Secretariat should make the Member States more aware of the major differences in the Agency's involvement in TC-projects, especially in financial issues.

147. The Secretariat stated that there are differences in the way ARCAL and non-ARCAL projects are implemented and these are related to reporting, preparation of work plans and project coordination meetings. I do not contest the statement of the Secretariat. However the audit shows that there are still information shortfalls in the field.

148. The main objectives of ARCAL are to move towards regional self-sufficiency and maximum utilization of available infrastructure and expertise through the 'Technical Cooperation among Developing Countries' modality. One mechanism to this end under ARCAL is 'Designated Centres (DC)'. The principle of DCs is widely known. Nevertheless the NPCs and counterpart institutions at the local level generally had very limited awareness of how they could benefit from DCs. My team made similar findings in previous audits regarding AFRA and RCA.

149. The mechanism of DCs needs to be introduced at the NPC level in all its aspects. Details for utilization should be established and made available to the personnel concerned.

C.5.4. Provision of Radioactive Sources

There are projects which include the provision of radioactive sources to member states which do not meet the minimum requirements.

The Secretariat has not sufficiently applied security and safety standards.

The Milestones framework provides the conditions for delivery.

In 26 cases radioactive sources have been procured and delivered to countries where the recipient Member States did not meet the basic milestones of security.

I concluded that the reason was a lack of coordination in the organization.

The DG took note of the report. In my view immediate action is required.

OIOS was requested by the TC department and the DG to examine this issue.

The problems described should be addressed without any delay. Management should comment on the immediate steps that will be taken.

The Secretariat announced immediate action and intends to strengthen the processes so that this critical mistake could be prevented.

150. During the numerous field missions we carried out in the last seven years to check the activities of the Agency in the field of TC, we came across projects which included the provision of radioactive sources to member states which do not meet the minimum requirements of safety and security concerning radiation.

151. We conclude that in these cases the Secretariat has not sufficiently met its commitment to ensure that radiation sources are only provided to Member States that comply with Milestones 1 and 2 of the 'Model Project on Upgrading Radiation Protection Infrastructure'.

152. The Milestones framework has been subsumed into the Thematic Safety Area framework and notified to the Board in GOV/INF/2004/13. A failure to comply with milestone 1 and 2 means *inter alia* that a project country has no system for the notification, authorization and control of radiation sources. This is considered the main immediate indicator of progress by the Member State in meeting its project obligations.

153. In 2010 OIOS addressed this issue and found that there have been a number of cases [26 out of the 135 procured sources above exemption (19 %)] where radiation sources in TC projects have been procured and delivered to countries where the recipient Member States did not meet milestones 1 and 2 (Management Services Report No. MS 2010004, issued August 2010, paras. 28-31, refer).

154. This report disclosed a lack of coordination in the organization which led to the result that the provision of radioactive sources was not prevented in these cases. OIOS submitted nine recommendations some of which require immediate action.

155. On 28 October 2010 the DG took note of the report without objecting to any of the recommendations. As in the cases reported by OIOS, the Agency does not comply with its own standards and remedial action is required urgently.

156. I appreciate that this issue had already been identified by the TC department in 2009 and that DG requested OIOS in March 2010 to establish the facts relating to the practices on providing radiation sources to Member States not meeting milestones 1 & 2 and to provide recommendations and identify priorities for change.

157. I am very grateful for this important and comprehensive report by OIOS. I would expect the serious problems described in the report to be addressed without any delay. I therefore invited management to comment on the immediate steps that will be taken with a view to re-establishing security and safety in the projects concerned. I further reminded the Secretariat that in a large number of cases the Agency did not comply with its own standards.

158. I am grateful that the Secretariat announced its intention to take immediate action and to strengthen the process of reviewing new projects. Safety and security will be re-established in the countries concerned by verifying the infrastructure and drawing the appropriate conclusions. As a last resort even a repatriation of the source could be considered. Before that step is taken, the Secretariat will try to enhance the safety and security infrastructure according to its standards.

The large number of cases indicates that there is a systemic weakness that should definitely be corrected.

159. I welcome all the steps described. I am, however, of the opinion, that the delivery of sources as described above should have been avoided. The occurrence of this coordination failure in 26 cases shows that there was a systemic weakness. I recommend ensuring through administrative measures that this mistake cannot be repeated.

C.6. Information Technology

My staff and I continued to examine the Agency's IT concentrating on the implementation of AIPS.

160. As stated in my reports in past years, I continued to examine the Agency's IT management. I appreciate that the Secretariat has continued to implement many of my recommendations. Some aspects are still pending implementation. Last year my staff concentrated on the single most important project: the Agency-wide Information System for Programme Support.

C.6.1. Agency-wide Information System for Programme Support

C.6.1.1.IT project

My staff started to examine the AIPS project at an IT project level.

161. My staff started to examine the AIPS project at an IT project level. Due to the combination of introducing an ERP System, including a new financial system, while changing the accounting standards, this project was and is a big challenge for the Secretariat.

I very much appreciate the professional project execution of AIPS.

162. I very much appreciate the professional project execution, the mostly comprehensive documentation and the transparent information policy of the AIPS project team.

Funding problems resulted in a very ambitious timeline to implement AIPS.

163. There were some difficulties funding the project in time and funding all necessary modules of 'plateau 1'. The late funding and the fixed date of introduction of new accounting standards resulted in a very ambitious timeline to implement AIPS by the planned launch date. Consequently there was less time for appropriate application-, integration- and user-testing.

Unexpected additional manual implementation efforts caused delays.

164. The implementation of some Oracle standard modules caused unexpected additional manual implementation efforts. Some functions were therefore postponed to a later time rather than 'going live'.

Inadequate master data management and the need to keep the old systems going for a longer period forced supplemental work.

165. In the past there was no adequate or comprehensive master data management in the Secretariat. Therefore, with regard to the AIPS implementation, there are (still) risks concerning data conversion and data quality. This meant that additional work was necessary in order to exclude multiple stored data and to add missing data. Some additional information, e.g. that stored in the old procurement systems, was not migrated to AIPS. Therefore these old systems have to be used for a longer period after AIPS 'goes live'. Furthermore a number of interfaces to the old systems had to be implemented.

I recommend ensuring that AIPS 'plateau 1' is complete and functioning before extending the system with parts of 'plateau 2'.

166. I recommend ensuring that the 'plateau 1' version of AIPS is complete and functioning properly before extending the system with parts of 'plateau 2'. The stabilization of the system and the integration of all parts originally planned for 'plateau 1' should be given the highest priority. I will monitor this process closely.

C.6.1.2. Operation of the AIPS data base

Hosting and operation of the database system of AIPS, Oracle, was outsourced to UNICC in Geneva.

A decision was taken by management against hosting the new ERP in-house by MTIT, but preferring the service of UNICC.

The decision to outsource hosting and operation was based on a joint recommendation from the IAEA CIO and the AIPS Project Lead.

The decision to outsource hosting and operation should be reviewed for costs, risks, benefits, and alternatives.

167. My staff found that a paradigm change had occurred in the philosophy of IT operation and effective data ownership. Until the introduction of AIPS the operation of Agency-wide IT systems was provided by the Agency's data centre and by the Agency's central IT service unit Department of Management, Division of Information Technology (MTIT). Now, the hosting and operation of the database system of AIPS, Oracle, has been outsourced to the United Nations International Computing Centre (UNICC) in Geneva.

168. A decision was taken by management against the hosting in-house by MTIT, preferring the ERP hosting experience and the Oracle know-how in UNICC. It is difficult to understand why the Agency would not want to increase the skills and the knowledge within the Secretariat's central IT service unit MTIT, because the new ERP System will be its most important data base technology in the future.

169. The above-mentioned decision was based on a joint recommendation from the IAEA Chief Information Officer (CIO), and the AIPS Project Leader to the AIPS Project Executive and then ratified by the AIPS Project Board. The time since selecting Oracle as the data base of the future ERP system could have been used to build up initial in-house ERP/Oracle knowledge. The joint recommendation was based on the analysis of feasibility, costs and benefits of the alternatives.

170. I recommend reassessing the hosting decision in view of the long term requirements of AIPS, recognizing that outsourcing the hosting to Geneva creates the need to assess availability and security risks for the future central financial application within the Secretariat's IT landscape. The Agency should reassess the feasibility, risks, and detailed monetary requirements of the hosting alternatives and should also consider the positive effects to build up in-house ERP/Oracle knowledge for MTIT as the Secretariat's central IT service unit. Potential long-term savings should be realized. I welcome that the Secretariat showed willingness to do so.

C.6.2. IT in Decentralized Locations

My staff have audited all important locations of the Agency outside HQ.

There were different numbers of IT staff and different responsibilities for IT issues in locations outside HQ.

171. In the past years my staff have audited all the important locations of the Agency outside its HQ, the Regional Offices in Tokyo and Toronto and the Laboratories in Seibersdorf and Monaco. These audits also concerned IT issues (staff, equipment, security, operation and procurement).

172. My staff noticed, compared to HQ, different conditions particularly regarding:

- the number of IT support staff and the IT organizational structure,
 - o Tokyo and Toronto: no IT-related staff
 - o Monaco: one IT-related staff (Departments of Nuclear Sciences & Applications, Environmental Laboratory)
 - o Seibersdorf: two IT-related staff Department of Management, Division of General Services (MTGS)
 - o because of the different time zones Tokyo and Toronto also have to operate with only half day support from HQ.
- the responsibilities for operating the local networks,
 - o Tokyo and Toronto: Department of Safeguards, Division of Information Management (SGIM)
 - o Seibersdorf and Monaco: MTIT

Without appropriate local IT staff, it is impossible to operate all locations in a consistent way.

I repeat my recommendation to improve the organizational structure of IT responsibilities within the whole Secretariat.

- in general for the HQ premises (rooms, electricity, cooling): MTGS
- IT security measures, including a different understanding of the impact of disorder in the IT rooms and in the IT infrastructure.
 - Monaco, Seibersdorf and Toronto: IT server rooms and server racks were freely accessible, and in a state of disorder, and there was confusing data cabling between servers and modems.

173. Depending on the size of the locations, I am aware that the number of IT-related staff in relation to the number of total staff has to be different from HQ. I am also aware of the improvements made during 2010 through IT upgrade projects regarding the local networks. I highlight the recently updated professional network installation in Seibersdorf. Without appropriate local IT staff and with the current distribution of acting units, it is impossible to operate all locations comparably. The above-mentioned findings showed that it is current practice to support the Secretariat's staff to different degrees, and to accept different kinds of environmental conditions for IT operations and IT security.

174. In recent years I repeatedly recommended improving the organizational structure of IT responsibilities within the whole Secretariat. This included of course the locations outside HQ. Each local network is a gateway for potential attacks against the Secretariat's IT and against the Secretariat's information. It is therefore necessary to operate each single location in a comparable professional way applying all of the Secretariat's IT related rules and regulations in the same manner. Neither the staff nor the IT infrastructure should be handled differently. I recommend resolving this situation.

D. Follow-up on the results of my findings and recommendations last year and in prior years

D.1. Financial Issues

D.1.1. Accrual Budgeting

The Secretariat should consider full accrual budgeting in the longer term.

It is unlikely that IAEA will prepare the budget on an accrual basis in the near future.

175. Last year I encouraged the Secretariat not only to include some accrual elements in the budget for 2010-2011, but to introduce full accrual budgeting in the longer term, in order to be able to report on the budget compared to actual expenditure under IPSAS (para. 100 of my 2008 report).

176. In 2008, the UN Chief Executive Board decided to defer the question of whether UN system organizations should adopt accrual budgeting. It is therefore unlikely that IAEA will prepare the budget on an accrual basis in the near future. However, I was informed that the Division of Budget and Finance (MTBF) and the AIPS implementation team will work together to ensure that the requirements are met through the processes and systems design and implementation. I encourage the Secretariat to intensify its efforts to achieve this in the course of the AIPS and IPSAS implementation in consultation with the UN Finance and Budget Network.

D.1.2. Outstanding assessed contributions from the former Yugoslavia

Assessed contributions in the amount of €2.3 million owed by the former Socialist Federal Republic of Yugoslavia are still outstanding.

As of today, apart from informal contacts, successor states have still not responded to the Secretariat.

A write off of €1.34 million is the consequence for the IAEA. The rest should be claimed.

177. I had repeatedly reported that the IAEA's accounts show assessed contributions in the amount of €2.3 million owed by the former Socialist Federal Republic of Yugoslavia for the years 1990 to 2001. The UN took the decision that the unpaid assessed contributions of the former Yugoslavia up to 27 April 1992 shall be apportioned among the successor States of the former Yugoslavia.

178. In August 2009 and in August 2010 the Secretariat approached the successor states of former Yugoslavia informing them of the General Assembly resolution and the total amounts due and requested their views on how to address these arrears in the Agency. As of today, apart from informal contacts, successor states have not responded to the Secretariat. A further reminder letter to one country is being prepared.

179. The net balance of the unpaid assessed contributions (€1,347,638) relating to the former Yugoslavia for the years after 27 April 1992 might have to be written off. The IAEA can still claim a total of €61,070 from the successor states. I recommend that this be done in relation to all successor states.

D.2. Administrative Matters

D.2.1. Risk Management

The Secretariat should complete the Agency's overall risk management system as soon as possible.

Risk management should be implemented. I will monitor its development.

180. In my report last year I had recommended that the Secretariat complete the Agency's overall risk assessment and fully implement the risk management system as soon as possible. I found that the IAEA is dealing with more sensitive operational, financial and reputational risks than most other international organizations.

181. I appreciate that the Secretariat has started the identification of risks based on Department inputs. The Secretariat should continue with the overall risk assessment and fully implement the risk management system. My staff and I will monitor the development of an effective risk management system in the IAEA.

D.3. Procurement

A new procurement strategy has been implemented. Now possible synergies should be achieved.

182. Following my advice over several years, the Agency reorganized its procurement strategy and increased the number of Basic Supply Agreements (BSAs). From September 2010 low value requests were decentralized in order to reduce administrative costs. A procurement management reform package was developed that ensures purchases at the best value for money. The process has been finalized meanwhile and with the changeover to working with the AIPS all possible synergies should be achieved.

D.4. Human Resources

D.4.1. Post and Contract Management Reform

The Secretariat will report on the HR management reform in its Personnel report to the General Conference in September 2011.

183. In my last report, I encouraged the Secretariat to continue its improvement of the Human Resources (HR) post and contract management system. I recommended that the Secretariat should report on these measures, as well as on the financial and management implications of reform one year after the end of the process (30 June 2011 at the latest). The Secretariat will add this information to its Personnel report which will be provided to the General Conference in September 2011. I appreciate the efforts made and will follow up on the results.

D.4.2. Staff Rotation Policy

The Secretariat agreed or partly agreed with my recommendations for reassessing the RP. The recommended biennial reporting on the RP will be part of the Personnel report to the 2011 General Conference.

184. In the course of the audit of the Staff Rotation Policy (RP) I recommended reassessing the RP with regard to a more judicious mix of long and fixed term appointments in all Departments, an Agency-wide common approach to long-term staff at a level higher than 40 %, a target of 37 % women as minimum (UN average) and a more active use of the tools available to terminate the employment of poorly performing staff. Furthermore, I recommended introducing biennial reporting on the implementation, the associated costs and the benefits of the RP. The Secretariat agreed or partly agreed with my recommendations. The implementation process is mostly ongoing. In its report to the 2011 General Conference the Secretariat will provide information on the aforementioned aspects of the RP.

I will continue to focus on this topic.

185. I appreciate the Secretariat's intention to follow my recommendations and I know that reassessing the RP takes time. At present it is not clear which concrete measures the Secretariat will take. Therefore I am looking forward to the Personnel report to the 2011 General Conference and I will continue to focus on this topic.

D.5. Information Technology

I will follow up on the application of the new basic supply agreements for IT equipment.

186. The Secretariat has contracted new BSAs for desktops, laptops and printers. I welcome the decision following our recommendation to specify appropriate standard configurations. These configurations will meet the needs of most of the Agency's users. Due to the fact that a periodical adjustment of prices was already part of the previous BSA (but not applied in an appropriate way), I will follow up to see whether the current clauses for the periodical review of pricing and capabilities are being observed by the contractors.

There have been some improvements concerning the presentation of the information security documentation.

187. In my report last year I recommended enhancing efforts concerning information security policy issues *inter alia* the roles and responsibilities in this regard. I very much welcome the improvement in presentation and availability of the Agency's information security documentation by the new Security Awareness web site introduced with SEC/DIR/44/Rev.1. To permit quick access to this important source of information for all staff, I recommend placing a link at an appropriate position in the On-line Administrative Staff Information System (OASIS).

Planned improvements in regard to information security policy were only partly carried out.

I encourage the Secretariat to take the necessary steps to reform the information security policy.

I will follow up on the enforcement of fire protection in the Agency's Data Centre.

188. Concerning the status of the existing information security policy, notably the multifaceted positions, roles, functions and responsibilities, the consolidation of the Agency Information Security Officer (AISO) and Central Security Coordinator (CSC) roles is planned in the 1st half of 2011, the duties of the AISO being taken over by the CSC. I welcome the planned consolidation of these roles, which constitutes a significant step forward in the management of the Agency's information assets. The role of Agency Classification Officer will be reviewed as part of a planned reassessment of the Agency's classification system to be conducted in 2011.

189. However, further changes still have to be made. I remind the Secretariat that the 'Information Security Policy Improvement Plan', drafted in October 2009 by the CIO, which included, e.g. a proposal for an 'IT Security Policy framework based on the International Standard ISO 27002', should have been implemented by April 2010. I encourage the Secretariat to take the necessary steps to reform the information security policy in a timely manner.

190. My staff noted that fire protection is still inadequate in the Agency-wide data centre. The Secretariat confirmed that a fire suppression system is planned and funded as part of the Phase III Data Centre implementation which will be accomplished by the 4th quarter of 2011. I will follow up on this matter.

D.6. Physical protection of IAEA's laboratories in Seibersdorf

Important security leakage in Seibersdorf closed. Perimeter fence around laboratory complex completed.

Three significant security weaknesses raised concerns.

Despite the Secretariat's acceptance of my recommendation no progress was made for years. Two issues remain unresolved.

191. In 2010 the Secretariat addressed one of my major recommendations concerning the physical protection of the Seibersdorf premises. A perimeter fence surrounding the laboratory was completed in November 2010. A considerable EB contribution closed the gap in financing the fence. I am satisfied that dangers arising from uncontrollable access can be reduced significantly by this measure.

192. Since my first year as External Auditor of the IAEA in 2004, I have reported annually on deficiencies in the security situation of the Agency's laboratory complex in Seibersdorf:

- the lack of a complete surrounding fence,
- the weak access control to the premises by non-IAEA security staff
- parking lots in the immediate vicinity to the Safeguards Analytical Laboratory (SAL) where car bombs could be used to damage or destroy the SAL.

193. The Secretariat shared my concerns. The project to fence the premises, however, took five years. The Secretariat stated that funding restraints prevented earlier implementation. I am confident I will be able to report soon on the implementation of the remaining two recommendations concerning the parking lots in front of the SAL, as well as the access control to the IAEA Seibersdorf premises.

E. OTHER MATTERS

E.1. CASES OF FRAUD OR PRESUMPTIVE FRAUD

OIOS found no evidence of fraud in the Agency.	194. In 2010, OIOS did not find evidence of fraud, although weak internal controls continue to be identified. However, one case of presumptive fraud against the Agency was reported to OIOS in 2010. This matter is still under investigation.
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E.2. LOSSES, WRITE-OFFS AND EX-GRATIA PAYMENTS

E.2.1. Write-offs and Losses

Receivables written off	195. Receivables amounting to €1,353,492 were written-off in 2010. They include the following: US Income taxes reimbursement €1,115,794 Training courses, travel and payroll items €37,419 UNDP-TCF project and other general receivables €50,178 Agency Laboratory, Publication and ad-hoc invoices €10,158 Insurance receivables €139,940
Items reported as lost	196. A total of 23 non-expendable items with a purchase value of €33,342 and book value of €109 were lost and written off in 2010. A total of 10 safeguard equipment items, purchased at a cost of €12,704 with a book value of €3,496 were reported lost during 2010.

E.2.2. Ex-Gratia Payments

There were no ex-gratia payments.	197. No ex-gratia payments were made during 2010.
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F. ACKNOWLEDGEMENT

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

Norbert Hauser

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

Acronyms

AFRA	African Regional Cooperative Agreement for Research, Development and Training Related to Nuclear Science and Technology
AISO	Agency Information Security Officer
AIPS	Agency-wide Information System for Programme Support
ARCAL	Regional Cooperative Agreement for the Promotion of Nuclear Science and Technology in Latin America and the Caribbean
BSA	Basic Supply Agreement
CA	Contribution Agreement
CIO	Chief Information Officer
CP	Counterpart
CPF	Country Programme Framework
CSC	Central Security Coordinator
DC	Designated Centre
DG	Director General
EB	Extrabudgetary
EC	European Commission
ECA	European Court of Auditors
ERP system	Enterprise Resource Planning System
FAFA	Financial and Administrative Framework Agreement
HQ	IAEA Headquarters
HR	Human Resources
IAEA	International Atomic Energy Agency
ILO	International Labour Organisation
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
ISO	International Organization for Standardization
ISSAI	International Standards for Supreme Audit Institutions
IT	Information Technology
LFM	Logical Framework Matrix
MTBF	Department of Management, Division of Budget and Finance
MTGS	Department of Management, Division of General Services
MTIT	Department of Management, Division of Information Technology
NLO	National Liaison Officer
NPC	National Project Coordinator
NTI	Nuclear Threat Initiative
OIOS	Office of Internal Oversight Services
PCMF	Programme Cycle Management Framework
PMO	Programme Management Officers
PPR	Project Progress Report
RCA	Regional Cooperative Agreement for Research, Development and Training related to Nuclear Science and Technology in Asia
RP	(Staff) Rotation Policy
RPM	Radiation Portal Monitor
SAL	Safeguards Analytical Laboratory
SGIM	Department of Safeguards, Division of Information Management
TC	Technical Cooperation
TCF	Technical Cooperation Fund
TCLA	Technical Cooperation for Latin America and the Caribbean
TOR	Terms of Reference
UN	United Nations

UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNICC	United Nations International Computing Centre
UNSAS	United Nations System Accounting Standards
US	United States (of America)
US T-Bills	Triple-A short-term US government debts
WCF	Working Capital Fund

PART II

Statements

Text of a Letter dated 16 March 2011 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 2010, 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) Yukiya Amano
Director General

STATEMENT I

STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES

for the period ending 31 December 2010

(expressed in euro)

	G E N E R A L F U N D											
	REGULAR BUDGET FUND AND WORKING CAPITAL FUND FUND GROUP I		TECHNICAL COOPERATION FUND FUND GROUP II		EXTRABUDGETARY PROGRAMME FUND FUND GROUP III		TECHNICAL COOPERATION EXTRABUDGETARY FUND FUND GROUP IV		TRUST FUNDS RESERVE FUNDS AND SPECIAL FUNDS FUND GROUP VI		TOTAL	
	Schedule/Note	2010	2009	Schedule/Note	2010	2009	Schedule/Note	2010	2009	Schedule/Note	2010	2009
INCOME												
Assessed contributions	S1	298 432 802	278 758 728								298 432 802	278 758 728
Voluntary contributions		-	-								155 772 607	137 520 064
Assessed programme costs	S8	59 776 534	57 500 801								251 888	5 054 516
National participation costs	S9a	158 943	259 007								158 943	259 007
Other/Miscellaneous income	S9b	585 640	3 202 586								585 640	3 202 586
Revenue producing activities												
Funds received under inter-organization arrangements	N - E. (a)	594 668	742 945								594 668	742 945
Jointly financed activities												
Interest income	N - E. (b)	3 048 693	2 902 550								405 439	670 711
Currency exchange adjustments		451 668	961 102								3 048 693	2 902 550
Other/Miscellaneous		161 780	37 095								815 778	1 517 417
		(970 313)	713 983								77 096	224 982
TOTAL INCOME		301 719 298	284 116 403								(1 049 486)	704 579
TOTAL EXPENDITURE												
Provision for mobilized balances of appropriations	S6	293 248 562	285 620 131								251 888	5 054 516
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	S4	10 689 284	-								2 079 112	1 568 898
Prior period adjustments												
Reserve for uncollected contributions	S4	(2 218 548)	(1 503 728)								(1 827 224)	3 485 618
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	N - G. (a)	(562 751)	(1 403 861)								(200 394)	(665 082)
Savings on or cancellation of prior periods' obligations	N - G. (b)	789 218	1 507 377								789 218	1 507 377
Transfers to / (from) reserves												
Net increase (decrease) in Working Capital Fund		(1 992 081)	(1 400 212)								(1 827 224)	3 485 618
Credits to Member States	S4	1 777 967	327 786								4 397	5 379
Currency translation adjustments	N - I.	119 300	6 333 000									
Fund balance, beginning of period		(16 578)	16 274									
RESERVES AND FUND BALANCES, END OF PERIOD	S5, N - H.	(227 287)	(4 523 832)									
		37 017 362	36 264 346								5 582 850	2 091 853
		36 678 683	37 017 362								3 760 023	5 582 850

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

STATEMENT II

STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCES
as at 31 December 2010
(expressed in euro)

	G E N E R A L F U N D										T O T A L				
	REGULAR BUDGET FUND AND WORKING CAPITAL FUND		TECHNICAL COOPERATION FUND		EXTRABUDGETARY PROGRAMME FUND		TECHNICAL COOPERATION EXTRABUDGETARY FUND		TRUST FUNDS RESERVE FUNDS AND SPECIAL FUNDS						
	Schedule/Note	2010	2009	Schedule/Note	2010	2009	2010	2009	2010	2009		Schedule	2010	2009	
ASSETS															
Cash and cash equivalents		56 737 017	65 862 656		48 482 228	50 923 935		132 923 679	118 228 390		47 919 596	25 691 863		289 732 972	266 327 617
Investment in commissary	N - K.	808 879	808 879		-	-		-	-		-	-		808 879	808 879
Accounts receivable															
Assessed contributions receivable															
from Member States	S1 & N - L.	37 255 610	30 506 932		3 568 837	2 323 625		-	-		-	-		37 255 610	30 506 932
Voluntary contributions receivable	S9a	-	-		1 704 546	1 698 480		-	-		-	-		3 568 837	2 323 625
Assessed programme costs receivable	S9b	-	-		308 290	622 228		-	-		-	-		1 704 546	1 698 480
National participation costs receivable	N - M.I.	19 266 914	14 079 539		1 988 552	4 565 783		1 052 634	1 259 727		347 718	687 165		308 290	622 228
Other														22 966 523	20 822 902
TOTAL ASSETS		114 068 420	111 238 006		56 052 453	60 134 051		133 976 313	119 488 117		48 267 314	26 379 028		356 345 657	323 110 663
LIABILITIES															
Contributions received in advance	S1, S3	23 712 441	17 630 285		1 168 408	1 318 180		-	50 000		-	-		24 880 849	18 998 465
Unliquidated obligations	N - N.	35 455 087	42 010 807		28 977 683	36 124 855		16 444 453	15 815 208		34 281 029	12 469 195		115 368 567	106 677 474
Provision for revaluation of balance sheet	N - P.	5 922 126	5 783 333		-	-		181 662	445 425		197 374	112 506		6 311 981	6 352 466
Provision for unbudgeted balances															
of appropriations	N - Y	10 689 284	-		-	-		-	-		-	-		10 689 284	-
Provision for Phase II Security Enhancement	N - Z	62 282	57 810		-	-		-	-		-	-		62 282	57 810
Provision for ERP implementation		484 136	4 910 621		-	-		-	-		-	-		484 136	4 910 621
Uncollected assessed programme costs	S9a	-	-		1 704 546	1 698 480		-	-		-	-		1 704 546	1 698 480
Uncollected National participation costs	S9b	-	-		308 290	622 228		-	-		-	-		308 290	622 228
Accounts payable	N - O.I.	1 064 381	3 847 788		26 273	127 728		6 305 662	9 483 847		190 718	430 600		7 587 034	13 889 963
Other															
TOTAL LIABILITIES		77 389 737	74 240 644		32 185 200	39 891 471		22 931 777	25 794 480		34 669 121	13 012 301		167 396 969	153 207 507
RESERVES AND FUND BALANCES															
Uncollected assessed contributions	S1	11 712 390	10 923 172		-	-		-	-		-	-		11 712 390	10 923 172
Reserve for Major Capital Investment Fund	N - I.	11 252 300	11 133 000		-	-		-	-		-	-		11 252 300	11 133 000
Other reserves								42 321 634	40 003 912		-	-		42 321 634	40 003 912
Working Capital Funds	S2, S3	15 210 152	15 226 730		-	-		-	-		-	-		15 210 152	15 226 730
Commissary Working Capital	N - K.	808 879	808 879		-	-		-	-		-	-		808 879	808 879
Surplus (deficits)	S4	(2 305 038)	(1 074 419)		-	-		-	-		-	-		(2 305 038)	(1 074 419)
TOTAL RESERVES AND FUND BALANCES		36 678 683	37 017 362		23 867 253	20 242 580		68 722 902	53 689 725		13 598 193	13 366 727		109 948 371	92 881 882
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		114 068 420	111 238 006		56 052 453	60 134 051		133 976 313	119 488 117		48 267 314	26 379 028		356 345 657	323 110 663

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

STATEMENT III

STATEMENT OF CASH FLOW
for the period ending 31 December 2010

(expressed in euro)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net excess (shortfall) of income over expenditure (Statement I)	3 657 575	22 946 103
(Increase) decrease in contributions receivable	(7 686 018)	5 735 931
(Increase) decrease in other accounts receivable	(2 143 621)	575 459
Increase (decrease) in contributions received in advance	5 882 384	(13 320 722)
Increase (decrease) in unliquidated obligations	8 691 093	19 349 574
Increase (decrease) in accounts payable	(6 302 929)	3 464 837
Increase (decrease) in other liabilities	6 226 786	(13 413 075)
Less: Interest income	(815 778)	(1 517 417)
Currency exchange adjustments	(77 096)	(224 982)
NET CASH FROM OPERATING ACTIVITIES	7 432 396	23 595 708
CASH FLOW FROM INVESTING AND FINANCING ACTIVITIES:		
Plus: Interest income	815 778	1 517 417
Currency exchange adjustments	77 096	224 982
NET CASH FROM INVESTING AND FINANCING ACTIVITIES	892 874	1 742 399
CASH FLOW FROM OTHER SOURCES:		
Savings on or cancellation of prior periods' obligations	11 055 754	4 750 691
Increase (decrease) in provision for uncollected assessed programme and national participation costs (TCF)	(307 872)	143 094
Transfers to reserves	2 437 022	29 300 492
Net increase (decrease) in Working Capital Fund	(16 578)	16 274
Credits to Member States	(227 287)	(4 523 832)
Currency translation adjustments	2 139 046	(1 368 174)
NET CASH FROM OTHER SOURCES	15 080 085	28 318 545
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23 405 355	53 656 652
CASH AND TERM DEPOSITS, BEGINNING OF PERIOD	266 327 617	212 670 965
TOTAL CASH AND CASH EQUIVALENTS, END OF PERIOD (Schedule S13)	289 732 972	266 327 617
consisting of:		
Fund Group I - Regular Budget Fund and Working Capital Fund	56 737 017	65 862 656
Fund Group II - Technical Cooperation Fund	48 482 228	50 923 935
Fund Group III - Extrabudgetary Programme Fund	132 923 679	118 228 390
Fund Group IV - Technical Cooperation Extrabudgetary Fund	47 919 596	25 691 863
Fund Group VI - Trust Funds, Reserve Funds and Special Funds	3 670 452	5 620 773
	289 732 972	266 327 617

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

STATEMENT IV

**STATEMENT OF THE REGULAR BUDGET APPROPRIATIONS
for the period ending 31 December 2010**

(expressed in euro)

Description of major programme	Appropriations	Expenditure				Unobligated balances of appropriations	Balance e/	
	Adjusted b/	Disbursements		Unliquidated obligations	Unliquidated obligations for shared services and laboratory activities			Total
		Disbursements excluding amounts transferred to the Major Capital Investment Fund	Transferred to Major Capital Investment Fund c/					
1. Nuclear Power, Fuel Cycle and Nuclear Science	30 080 042	25 990 410	410 000	1 715 211	364 570	28 480 191	1 599 851	-
2. Nuclear Techniques for Development and Environmental Protection	34 842 008	29 351 725	480 000	3 572 295	1 089 095	34 493 115	348 893	-
3. Nuclear Safety and Security	27 942 815	25 854 298	380 000	882 242	388 215	27 504 755	438 060	-
4. Nuclear Verification	115 341 832	97 505 482	1 580 000	8 785 143	2 302 039	110 172 664	5 169 168	-
5. Policy, Management and Administration Services	75 075 376	63 317 027	1 010 000	7 743 408	443 589	72 514 024	2 561 352	-
6. Management of Technical Cooperation for Development	17 607 080	16 568 879	240 000	378 061	48 180	17 035 120	571 960	-
Appropriation Budget	300 889 153	258 387 821	4 100 000	23 076 360	4 635 688	290 199 869	10 689 284	-
7. Reimbursable work for others	2 738 223	2 762 008	-	-	286 685	3 048 693	-	(310 470)
TOTAL a/	303 627 376	261 149 829	4 100 000	23 076 360	4 922 373 d/	293 248 562	10 689 284	(310 470)

a/ Represents the sum of Statement IV.1 "The Operational Portion of the Regular Budget" and Statement IV.2 "The Capital Portion of the Regular Budget".

b/ General Conference Resolution GC(55)/RES/6 of September 2009 - revalued at the UN average rate of exchange \$1.3248 to 1 euro.

c/ In accordance with the Agency's Programme and Budget document GC(54)/2 dated August 2010, €4.1 million was transferred to the Major Capital Investment Fund to support major infrastructural investments.

d/ This amount represents €452 692 relating to the Agency's Shared Support Costs and €469 681 to the Agency's Laboratories.

e/ (€310 470) represents the costs of additional services provided to other VIC-based organizations and to projects financed from the Technical Cooperation Fund and extrabudgetary resources.

(signed) GARY A. EIDET

Director, Division of Budget and Finance

STATEMENT IV.1

STATEMENT OF THE OPERATIONAL PORTION OF THE REGULAR BUDGET
for the period ending 31 December 2010

(expressed in euro)

Description of major programme	Appropriations		Expenditure					Unobligated balances of appropriations	Balance d/
	Adjusted a/	Disbursements excluding amounts transferred to the Major Capital Investment Fund	Disbursements		Unliquidated obligations	Unliquidated obligations for shared services and laboratory activities	Total		
			Disbursements transferred to the Major Capital Investment Fund	Transferred to Major Capital Investment Fund b/					
1. Nuclear Power, Fuel Cycle and Nuclear Science	30 080 042	25 990 410	410 000	1 715 211	364 570	28 480 191	1 599 851	-	
2. Nuclear Techniques for Development and Environmental Protection	34 842 008	29 351 725	480 000	3 572 295	1 089 095	34 493 115	348 893	-	
3. Nuclear Safety and Security	27 942 815	25 854 298	380 000	882 242	388 215	27 504 755	438 060	-	
4. Nuclear Verification	115 341 832	97 505 482	1 580 000	8 785 143	2 302 039	110 172 664	5 169 168	-	
5. Policy, Management and Administration Services	74 973 176	63 214 827	1 010 000	7 743 408	443 589	72 411 824	2 561 352	-	
6. Management of Technical Cooperation for Development	17 607 080	16 368 879	240 000	378 061	48 180	17 035 120	571 960	-	
Appropriation Operational Budget	300 786 953	258 285 621	4 100 000	23 076 360	4 635 688	290 097 669	10 689 284	-	
7. Reimbursable work for others	2 738 223	2 762 008	-	-	286 685	3 048 693	-	(310 470)	
TOTAL	303 525 176	261 047 629	4 100 000	23 076 360	4 922 373 c/	293 146 362	10 689 284	(310 470)	

a/ General Conference Resolution GC(53)/RES/6 of September 2009 - revalued at the UN average rate of exchange \$1.3248 to 1 euro.

b/ In accordance with the Agency's Programme and Budget document GC(54)/2 dated August 2010, €4.1 million was transferred to the Major Capital Investment Fund to support major infrastructural investments.

c/ This amount represents €452 692 relating to the Agency's Shared Support Costs and €469 681 to the Agency's Laboratories.

d/ (€10 470) represents the costs of additional services provided to other VIC-based organizations and to projects financed from the Technical Cooperation Fund and extrabudgetary resources.

(signed) GARY A. EIDET

Director, Division of Budget and Finance

STATEMENT IV.2

**STATEMENT OF THE CAPITAL PORTION OF THE REGULAR BUDGET
for the period ending 31 December 2010**

(expressed in euro)

Description of major programme	Appropriations Adjusted a/	Expenditure				Unobligated balances of appropriations	Balance
		Disbursements	Unliquidated obligations	Unliquidated obligations for shared services and laboratory activities	Total		
1. Nuclear Power, Fuel Cycle and Nuclear Science	-	-	-	-	-	-	-
2. Nuclear Techniques for Development and Environmental Protection	-	-	-	-	-	-	-
3. Nuclear Safety and Security	-	-	-	-	-	-	-
4. Nuclear Verification	-	-	-	-	-	-	-
5. Policy, Management and Administration Services	102 200	102 200	-	-	102 200	-	-
6. Management of Technical Cooperation for Development	-	-	-	-	-	-	-
Appropriation Capital Budget	102 200	102 200	-	-	102 200	-	-
7. Reimbursable work for others	-	-	-	-	-	-	-
TOTAL	102 200	102 200	-	-	102 200	-	-

a/ General Conference Resolution GC(53)/RES/6 of September 2009.

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

PART III

SCHEDULES

SCHEDULE S1

REGULAR BUDGET FUND
STATUS OF CONTRIBUTIONS TO THE REGULAR BUDGET
AS AT 31 DECEMBER 2010

(expressed in euro)

Member State	2010		Prior years			Advance payments and credits for 2011 c/		
	Assessed	Advance payments and credits a/	Payments	Total	Outstanding at €0.761		Outstanding at €0.761	Total Outstanding at €0.761
Alghanistan, Islamic Republic of	2 476	45	2 431	2 476	-	30 934	30 934	-
Albania	14 985	9	14 976	14 985	-	-	-	9
Algeria	203 710	2 488	201 222	203 710	-	-	-	320 661
Angola	7 454	49	-	49	7 405	-	7 405	-
Argentina	801 191	31 399	769 792	801 191	-	-	-	32 285
Armenia	5 036	60	4 976	5 036	-	-	-	-
Australia	5 193 377	72 573	5 120 804	5 193 377	-	-	-	5 942 353
Austria	2 577 071	39 214	2 537 857	2 577 071	-	-	-	1 635
Azerbaijan	12 544	-	12 544	12 544	-	67	-	-
Bahrain	95 760	152	-	152	95 608	-	95 608	-
Bangladesh	24 629	235	24 394	24 629	-	-	-	5 045
Belarus	47 200	587	46 613	47 200	-	-	-	-
Belgium	3 232 339	48 714	3 183 625	3 232 339	-	-	-	2 030
Belize	2 518	-	-	2 518	2 518	2 258	4 776	-
Benin	2 486	-	-	2 486	2 486	16 371	18 857	-
Bolivia	15 106	-	-	15 106	-	66 057	81 163	-
Bosnia and Herzegovina	14 906	260	14 646	14 906	-	-	-	-
Botswana	32 704	20	28 151	28 171	4 533	-	4 533	-
Brazil	2 160 039	51 474	-	51 474	2 108 565	-	2 108 565	-
Bulgaria	48 364	543	47 821	48 364	-	-	-	-
Burkina Faso	5 007	118	4 889	5 007	-	-	-	1 154
Burundi	2 486	-	-	2 486	2 286	2 286	4 772	-
Cambodia	2 486	-	-	2 486	2 486	221 947	224 433	-
Cameroon	22 660	-	-	22 660	2 660	2 909	25 569	-
Canada	8 625 306	8 625 306	-	8 625 306	-	-	-	9 889 632
Central African Republic	2 486	-	-	2 486	2 486	17 360	19 846	-
Chad	2 486	-	-	2 486	2 486	1 955	4 441	-
Chile	397 043	-	397 043	397 043	-	592 379	-	-
China	6 539 488	68 065	6 471 423	6 539 488	-	-	-	-
Colombia	250 156	29 976	220 180	250 156	-	-	-	-
Congo	2 994	-	-	2 994	-	2 809	5 803	-
Costa Rica	78 048	-	-	78 048	385 403	34 942	112 990	-
Côte d'Ivoire	22 656	330	-	330	22 326	-	22 326	-
Croatia	118 567	118 567	-	118 567	-	-	-	-
Cuba	130 919	-	-	130 919	108 578	119 883	250 802	-
Cyprus	128 004	1 765	126 239	128 004	-	-	-	-
Czech Republic	682 264	682 264	-	682 264	-	-	-	-
Democratic Republic of the Congo	7 455	-	-	7 455	184 050	184 050	191 505	-
Denmark	2 141 289	2 141 289	-	2 141 289	-	-	-	2 267 988
Dominican Republic	57 906	-	-	57 906	892 459	950 365	950 365	-

SCHEDULE S1 (continued)

Member State	2010				Prior years			Advance payments and credits for 2011 c/
	Assessed	Advance payments and credits a/	Payments	Total	Outstanding at €0.761	Payments and credits in 2010 b/	Outstanding at €0.761	
Ecuador	50 215	-	50 215	50 215	-	16 486	-	69 129
Egypt	211 163	3 936	207 227	211 163	-	-	-	-
El Salvador	47 835	-	-	-	47 835	-	449 249	497 084
Eritrea	2 479	-	2 479	2 479	-	2 233	-	1 517
Estonia	37 264	407	36 857	37 264	-	-	-	100 954
Ethiopia	7 356	136	7 220	7 356	-	-	-	-
Finland	1 645 445	24 266	1 621 179	1 645 445	-	-	-	582
France	18 393 779	274 347	18 119 432	18 393 779	-	-	-	2 865 237
Gabon	20 584	-	20 584	20 584	-	41 277	196 203	35 304
Georgia	7 452	91	7 361	7 452	-	83 216	395 712	-
Germany	24 931 846	394 170	24 537 676	24 931 846	-	-	-	15 796
Ghana	10 070	-	-	-	10 070	-	10 211	20 281
Greece	1 622 871	20 645	1 059 380	1 080 025	542 846	-	-	542 846
Guatemala	78 048	-	-	-	78 048	-	320 531	398 579
Haiti	4 995	-	4 995	4 995	-	8 543	-	-
Holy See	3 006	3 006	-	3 006	-	-	-	3 197
Honduras	12 488	-	9 512	9 512	2 976	6 855	-	2 976
Hungary	593 614	512 621	80 993	593 614	-	-	-	-
Iceland	1 09 095	1 538	1 07 557	1 09 095	-	-	-	-
India	1 086 190	13 996	1 072 194	1 086 190	-	-	-	-
Indonesia	388 673	4 660	384 013	388 673	-	-	-	-
Iran, Islamic Republic of	435 557	-	-	-	435 557	412	181	435 738
Iraq	35 195	429	34 766	35 195	-	-	-	-
Ireland	1 299 997	15 880	1 284 117	1 299 997	-	-	-	-
Israel	1 236 091	21 128	1 214 963	1 236 091	-	-	-	772
Italy	15 012 874	216 297	14 796 577	15 012 874	-	-	-	9 355
Jamaica	25 176	15	16 313	16 328	8 848	58 826	-	8 848
Japan	49 439 936	885 215	48 554 721	49 439 936	-	-	-	30 616
Jordan	27 597	-	27 597	27 597	-	27 696	-	99
Kazakhstan	69 845	814	69 031	69 845	-	-	-	91 055
Kenya	25 453	746	24 707	25 453	-	-	-	908
Korea, Republic of	5 896 771	66 738	5 830 033	5 896 771	-	-	-	-
Kuwait	533 140	7 481	525 659	533 140	-	-	-	-
Kyrgyzstan	2 518	-	-	-	2 518	2 442	11 706	14 224
Latvia	41 993	41 993	-	41 993	-	-	-	-
Lebanon	82 988	683	70 738	71 421	11 567	-	-	11 567
Lesotho	2 500	-	2 500	2 500	-	2 298	-	2 611
Liberia	2 486	-	-	-	2 486	-	175 394	177 880
Libyan Arab Jamahiriya	150 715	-	-	150 715	-	-	-	-
Liechtenstein	30 000	4 247	25 753	30 000	-	-	-	19
Lithuania	75 257	47 669	27 588	75 257	-	-	-	94 706
Luxembourg	247 446	3 484	243 962	247 446	-	-	-	-
Madagascar	4 970	-	-	-	4 970	-	5 179	10 149
Malawi	2 485	47	-	47	2 438	-	-	2 438
Malaysia	464 160	6 696	457 464	464 160	-	-	-	-

SCHEDULE S1 (continued)

Member State	2010				Prior years			Advance payments and credits for 2011 c/
	Assessed	Advance payments and credits a/	Payments	Total	Outstanding at €0.761	Payments and credits in 2010 b/	Outstanding at €0.761	
Mali	2 489	253	2 236	2 489	-	-	-	322
Malta	40 583	452	40 131	40 583	-	-	-	43 452
Marshall Islands	2 531	2	2 367	2 369	162	8 300	162	-
Mauritania, Islamic Republic of	2 499	-	2 499	2 499	-	10 751	-	1 592
Mauritius	27 327	362	26 965	27 327	-	-	-	17
Mexico	5 565 579	-	-	-	5 565 579	3 530 644	5 080 368	10 645 947
Monaco	9 049	136	8 913	9 049	-	-	-	6
Mongolia	2 495	45	2 450	2 495	-	-	-	-
Montenegro	2 471	2 150	321	2 471	-	-	-	-
Morocco	100 488	1 597	92 712	94 309	6 179	-	6 179	-
Mozambique	2 463	-	2 463	2 463	-	3 840	-	-
Myanmar	12 317	307	11 909	12 216	101	-	101	-
Namibia	14 906	226	14 680	14 906	-	-	-	-
Nepal	7 455	6	18	24	7 431	13 352	7 431	-
Netherlands	5 466 634	77 008	5 389 626	5 466 634	-	-	-	3 450
New Zealand	741 054	741 054	-	741 054	-	-	-	839 503
Nicaragua	4 924	45	4 879	4 924	-	-	-	-
Niger	2 451	2 451	-	2 451	-	-	-	468
Nigeria	115 812	-	-	-	115 812	96 154	106 065	221 877
Norway	2 281 806	30 917	2 250 889	2 281 806	-	-	-	-
Oman	206 639	29 350	177 289	206 639	-	-	-	258 731
Pakistan	142 931	1 810	141 121	142 931	-	-	-	-
Palau	2 560	-	-	-	2 560	2 017	4 496	7 056
Panama	54 859	16 186	38 673	54 859	-	-	-	12 485
Paraguay	12 588	-	-	-	12 588	-	247 766	260 354
Peru	188 826	-	-	-	188 826	269 204	140 962	329 788
Philippines	188 133	3 122	185 011	188 133	-	-	-	-
Poland	1 199 900	15 156	1 184 744	1 199 900	-	-	-	-
Portugal	1 430 655	17 328	1 413 327	1 430 655	-	-	-	835
Qatar	249 847	-	249 847	249 847	-	199 943	-	-
Republic of Moldova	2 514	45	2 469	2 514	-	91 066	88 286	5 314
Romania	168 659	2 091	133 000	135 091	33 568	-	-	33 568
Russian Federation	3 488 403	50 116	3 438 287	3 488 403	-	-	-	-
Saudi Arabia	1 836 533	23 740	1 812 793	1 836 533	-	-	-	-
Senegal	9 940	-	-	-	9 940	6	6 045	15 985
Serbia	49 888	633	49 255	49 888	-	-	-	-
Seychelles	5 052	45	5 007	5 052	-	-	-	4
Sierra Leone	2 486	-	-	-	2 486	-	141 102	143 588
Singapore	1 007 898	1 007 898	-	1 007 898	-	-	-	640
Slovakia	151 540	1 674	149 866	151 540	-	-	-	54 175
Slovenia	282 352	4 040	278 312	282 352	-	-	-	172
South Africa	695 950	9 744	686 206	695 950	-	-	-	-
Spain	8 747 970	114 755	8 633 215	8 747 970	-	-	-	-
Sri Lanka	37 772	542	37 230	37 772	-	-	-	-
Sudan	24 850	-	-	-	24 850	39 605	19 742	44 592

SCHEDULE S1 (continued)

Member State	2010			Prior years		Total Outstanding at €0.761	Advance payments and credits for 2011 c/
	Assessed	Advance payments and credits a/	Payments	Payments and credits in 2010 b/	Outstanding at €0.761		
Sweden	3 187 452	45 350	3 142 102	-	-	-	1 973
Switzerland	3 533 675	54 550	3 479 125	-	-	-	2 240
Syrian Arab Republic	38 162	1 267	36 895	-	-	-	-
Tajikistan, Republic of	2 501	120	2 381	-	-	-	5 314
Thailand	442 173	442 173	-	-	-	-	533 997
The Former Yugoslav Republic of Macedonia	12 586	273	-	12 313	-	12 313	-
Tunisia	76 360	1 041	75 319	-	-	-	45
Turkey	919 182	12 754	906 428	-	-	-	-
Uganda	7 534	230	1 945	-	5 359	5 359	-
Ukraine	107 950	1 377	106 573	-	-	-	-
United Arab Emirates	881 822	10 677	871 145	-	-	-	-
United Kingdom of Great Britain and Northern Ireland	19 306 933	278 933	19 028 000	-	-	-	12 231
United Republic of Tanzania	14 979	303	14 676	-	-	-	4 195
United States of America	76 514 720	-	61 048 832	15 465 888	12 899 764	15 465 888	-
Uruguay	67 211	1 584	65 627	-	-	-	39
Uzbekistan	19 956	-	19 956	41 826	291 562	291 562	-
Venezuela, Bolivarian Republic of	484 582	-	113 659	371 619	-	370 923	-
Vietnam	57 699	679	57 020	-	-	-	10 477
Yemen	17 406	-	17 406	208	-	-	-
Zambia	2 473	47	2 426	-	-	-	-
Zimbabwe	20 149	11	20 115	-	414	-	-
Sub-total	298 432 802	17 646 253	255 243 329	272 889 582	25 543 220	34 830 200	23 576 326
Former Members:							
Democratic People's Republic of Korea d/	-	-	-	-	-	128 576	-
Yugoslavia e/	-	-	-	-	-	2 296 834	-
Sub-total	-	-	-	-	-	2 425 410	-
GRAND TOTAL	298 432 802	17 646 253	255 243 329	272 889 582	25 543 220	37 255 610	23 576 326

a/ These amounts reflect advance payments received in 2009, both full and partial, of 2010 Regular Budget contributions (€4 617 160), cash surplus credits (€0 13 276) and Working Capital Fund credits (€5 817) applied against 2010 Regular Budget contributions.

b/ These amounts reflect advance payments received in 2010 (€8 927 213), cash surplus credits (€3 037) and Working Capital Fund credits (€759).

c/ These amounts reflect advance payments of 2011 Regular Budget contributions (€3 480 528) and cash surplus credits (€5 798) applied against 2011 Regular Budget contributions.

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

e/ Following the approval for membership of the Federal Republic of Yugoslavia on 17 September 2001, the former Yugoslavia ceased to be a Member State. Its successors are Bosnia and Herzegovina, Croatia, Montenegro, Serbia, Slovenia and The Former Yugoslav Republic of Macedonia.

SCHEDULE S2**STATUS OF THE WORKING CAPITAL FUND****AS AT 31 DECEMBER 2010**

(expressed in euro)

	2010	2009
Balance as at 1 January	15 223 013	15 204 593
Receipts/(Refunds)		
From Member States	120 145	18 420
Withdrawals		
Advance to the Regular Budget Fund	(288 512)	-
Balance as at 31 December	<u>15 054 646</u>	<u>15 223 013</u>
Established Level a/	15 210 152	15 210 000
Add: Net increase due to new Member States assessments	-	16 730
Total (Statement II/Schedule S3)	<u>15 210 152</u>	<u>15 226 730</u>
Add: Advance payments/credits from Member States (Schedule S3)	136 115	-
Less: Advance due from the Regular Budget Fund	(288 512)	-
Due from Member States (Schedule S3)	<u>(3 109)</u>	<u>(3 717)</u>
Balance as at 31 December	<u>15 054 646</u>	<u>15 223 013</u>

a/ Includes Cambodia's share of €152.

SCHEDULE S3

STATUS OF ADVANCES TO THE WORKING CAPITAL FUND

AS AT 31 DECEMBER 2010

(expressed in euro)

Member State	Assessed	Paid	Outstanding	Advance payments and credits for 2011
Afghanistan, Islamic Republic of	152	152	-	2
Albania	913	913	-	-
Algeria	12 472	12 472	-	6 236
Angola	456	456	-	-
Argentina	47 607	47 607	-	-
Armenia	304	304	-	4
Australia	261 764	261 764	-	21 598
Austria	129 893	129 893	-	-
Azerbaijan	761	761	-	7
Bahrain	4 867	4 867	-	-
Bangladesh	1 521	1 521	-	-
Belarus	2 890	2 890	-	28
Belgium	161 378	161 378	-	-
Belize	152	152	-	-
Benin	152	152	-	-
Bolivia	913	913	-	-
Bosnia and Herzegovina	913	913	-	9
Botswana	1 977	1 977	-	-
Brazil	128 372	128 372	-	-
Bulgaria	2 890	2 890	-	28
Burkina Faso	304	304	-	4
Burundi	152	-	152	-
Cambodia	152	-	152	-
Cameroon	1 369	1 369	-	-
Canada	436 223	436 223	-	33 918
Central African Republic	152	-	152	-
Chad	152	152	-	-
Chile	23 576	23 576	-	2 958
China	390 745	390 745	-	3 880
Colombia	15 362	15 362	-	152
Congo	152	-	152	-
Costa Rica	4 715	4 715	-	-
Côte d'Ivoire	1 369	1 369	-	-
Croatia	7 301	7 301	-	72
Cuba	7 909	7 909	-	-
Cyprus	6 388	6 388	-	80
Czech Republic	41 219	41 219	-	412
Democratic Republic of the Congo	456	456	-	-
Denmark	108 295	108 295	-	-
Dominican Republic	3 498	3 498	-	-
Ecuador	3 042	3 042	-	2 738
Egypt	12 928	12 928	-	128
El Salvador	2 890	845	2 045	-
Eritrea	152	152	-	-
Estonia	2 282	2 282	-	3 498
Ethiopia	456	456	-	4
Finland	82 590	82 590	-	457
France	923 247	923 247	-	-
Gabon	1 217	1 217	-	760
Georgia	456	456	-	4

SCHEDULE S3 (continued)

Member State	Assessed	Paid	Outstanding	Advance payments and credits for 2011
Germany	1 256 650	1 256 650	-	-
Ghana	608	608	-	-
Greece	87 305	87 305	-	-
Guatemala	4 715	4 411	304	-
Haiti	304	304	-	4
Holy See	152	152	-	-
Honduras	761	761	-	-
Hungary	35 744	35 744	-	356
Iceland	5 476	5 476	-	69
India	65 859	65 859	-	655
Indonesia	23 576	23 576	-	234
Iran, Islamic Republic of	26 313	26 313	-	-
Iraq	2 129	2 129	-	20
Ireland	65 251	65 251	-	818
Israel	61 448	61 448	-	-
Italy	744 073	744 073	-	-
Jamaica	1 521	1 521	-	-
Japan	2 435 732	2 435 732	-	-
Jordan	1 673	1 673	-	38
Kazakhstan	4 259	4 259	-	6 844
Kenya	1 521	1 521	-	15
Korea, Republic of	318 345	318 345	-	3 448
Kuwait	26 618	26 618	-	346
Kyrgyzstan	152	-	152	-
Latvia	2 586	2 586	-	2 612
Lebanon	5 019	5 019	-	-
Lesotho	152	152	-	-
Liberia	152	152	-	91
Libyan Arab Jamahiriya	9 126	9 126	-	-
Liechtenstein	1 521	1 521	-	-
Lithuania	4 563	4 563	-	5 019
Luxembourg	12 472	12 472	-	156
Madagascar	304	304	-	-
Malawi	152	152	-	-
Malaysia	27 834	27 834	-	278
Mali	152	152	-	304
Malta	2 434	2 434	-	-
Marshall Islands	152	152	-	-
Mauritania, Islamic Republic of	152	152	-	-
Mauritius	1 673	1 673	-	-
Mexico	330 665	330 665	-	14 754
Monaco	456	456	-	-
Mongolia	152	152	-	2
Montenegro	152	152	-	2
Morocco	6 084	6 084	-	-
Mozambique	152	152	-	2
Myanmar	761	761	-	-
Namibia	913	913	-	9
Nepal	456	456	-	-
Netherlands	274 388	274 388	-	-
New Zealand	37 569	37 569	-	2 433
Nicaragua	304	304	-	4
Niger	152	152	-	152
Nigeria	6 997	6 997	-	-
Norway	114 531	114 531	-	1 440

SCHEDULE S3 (continued)

Member State	Assessed	Paid	Outstanding	Advance payments and credits for 2011
Oman	10 647	10 647	-	1 977
Pakistan	8 670	8 670	-	85
Palau	152	152	-	-
Panama	3 346	3 346	-	-
Paraguay	761	761	-	-
Peru	11 408	11 408	-	-
Philippines	11 408	11 408	-	113
Poland	73 464	73 464	-	729
Portugal	77 267	77 267	-	-
Qatar	12 472	12 472	-	156
Republic of Moldova	152	152	-	152
Romania	10 191	10 191	-	-
Russian Federation	175 828	175 828	-	2 210
Saudi Arabia	109 512	109 512	-	1 095
Senegal	608	608	-	-
Serbia	3 042	3 042	-	30
Seychelles	304	304	-	-
Sierra Leone	152	152	-	-
Singapore	50 801	50 801	-	-
Slovakia	9 278	9 278	-	93
Slovenia	13 993	13 993	-	-
South Africa	42 436	42 436	-	423
Spain	434 854	434 854	-	5 465
Sri Lanka	2 282	2 282	-	22
Sudan	1 521	1 521	-	-
Sweden	156 967	156 967	-	-
Switzerland	178 109	178 109	-	-
Syrian Arab Republic	2 282	2 282	-	22
Tajikistan	152	152	-	152
Thailand	27 226	27 226	-	3 346
The Former Yugoslav Republic of Macedonia	761	761	-	-
Tunisia	4 563	4 563	-	-
Turkey	55 821	55 821	-	555
Uganda	456	456	-	-
Ukraine	6 540	6 540	-	65
United Arab Emirates	44 261	44 261	-	555
United Kingdom of Great Britain and Northern Ireland	973 136	973 136	-	-
United Republic of Tanzania	913	913	-	304
United States of America	3 802 500	3 802 500	-	-
Uruguay	3 955	3 955	-	-
Uzbekistan	1 217	1 217	-	-
Venezuela, Bolivarian Republic of	29 355	29 355	-	-
Vietnam	3 498	3 498	-	1 369
Yemen	1 065	1 065	-	-
Zambia	152	152	-	115
Zimbabwe	1 217	1 217	-	-
TOTAL	15 210 152	15 207 043	3 109	136 115

SCHEDULE S4

REGULAR BUDGET FUND
STATUS OF CASH SURPLUSES
AS AT 31 DECEMBER 2010

(expressed in euro)

	2010	2009
<u>Current year</u>		
Receipts	275 833 718	264 324 701
Disbursements (Statement IV)	<u>(265 249 829)</u>	<u>(257 230 971)</u>
Excess (shortfall) of receipts over disbursements	10 583 889	7 093 730
Unliquidated obligations (Statement IV)	(27 998 733)	(28 389 160)
Provision for unobligated balances of appropriations (Statements I and II)	<u>(10 689 284)</u>	<u>-</u>
Provisional deficit	(28 104 128)	(21 295 430)
Contributions receivable (Schedule S1)	25 543 220	19 583 760
Miscellaneous income receivable	<u>342 360</u>	<u>207 942</u>
Excess (shortfall) of income over expenditure (Statement I)	(2 218 548)	(1 503 728)
<u>Disposition of prior year's provisional surplus (deficit)</u>		
Prior year provisional deficit	(21 295 430)	(27 759 986)
Receipt of:		
Contributions all prior years (Schedule S1)	19 021 009	27 195 618
Savings on liquidation of prior years' obligations (Statement I)	1 719 181	327 786
Savings on unobligated balances of 2008 appropriations brought forward (Statement I)	58 786	-
Miscellaneous income	<u>207 942</u>	<u>422 164</u>
Prior year cash surplus/(deficit) - 2009 Cash deficit	(288 512)	185 582
Other surpluses: (Schedule S5)		
Cash surpluses withheld pending receipt of contributions	<u>202 022</u>	<u>243 727</u>
Total surplus/(deficit) (Statement II)	(2 305 038)	(1 074 419)

SCHEDULE S5

**REGULAR BUDGET FUND
STATUS OF CASH SURPLUSES WITHHELD PENDING
RECEIPT OF CONTRIBUTIONS AS AT 31 DECEMBER 2010**

(expressed in euro)

Budget years	31 December 2009	Surrendered	31 December 2010
1979-1995	130 249	727	129 522
1996	41 711	22 548	19 163
1997	16 740	590	16 150
1998	22 961	10 458	12 503
1999	6 867	84	6 783
2001	2 464	254	2 210
2002	738	114	624
2004	3 760	813	2 947
2005	8 783	1 542	7 241
2007	9 454	4 750	4 704
2008	185 582	185 407	175
TOTAL (Schedule S4)	429 309	227 287	202 022

SCHEDULE S6

THE REGULAR BUDGET 2010
SUMMARY BY ITEM OF EXPENDITURE
AS AT 31 DECEMBER 2010

(expressed in euro)

Item of expenditure	2010 Adjusted Budget a/	Expenditures			Unused (over-expended) balances	Balance
		Disbursements	Unliquidated obligations	Total expenditure		
Salaries - established posts - P	80 048 129	73 873 721	-	73 873 721	6 174 408	-
Temporary assistance - P/MT	9 267 956	7 774 541	-	7 774 541	1 493 415	-
Temporary assistance - P/ST	275 817	770 038	-	770 038	(494 221)	-
Salaries - established posts - GS	35 849 337	35 330 206	-	35 330 206	519 131	-
Temporary assistance - GS/MT	3 748 216	3 057 727	-	3 057 727	690 489	-
Temporary assistance - GS/ST	539 965	1 253 270	-	1 253 270	(713 305)	-
Common staff costs	53 962 949	49 777 767	-	49 777 767	4 185 182	-
Overtime	234 968	347 773	-	347 773	(112 805)	-
Sub-total: Staff costs	183 927 337	172 185 043	-	172 185 043	11 742 294	-
Travel - staff	11 834 120	10 124 526	323 003	10 447 529	1 386 591	-
Travel - non-staff	8 262 169	7 398 790	117 401	7 516 191	745 978	-
Sub-total: Travel costs	20 096 289	17 523 316	440 404	17 963 720	2 132 569	-
Interpretation Services	607 019	636 493	-	636 493	(29 474)	-
Representation and hospitality	260 552	279 658	698	280 356	(19 804)	-
Training	1 180 230	963 456	344 995	1 308 451	(128 221)	-
Equipment: leased or rented	398 874	354 113	8 969	363 082	35 792	-
Equipment: purchased/construction work	8 476 991	2 583 768	4 446 224	7 029 992	1 446 999	-
Supplies and materials	5 930 141	5 105 907	1 352 258	6 458 165	(528 024)	-
General operating expenses	8 464 051	5 084 677	1 584 482	6 669 159	1 794 892	-
Contracts	8 534 525	2 869 518	3 179 213	6 048 731	2 485 794	-
Short-term consultants/experts	5 817 967	5 207 061	2 831 078	8 038 139	(2 220 172)	-
Research and technical contracts	5 907 159	2 404 132	2 760 751	5 164 883	742 276	-
Miscellaneous	3 626 114	3 375 419	123 315	3 498 734	127 380	-
Sub-total: Other direct costs	49 203 623	28 864 202	16 631 983	45 496 185	3 707 438	-
Contributions to the VIC Building Management Costs	10 733 460	7 100 050	3 859 094	10 959 144	(225 684)	-
Contributions to the VIC Security Services Costs	6 524 507	4 147 239	2 144 878	6 292 117	232 390	-
Contributions to the VIC Costs	17 257 967	11 247 289	6 003 972	17 251 261	6 706	-
Direct Implementation Costs	12 726 312	13 703 457	2 245 469	15 948 926	(3 222 614)	-
Management and Operation Costs	5 133 695	4 512 973	224 108	4 737 081	396 614	-
Sub-total: Laboratory Activities	17 860 007	18 216 430	2 469 577	20 686 007	(2 826 000)	-
Translation and Records Services	5 700 088	5 228 170	65 311	5 293 481	406 607	-
Printing Services	1 796 433	1 585 197	359 515	1 944 712	(148 279)	-
Data Processing Application Services	992 436	579 581	816 755	1 396 336	(403 900)	-
Data Processing Central Services (SG fixed)	1 488 510	1 343 704	141 952	1 485 656	2 854	-
Medical Services	1 011 525	835 339	16 005	851 344	160 181	-
Radiation Protection and Monitoring Services	1 215 413	465 574	766 574	1 232 148	(16 735)	-
Housing Services	237 325	211 776	-	211 776	25 549	-
Sub-total: Shared costs	12 441 730	10 249 341	2 166 112	12 415 453	26 277	-
Transferred to Major Capital Investment Fund	-	4 100 000	b/	4 100 000	(4 100 000)	-
Total Operational Portion	300 786 953	262 385 621	27 712 048	290 097 669	10 689 284	c/
Capital Portion	102 200	102 200	-	102 200	-	-
Total Agency Programmes	300 889 153	262 487 821	27 712 048	290 199 869	10 689 284	-
Reimbursable Work for Others	2 738 223	2 762 008	286 685	3 048 693	-	(310 470) d/
Grand Total (Statement IV)	303 627 376	265 249 829	27 998 733	293 248 562	10 689 284	(310 470)

a/ General Conference Resolution GC(53)/RES/6 of September 2009 - revalued at the UN average rate of exchange \$1.3248 to 1 euro.

b/ In accordance with the Agency's Programme and Budget document GC(54)/2 dated August 2010, €1.1 million was transferred to the Major Capital Investment Fund to support major infrastructural investments.

c/ €10 689 284 represents the unobligated balances to be carried over into 2011 to meet programmatic needs.

d/ (€310 470) represents the costs of additional services provided to other VIC-based organizations and to projects financed from the Technical Cooperation Fund and extrabudgetary resources.

SCHEDULE S7

**SUMMARY OF EXPENDITURE BY MAJOR CATEGORY AND FUND GROUP
AS AT 31 DECEMBER 2010**

(expressed in euro)

Category	2010					TOTAL 2009	
	Regular Budget Fund and Working Capital Fund Fund Group I	General Fund			Trust Funds, Reserve Funds and Special Funds		TOTAL 2010
		Technical Cooperation Fund Fund Group II	Extrabudgetary Programme Fund Fund Group III	Technical Cooperation Extrabudgetary Fund Fund Group IV			
Salaries	122 647 222	-	625 365	-	-	123 272 587	
Common Staff Costs	56 185 195	-	4 956 986	-	-	61 142 181	
Temporary Assistance	14 104 544	-	10 950 104	-	-	25 054 648	
Total Staff Costs	192 936 961	-	16 532 455	-	-	209 469 416	
Equipment	10 261 355	19 329 754	5 760 788	26 364 385	2 033 693	63 749 975	
Transfer to Major Capital Investment Fund a/	4 100 000	-	-	-	-	4 100 000	
Travel	18 740 276	18 620 491	9 102 780	1 398 719	39 869	47 902 135	
Contracts	23 060 589 b/	5 558 763	14 208 690	882 531	2 215	43 712 788	
General Operating Expenses	12 037 925	812 229	116 880	26 557	118	12 993 709	
Contribution to the VIC Building Management Costs	10 984 145	-	1 320	-	-	10 985 465	
Contribution to the VIC Security Services Costs	6 292 117	-	1 235	-	-	6 293 352	
Training	1 450 619	15 020 200	107 564	2 461 652	-	19 040 035	
Supplies and Materials	8 931 315	3 074 029	544 820	5 602 931	-	18 153 095	
Miscellaneous	4 453 260	921 777	2 959 704	346 217	3 217	8 684 175	
Total Other Costs	100 311 601	63 337 243	32 803 781	37 082 992	2 079 112	235 614 729	
TOTAL EXPENDITURE (Statement I)	293 248 562	63 337 243	49 336 236	37 082 992	2 079 112	445 084 145	

a/ In accordance with the Agency's Programme and Budget document GC(54)/2 dated August 2010, €4.1 million was transferred to the Major Capital Investment Fund to support major infrastructural investments.

b/ Includes the Capital Portion of the Regular Budget of €102 200.

SCHEDULE S8

**STATUS OF CONTRIBUTIONS TO THE TECHNICAL COOPERATION FUND
AS AT 31 DECEMBER 2010**
(expressed in United States dollars)

Member State	Base rate %	Share of \$85.0 million target for 2010 using base rate at	2010							Prior years		Advance payments for 2011
			Pledged	Paid against pledge	Paid without a formal pledge	Outstanding	% paid of target share	Unpaid balance as at 1 January	Paid in 2010	Outstanding	Total outstanding	
Afghanistan, Islamic Republic of	0.001	850	-	-	850	-	-	100.0	-	-	-	-
Albania	0.006	5 100	5 100	5 100	-	-	100.0	5 100	-	5 100	-	-
Algeria	0.082	69 700	69 700	-	-	-	100.0	-	-	-	-	109 811
Angola	0.003	2 550	20 000	-	-	-	0.0	-	20 000	-	-	20 000
Argentina	0.313	266 050	266 050	266 050	-	-	100.0	-	-	-	-	74 335
Armenia	0.002	1 700	-	-	1 700	-	100.0	-	-	-	-	-
Australia	1.721	1 462 850	-	1 462 850	-	-	100.0	-	-	-	-	-
Austria	0.854	725 900	490 000	490 000	235 900	-	100.0	-	-	-	-	-
Azerbaijan	0.005	4 250	-	-	-	-	0.0	3 895	3 895	-	-	-
Bahrain	0.032	27 200	-	-	-	-	0.0	-	-	-	-	-
Bangladesh	0.010	8 500	8 500	8 360	-	-	98.4	-	140	-	-	140
Belarus	0.019	16 150	16 150	16 150	-	-	100.0	-	-	-	-	-
Belgium	1.061	901 850	51 567	51 567	446 150	-	55.2	-	-	-	-	-
Belize	0.001	850	-	-	-	-	0.0	-	-	-	-	-
Benin	0.001	850	-	-	-	-	0.0	470	470	-	-	470
Bolivia	0.006	5 100	-	-	-	-	0.0	-	-	-	-	-
Bosnia and Herzegovina	0.006	5 100	5 100	5 100	-	-	100.0	-	-	-	-	-
Botswana	0.013	11 050	11 050	-	-	-	0.0	800	800	-	-	11 850
Brazil	0.844	717 400	717 400	115 691	-	-	16.1	601 709	601 709	-	-	601 709
Bulgaria	0.019	16 150	16 150	16 150	-	-	100.0	-	-	-	-	-
Burkina Faso	0.002	1 700	-	-	-	-	0.0	-	-	-	-	-
Burundi	0.001	850	-	-	-	-	0.0	-	-	-	-	-
Cambodia	0.001	850	-	-	-	-	-	-	-	-	-	-
Cameroon	0.009	7 650	7 650	-	-	-	0.0	7 650	7 650	-	-	7 650
Canada	2.868	2 437 800	2 460 000	-	-	-	0.0	2 369 942	2 369 942	-	-	2 460 000
Central African Republic	0.001	850	-	-	-	-	0.0	850	850	-	-	850
Chad	0.001	850	-	-	-	-	0.0	-	-	-	-	-
Chile	0.155	131 750	131 750	131 750	-	-	100.0	-	-	-	-	-
China	2.569	2 183 650	2 183 650	2 183 650	-	-	100.0	-	-	-	-	-
Colombia	0.101	85 850	60 000	60 000	-	-	69.9	-	-	-	-	397
Congo	0.001	850	-	-	-	-	0.0	-	-	-	-	-
Costa Rica	0.031	26 350	-	-	-	-	0.0	-	-	-	-	-
Côte d'Ivoire	0.009	7 650	7 650	-	-	-	0.0	7 650	7 650	-	-	7 650
Croatia	0.048	40 800	-	-	-	-	0.0	-	-	-	-	-
Cuba	0.052	44 200	-	-	44 200	-	100.0	-	-	-	-	58 480
Cyprus	0.042	35 700	35 700	35 700	-	-	100.0	-	-	-	-	-
Czech Republic	0.271	230 350	230 350	230 350	-	-	100.0	-	-	-	-	-
Democratic Republic of the Congo	0.003	2 550	2 550	2 550	-	-	100.0	4 445	4 445	-	-	2 679
Denmark	0.712	605 200	605 200	605 200	-	-	100.0	-	-	-	-	632 976
Dominican Republic	0.023	19 550	-	-	-	-	0.0	-	-	-	-	-

SCHEDULE S8 (continued)

Member State	2010					Prior years		Advance payments for 2011
	Base rate %	Share of \$85.0 million target for 2010 using base rate	Pledged	Paid against pledge	Paid without a formal pledge	Outstanding	Outstanding	
						% paid of target share	Unpaid balance as at 1 January	Total outstanding
Ecuador	0.020	17 000	17 000	17 000	-	100.0	-	-
Egypt	0.085	72 250	72 250	72 250	-	100.0	-	-
El Salvador	0.019	16 150	-	-	-	0.0	b/	-
Eritrea	0.001	850	-	-	-	0.0	-	-
Estonia	0.015	12 750	12 750	12 750	-	100.0	-	67 850
Ethiopia	0.003	2 550	2 550	2 550	-	100.0	-	7 142
Finland	0.543	461 550	461 550	461 550	-	100.0	-	-
France	6.070	5 159 500	-	4 901 525	-	95.0	-	-
Gabon	0.008	6 800	6 800	6 800	-	100.0	-	-
Georgia	0.003	2 550	-	2 550	-	100.0	-	-
Germany	8.262	7 022 700	-	5 874 222	-	83.6	-	-
Ghana	0.004	3 400	3 400	3 400	-	100.0	1 800	5 200
Greece	0.574	487 900	487 900	-	-	0.0	-	487 900
Guatemala	0.031	26 350	-	-	-	0.0	24 900	24 900
Haiti	0.002	1 700	-	-	-	0.0	1 600	1 600
Holy See	0.001	850	2 878	2 878	-	338.6	-	2 314
Honduras	0.005	4 250	-	-	-	0.0	-	-
Hungary	0.235	199 750	-	199 750	-	100.0	-	-
Iceland	0.036	30 600	30 600	30 600	-	100.0	-	-
India	0.433	368 050	368 050	368 050	-	100.0	-	15 159
Indonesia	0.155	131 750	131 750	131 750	-	100.0	-	-
Iran, Islamic Republic of	0.173	147 050	-	-	-	0.0	-	-
Iraq	0.014	11 900	11 900	-	-	0.0	-	11 900
Ireland	0.429	364 650	-	364 650	-	100.0	-	-
Israel	0.404	343 400	-	172 225	-	50.2	-	-
Italy	4.892	4 158 200	-	4 158 200	-	100.0	-	-
Jamaica	0.010	8 500	-	-	-	0.0	-	-
Japan	16.014	13 611 900	-	13 611 900	-	100.0	-	-
Jordan	0.011	9 350	9 350	-	-	100.0	10 200	-
Kazakhstan	0.028	23 800	23 800	23 800	-	100.0	-	31 390
Kenya	0.010	8 500	8 500	8 500	-	100.0	-	-
Korea, Republic of	2.093	1 779 050	-	1 779 050	-	100.0	-	-
Kuwait	0.175	148 750	-	148 750	-	100.0	-	-
Kyrgyzstan	0.001	850	-	537	-	63.2	-	-
Latvia	0.017	14 450	14 450	14 450	-	100.0	-	33 032
Lebanon	0.033	28 050	5 000	-	-	0.0	-	5 000
Lesotho	0.001	850	850	850	-	100.0	-	893
Liberia	0.001	850	-	-	-	0.0	-	-
Libyan Arab Jamahiriya	0.060	51 000	-	51 000	-	100.0	-	-
Liechtenstein	0.010	8 500	8 500	8 500	-	100.0	-	-
Lithuania	0.030	25 500	25 500	25 500	-	100.0	-	-
Luxembourg	0.082	69 700	69 700	69 700	-	100.0	-	-
Madagascar	0.002	1 700	1 700	-	-	0.0	2 554	4 254
Malawi	0.001	850	850	-	-	850	-	850
Malaysia	0.183	155 550	155 550	155 550	-	100.0	-	-

SCHEDULE S8 (continued)

Member State	2010				Prior years			Advance payments for 2011				
	Base rate %	Share of \$85.0 million target for 2010 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 2010	Outstanding	Total outstanding
Mali	0.001	850	850	-	-	-	850	0.0	-	-	-	850
Malta	0.016	13 600	-	13 600	-	-	-	100.0	-	-	-	-
Marshall Islands	0.001	850	-	-	-	-	-	0.0	-	-	-	-
Mauritania, Islamic Republic of	0.001	850	-	-	-	-	-	0.0	-	-	-	-
Mauritius	0.011	9 350	9 350	-	-	-	-	100.0	-	-	-	-
Mexico	2.174	1 847 900	-	-	-	-	-	0.0	437 553 b/	437 553	-	-
Monaco	0.003	2 550	2 550	-	-	-	-	100.0	-	-	-	-
Mongolia	0.001	850	850	-	-	-	-	100.0	-	-	-	-
Montenegro	0.001	850	850	-	-	-	-	100.0	-	-	-	-
Morocco	0.040	34 000	34 000	-	-	-	-	100.0	828	828	-	-
Mozambique	0.001	850	-	-	-	-	-	0.0	850	850	-	-
Myanmar	0.005	4 250	4 250	4 168	-	-	82	98.1	-	-	-	82
Namibia	0.006	5 100	5 100	5 100	-	-	-	100.0	-	-	-	-
Nepal	0.003	2 550	-	-	-	-	-	0.0	2 550 b/	2 550	-	-
Netherlands	1.804	1 533 400	1 533 400	-	-	-	-	100.0	-	-	-	-
New Zealand	0.247	209 950	-	-	-	-	-	0.0	-	-	-	-
Nicaragua	0.002	1 700	-	1 700	-	-	-	100.0	-	-	-	-
Niger	0.001	850	850	-	-	-	-	100.0	-	-	-	-
Nigeria	0.046	39 100	-	-	-	-	-	0.0	39 100	39 100	-	-
Norway	0.753	640 050	640 050	283	-	-	-	100.0	-	-	-	-
Oman	0.070	59 500	59 500	59 500	-	-	-	100.0	-	-	-	71 502
Pakistan	0.057	48 450	48 450	48 450	-	-	-	100.0	-	-	-	-
Palau	0.001	850	-	-	-	-	-	0.0	-	-	-	-
Panama	0.022	18 700	-	-	-	-	-	0.0	-	-	-	-
Paraguay	0.005	4 250	-	-	-	-	-	0.0	6 800	6 800	-	6 800
Peru	0.075	63 750	-	-	-	-	-	0.0	-	-	-	-
Philippines	0.075	63 750	5 000	5 000	63 750	-	-	107.8	-	-	-	-
Poland	0.483	410 550	410 550	410 550	-	-	-	100.0	-	-	-	-
Portugal	0.508	431 800	345 440	345 440	-	-	-	80.0	-	-	-	-
Qatar	0.082	69 700	-	-	-	-	-	0.0	-	-	-	-
Republic of Moldova	0.001	850	850	850	-	-	-	100.0	-	-	-	-
Romania	0.067	56 950	56 950	-	-	-	56 950	0.0	-	-	-	56 950
Russian Federation	1.156	982 600	-	768 730	-	-	-	78.2	-	-	-	-
Saudi Arabia	0.720	612 000	-	612 000	-	-	-	100.0	-	-	-	-
Senegal	0.004	3 400	3 400	-	-	-	3 400	0.0	-	-	-	3 400
Serbia	0.020	17 000	17 000	17 000	-	-	-	100.0	-	-	-	-
Seychelles	0.002	1 700	-	1 700	-	-	-	100.0	-	-	-	-
Sierra Leone	0.001	850	-	-	850	-	-	100.0	3 225 b/	3 225	-	-
Singapore	0.334	283 900	283 900	283 900	-	-	-	100.0	-	-	-	-
Slovakia	0.061	51 850	51 850	51 850	-	-	-	100.0	-	-	-	50 460
Slovenia	0.092	78 200	78 200	24 898	-	-	53 302	31.8	-	-	-	53 302
South Africa	0.279	237 150	237 150	237 150	-	-	-	100.0	-	-	-	-
Spain	2.859	2 430 150	-	-	1 215 075	-	-	50.0	-	-	-	-
Sri Lanka	0.015	12 750	12 750	12 750	-	-	-	100.0	-	-	-	12 500
Sudan	0.010	8 500	8 500	-	-	-	8 500	0.0	-	-	-	8 500

SCHEDULE S8 (continued)

Member State	Base rate %	Share of \$85.0 million target for 2010 using base rate ^{a/}	2010						Prior years			Advance payments for 2011	
			Pledged	Paid against pledge	Paid without a formal pledge	Outstanding	% paid of target share	Unpaid balance as at 1 January	Paid in 2010	Outstanding	Total outstanding		
Sweden	1.032	877 200	-	-	877 200	-	-	100.0	-	-	-	-	-
Switzerland	1.171	995 350	962 451	962 451	-	-	-	96.7	-	-	-	-	368
Syrian Arab Republic	0.015	12 750	12 750	-	-	-	-	100.0	-	-	-	-	-
Tajikistan	0.001	850	850	-	-	-	-	100.0	-	-	-	-	1 785
Thailand	0.179	152 150	152 150	152 150	-	-	-	100.0	-	-	-	-	179 447
The Former Yugoslav Republic of Macedonia	0.005	4 250	4 250	-	-	-	-	0.0	4 250	-	-	4 250	-
Tunisia	0.030	25 500	25 500	25 500	-	-	-	100.0	-	-	-	-	14 948
Turkey	0.367	311 950	-	311 950	-	-	-	100.0	-	-	-	-	-
Uganda	0.003	2 550	2 550	-	-	-	-	100.0	-	-	-	-	5 357
Ukraine	0.043	36 550	-	36 550	-	-	-	100.0	-	-	-	-	-
United Arab Emirates	0.291	247 350	247 350	247 350	-	-	-	100.0	-	-	-	-	-
United Kingdom of Great Britain and Northern Ireland	6.398	5 438 300	-	5 438 300	-	-	-	100.0	-	-	-	-	-
United Republic of Tanzania	0.006	5 100	5 100	5 100	-	-	-	100.0	-	-	-	-	-
United States of America	25.000	21 250 000	21 000 000	21 000 000	-	-	-	98.8	-	-	-	-	-
Uruguay	0.026	22 100	22 100	22 100	-	-	-	100.0	-	-	-	-	-
Uzbekistan	0.008	6 800	-	6 800	-	-	-	100.0	-	-	-	-	-
Venezuela, Bolivarian Republic of	0.193	164 050	-	-	-	-	-	0.0	-	-	-	-	-
Vietnam	0.023	19 550	19 550	19 550	-	-	-	100.0	-	-	-	-	-
Yemen	0.007	5 950	-	-	-	-	-	0.0	-	-	-	-	-
Zambia	0.001	850	850	850	-	-	-	100.0	-	-	-	-	-
Zimbabwe	0.008	6 800	6 800	6 800	-	-	-	100.0	-	-	-	-	-
Sub-total	100.001	85 000 850	35 648 236	31 901 953	42 804 497	3 746 283	87.9	2 917 462	2 837 738	79 724	3 826 007	1 372 825	
Former Members:													
Democratic People's Republic of Korea ^{c/}	-	-	-	-	-	-	-	29 635	-	29 635	29 635	-	-
Yugoslavia ^{d/}	-	-	-	-	-	-	-	834 026	-	834 026	834 026	-	-
Sub-total	-	-	-	-	-	-	-	863 661	-	863 661	863 661	-	-
GRAND TOTAL	100.001	85 000 850	35 648 236	31 901 953	42 804 497	3 746 283	87.9	3 781 123	2 837 738	943 385	4 689 668	1 372 825	
Statements I and II (in euro)			27 928 590	25 077 669	31 847 944	2 850 921		2 685 982	1 968 066	717 916	3 568 837	1 044 720	

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

b/ Pledged/paid a contribution in 2010 relating to 2009: Mexico - \$437 553; Nepal - \$2550; Sierra Leone - \$850; relating to 2008: Sierra Leone - \$800; relating to 2007: Sierra Leone - \$800; relating to 2006: Sierra Leone - \$775.

c/ Cancelled pledge in 2010 relating to 2008: El Salvador - \$15 200.

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

e/ Following the approval for membership of the Federal Republic of Yugoslavia on 17 September 2001, the former Yugoslavia ceased to be a Member State. Its successors are Bosnia and Herzegovina, Croatia, Montenegro, Serbia Slovenia and The Former Yugoslav Republic of Macedonia.

SCHEDULE S9a

**TECHNICAL COOPERATION PROGRAMME
STATUS OF ASSESSED PROGRAMME COSTS
AS AT 31 DECEMBER 2010**

(expressed in United States dollars)

Recipients	1984-2002		
	Unpaid balance as at 1 January	Paid in 2010	Outstanding
Armenia a/	61 936	15 078	46 858
Bolivia	278 078	-	278 078
Côte d'Ivoire	52 053	-	52 053
Dominican Republic a/	204 612	-	204 612
El Salvador	13 146	-	13 146
Ghana a/	236 657	78 887	157 770
Guatemala a/	146 518	-	146 518
Iraq	56 145	-	56 145
Kyrgyzstan	9 021	-	9 021
Paraguay	74 259	-	74 259
Peru	456 388	13 944	442 444
Qatar	2 162	-	2 162
Romania	51 899	-	51 899
Sri Lanka	281 812	41 186	240 626
Tunisia a/	20 077	20 077	-
Uzbekistan a/	83 721	41 860	41 861
Sub-total	2 028 484	211 032	1 817 452
Former Members:			
Democratic People's Republic of Korea b/	39 712	-	39 712
Serbia and Montenegro c/	1 302	-	1 302
Outstanding arrears:			
Bosnia and Herzegovina, Croatia, Slovenia, The Former Yugoslav Republic of Macedonia, Serbia and Montenegro c/	381 410	-	381 410
TOTAL	2 450 908	211 032	2 239 876
Statements I and II (in euro)	1 863 489	158 943	1 704 546

a/ Payment plan agreements concluded with the Agency.

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

c/ 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 was provided to the former Yugoslavia.

SCHEDULE S9b

TECHNICAL COOPERATION PROGRAMME
STATUS OF NATIONAL PARTICIPATION COSTS
AS AT 31 DECEMBER 2010

(expressed in United States dollars)

Member	2010			2005-2009			Total paid in 2010	Total outstanding	Advance payments/credits for 2011
	Assessed	Paid in 2010	Outstanding	Unpaid balance as at 1 January	Paid in 2010	Outstanding			
Albania	(1 373)	(1 373)	-	1 373	1 373	-	-	-	-
Algeria	11 590	11 590	-	41 767	41 767	-	53 357	-	-
Argentina	8 535	8 535	-	-	-	-	8 535	-	-
Armenia	1 806	1 806	-	66 373	64 902	1 471	66 708	1 471	-
Azerbaijan	3 703	3 703	-	133	133	-	3 836	-	-
Belarus	1 348	1 348	-	51 654	51 654	-	53 002	-	-
Belize	-	-	-	368	-	368	-	368	-
Bolivia	333	333	-	22 660	22 660	-	22 993	-	1 537
Bosnia and Herzegovina	(13 827)	(13 827)	-	-	-	-	(13 827)	-	13 827
Botswana	662	-	662	-	-	-	-	662	-
Brazil	9 749	9 749	-	-	-	-	9 749	-	4 189
Bulgaria	3 896	3 896	-	-	-	-	3 896	-	-
Cameroon	6 034	1 257	4 777	42 577	6 882	35 695	8 139	40 472	-
Chile	5 477	5 477	-	-	-	-	5 477	-	-
China	(112)	(112)	-	1 200	1 200	-	1 088	-	112
Colombia	(1 999)	(1 999)	-	7 310	6 602	708	4 603	708	-
Costa Rica	1 266	1 266	-	-	-	-	1 266	-	-
Côte d'Ivoire	2 896	-	2 896	-	-	-	-	2 896	-
Croatia	3 287	3 287	-	-	-	-	3 287	-	-
Cuba	39 436	39 436	-	-	-	-	39 436	-	14 995
Cyprus	2 577	2 577	-	-	-	-	2 577	-	-
Czech Republic	223	223	-	22	22	-	245	-	-
Dominican Republic	45	-	45	21 745	-	21 745	-	21 790	-
Ecuador	23 089	22 177	912	18 361	201	18 160	22 378	19 072	-
Egypt	7 132	5 932	1 200	-	-	-	5 932	1 200	-
El Salvador	1 722	-	1 722	5 793	-	5 793	-	7 515	-
Estonia	1 520	1 520	-	-	-	-	1 520	-	-
Gabon	100	100	-	-	-	-	100	-	19 333
Georgia	1 476	1 476	-	-	-	-	1 476	-	-
Ghana	2 937	2 937	-	26 737	26 737	-	29 674	-	287

SCHEDULE S9b (continued)

Member	2010			2005-2009			Advance payments/credits for 2011
	Assessed	Paid in 2010	Outstanding	Unpaid balance as at 1 January	Paid in 2010	Outstanding	
Greece	(3 301)	(3 301)	-	-	-	(3 301)	3 301
Guatemala	1 806	-	1 806	8 473	-	-	-
Honduras	70	-	70	-	-	-	70
Hungary	(1 917)	(1 917)	-	1 107	1 107	(810)	4 560
Indonesia	699	699	-	-	-	699	-
Iran, Islamic Republic of	371	371	-	717	717	1 088	3
Iraq	2 197	-	2 197	992	-	-	3 189
Israel	49	-	49	-	-	-	49
Jamaica	-	-	-	22 822	5 561	5 561	-
Jordan	2 471	2 471	-	-	-	2 471	17 261
Kazakhstan	3 387	3 387	-	-	-	3 387	-
Kenya	11 996	11 996	-	-	-	11 996	-
Korea, Republic of	332	-	332	9 928	-	-	10 260
Kuwait	975	-	975	17 127	17 127	17 127	975
Kyrgyzstan	336	-	336	81 867	-	-	82 203
Latvia	-	-	-	-	-	-	756
Lebanon	879	-	879	-	-	-	879
Libyan Arab Jamahiriya	12 409	12 409	-	-	-	12 409	-
Lithuania	501	501	-	-	-	501	-
Malaysia	820	820	-	-	-	820	-
Mauritius	3 804	3 804	-	-	-	3 804	3 078
Mexico	(14 746)	(14 746)	-	31 131	31 131	16 385	-
Mongolia	-	-	-	-	-	-	154
Montenegro	-	-	-	44 789	6 232	6 232	38 557
Morocco	1 228	1 228	-	10 864	10 864	12 092	7 721
Namibia	2 759	2 759	-	-	-	2 759	-
Nicaragua	678	678	-	133	133	811	-
Nigeria	9 743	9 743	-	11 222	11 222	20 965	-
Oman	29 096	29 096	-	-	-	29 096	-
Pakistan	8 583	8 583	-	48 500	48 500	57 083	2 040
Panama	1 138	1 138	-	-	-	1 138	22 645
Paraguay	18 876	-	18 876	11 428	-	-	30 304
Peru	2 206	2 206	-	-	-	2 206	-
Philippines	84	84	-	-	-	84	-
Poland	9 461	4 248	5 213	11 281	-	4 248	16 494

SCHEDULE S9b (continued)

Member	2010		2005-2009			Advance payments/credits for 2011			
	Assessed	Paid in 2010	Outstanding	Unpaid balance as at 1 January	Paid in 2010		Outstanding	Total paid in 2010	Total outstanding
Portugal	5 018	-	5 018	-	-	-	-	5 018	
Qatar	51	-	51	-	-	-	-	51	
Republic of Moldova	988	988	-	55 447	-	988	988	55 447	
Romania	751	415	336	28 574	17 560	17 975	11 350	11 350	
Russian Federation	1 264	-	1 264	-	-	-	-	1 264	
Saudi Arabia	3 519	3 519	-	-	-	3 519	-	-	
Serbia, Republic of	18 057	18 057	-	-	-	18 057	-	6 708	
Seychelles	360	360	-	1 480	1 480	1 840	-	-	
Singapore	-	-	-	8 820	-	-	8 820	8 820	
Slovakia	840	840	-	-	-	840	-	8 063	
Slovenia	537	537	-	12	12	549	-	-	
South Africa	(9 096)	(9 096)	-	-	-	(9 096)	-	9 096	
Sri Lanka	(2 655)	(2 655)	-	-	-	(2 655)	-	2 655	
Syrian Arab Republic	5 793	5 793	-	45 832	45 832	51 625	-	-	
Tajikistan	1 564	1 564	-	-	-	1 564	-	25 883	
Thailand	(4 211)	(4 211)	-	-	-	(4 211)	-	4 211	
The Former Yugoslav Republic of Macedonia	404	-	404	-	-	-	404	-	
Tunisia	8 024	8 024	-	-	-	8 024	-	-	
Turkey	683	683	-	-	-	683	-	-	
Ukraine	1 081	1 081	-	50 745	50 745	51 826	-	-	
United Arab Emirates	6 112	6 112	-	63	63	6 175	-	-	
Uruguay	12 222	12 222	-	29 931	29 931	42 153	-	-	
Uzbekistan	30	-	30	16 054	-	-	16 054	16 084	
Venezuela, Bolivarian Republic of	(1 259)	(1 259)	-	-	-	(1 259)	-	1 259	
Vietnam	5 043	5 043	-	40 464	40 464	45 507	-	-	
Zimbabwe	6 887	6 887	-	-	-	6 887	-	-	
TOTAL	292 525	242 475	50 050	897 876	542 814	785 289	355 062	405 112	162 533
Statement I and II (in euro)	218 108	180 020	38 088	675 822	405 620	585 640	270 202	308 290	123 688

SCHEDULE S10

CURRENT ACCOUNTS AT BANKS
AS AT 31 DECEMBER 2010

Local currency	Amount in local currency	UN operational exchange rate	Euro equivalent
<u>Agency Funds</u>			
Australian dollars	91 685	1.296	70 763
Canadian dollars	194 042	1.314	147 666
Chinese yuan renminbi	7 455 775	8.712	855 784
Cuban pesos	972 335	1.314	739 947
Democratic People's Republic of Korea won	1 631 579	128.909	12 657
Euro	644 602	1.000	644 602
Indian rupees	8 899	59.529	149
Pakistani rupees	736 346	112.063	6 571
Polish zlotys	12 569	3.968	3 167
United Kingdom pounds	186 793	0.852	219 366
United States dollars	1 857 490	1.31406	1 413 550
TOTAL CURRENT ACCOUNTS AT BANKS			4 114 222

NOTE: The free use by the Agency of some currencies is legally or otherwise restricted. At year-end, the euro equivalent of these currencies is €1 608 388 based on the respective United Nations rate of exchange.

SCHEDULE S11

**DEPOSIT ACCOUNTS AT BANKS
AS AT 31 DECEMBER 2010**

Deposit	Interest rate p.a.	Maturity date	Amount in local currency	UN operational exchange rate	EUR equivalent
<u>Agency Funds</u>					
S.E. Banken London	0.24 %	2011-01-04	USD 5 000 000	0.761	3 805 000
Bank for International Settlements	0.22 %	2011-01-14	USD 7 000 000	0.761	5 327 000
BNP Paribas Paris	0.50 %	2011-01-14	EUR 10 900 000	1.000	10 900 000
Nordea Bank AB (Publ)	0.55 %	2011-01-14	USD 1 900 000	0.761	1 445 900
Nordea Bank AB (Publ)	0.55 %	2011-01-14	USD 12 000 000	0.761	9 132 000
Rabobank	0.22 %	2011-01-14	USD 3 100 000	0.761	2 359 100
Rabobank	0.22 %	2011-01-14	USD 1 000 000	0.761	761 000
Bank for International Settlements	0.32 %	2011-01-28	EUR 10 000 000	1.000	10 000 000
Bank of Tokyo-Mitsubishi London	0.50 %	2011-02-01	EUR 4 000 000	1.000	4 000 000
Bank of Tokyo-Mitsubishi London	0.50 %	2011-02-01	EUR 4 800 000	1.000	4 800 000
Barclays Bank	0.66 %	2011-02-01	EUR 15 200 000	1.000	15 200 000
Bank for International Settlements	0.22 %	2011-02-24	USD 9 000 000	0.761	6 849 000
Bank for International Settlements	0.20 %	2011-02-24	USD 4 150 000	0.761	3 158 150
Bank for International Settlements	0.20 %	2011-02-24	USD 4 000 000	0.761	3 044 000
Bank for International Settlements	0.21 %	2011-02-28	USD 13 000 000	0.761	9 893 000
Bank for International Settlements	0.21 %	2011-02-28	USD 2 000 000	0.761	1 522 000
Bank for International Settlements	0.51 %	2011-03-01	EUR 13 000 000	1.000	13 000 000
Bank for International Settlements	0.51 %	2011-03-01	EUR 3 200 000	1.000	3 200 000
Bank for International Settlements	0.37 %	2011-03-24	EUR 15 500 000	1.000	15 500 000
Bank for International Settlements	0.61 %	2011-04-15	EUR 5 400 000	1.000	5 400 000
JPMorgan Chase New York	0.40 %	Call	USD 38 495 504	0.761	29 295 078
TOTAL DEPOSIT ACCOUNTS					158 591 228

SCHEDULE S12

TRIPLE-A GOVERNMENT MONEY MARKET FUNDS (MMF) AND TREASURY BILLS

AS AT 31 DECEMBER 2010

Instrument	Interest rate p.a.	Maturity date	Amount in local currency a/	UN operational exchange rate	EUR equivalent
<u>Agency Funds</u>					
JPM Euro Government Liquidity Fund	%	MMF	EUR 48 310 000	1.000	48 310 000
US Treasury Bills	0.125 %	2011-03-10	US\$ 49 654 306	0.761	37 786 927
US Treasury Bills	0.135 %	2011-03-24	US\$ 17 493 569	0.761	13 312 606
US Treasury Bills	0.120 %	2011-03-31	US\$ 36 000 077	0.761	27 396 058
TOTAL DEPOSIT ACCOUNTS					126 805 591

a/ The amount for US Treasury Bills under this column represents the purchase price.

SCHEDULE S13

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

AS AT 31 DECEMBER 2010

(expressed in euro)

Fund Group	Cash in hand	Current and Deposit Accounts and other Cash Equivalents	Total
I Regular Budget Fund and Working Capital Fund	221 930	56 515 087	56 737 017
II Technical Cooperation Fund	-	48 482 228	48 482 228
III Extrabudgetary Programme Fund a/	-	132 923 679	132 923 679
IV Technical Cooperation Extrabudgetary Fund	-	47 919 596	47 919 596
VI Trust Funds, Reserve Funds and Special Funds	-	3 670 452	3 670 452
TOTAL (Statement II)	221 930	289 511 042	289 732 972

a/ Includes €41.6 million for the proposed IAEA Low Enriched Uranium (LEU) bank which was approved by the Board of Governors in December 2010 (GOV/2010/70).

PART IV

Notes to the Financial Statements

A. Statement of the Agency's objectives

1. The International Atomic Energy Agency (IAEA) is an autonomous intergovernmental organization founded in 1957 in accordance with a decision of the General Assembly of the United Nations. The IAEA is part of the United Nations Common System and the relationship with the United Nations is regulated by the "Agreement Governing the Relationship between the United Nations and the International Atomic Energy Agency" which came into force on 14 November 1957. Its statutory mandate is to seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world and to ensure, so far as it is able, that assistance provided by it or at its request or under its supervision or control is not used in such a way as to further any military purpose.

B. Significant accounting policies

B.1. Basis of presentation

2. The financial statements of the Agency are presented in euro. They reflect the application of the IAEA's financial regulations and rules and they comply with the United Nations System Accounting Standards in all material respects.

3. It should be noted that resulting from the decision of the Board of Governors¹ the Agency is in the process of implementing the International Public Sector Accounting Standards (IPSAS). Full implementation is expected in 2011. All accounting policies will be affected one way or another. The most material effects will be in fixed assets recognition (Notes B.10 and R), liability recognition (Notes V and W), expenditure recognition (Note B.6) and contributions in kind (Notes B.12 and Q).

4. For the preparation of the Agency's consolidated financial statements, those funds that are US dollar denominated funds are translated into euro. The methodology used for this translation is described in Note B.2 below.

¹ Document GOV/2007/10 approved by the Board of Governors at its meetings held on 14 June and 9 July 2007, (GOV/OR.1188, paras 135, 136; GOV/OR.1189, paras 16, 17).

B.2. Translation and conversion of currencies

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

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

B.3. Fund grouping

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

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

B.4. Income recognition

B.4.1. Fund group I

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

B.4.2. Fund group II

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

B.4.3. Fund groups III, IV and VI

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

B.5. Cash management

15. In the financial statements cash balances are reported separately by Fund group. Amounts due between Funds or Fund groups are settled by adjusting the cash holdings for each Fund group. Interest income is recorded to the relevant Fund group.

B.6. Expenditure recognition

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

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

B.7. Split appropriation/assessment system

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

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

B.8. Transactions in foreign currencies

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

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

B.8.1. Fund groups I and II

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

B.8.2. Fund groups III, IV and VI

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

B.9. Cash surpluses/deficits and fund balances

22. 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.

23. For Fund groups II, III, IV and VI, Fund balances represent the net assets or liabilities of the Funds. These balances are carried forward to future periods.

B.10. Capital assets

24. 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.11. Uncollected assessments and contributions received in advance

25. 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.

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

B.12. Contributions in kind

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

B.13. Services without charge

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

C. Pension fund participation

29. 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.

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

D. Common Fund for Major Repairs and Replacements

31. 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.

32. As at 31 December 2010 the balance of the Fund, which is administered by UNIDO, was € 416 484 (2009: € 976 506).

E. Other/Miscellaneous income by major categories

	<u>2010</u>	<u>2009</u>
(a) Revenue producing activities		
Publications of the Agency-INIS	16 651	27 559
Publications of the Agency-Other	184 728	192 397
Laboratory income	264 081	198 386
Amounts recoverable from safeguards agreements	129 208	324 603
Total (Statement I)	<u>594 668</u>	<u>742 945</u>
(b) Jointly financed activities		
Data processing services	317 248	345 606
Printing services	997 674	979 741
Medical services	689 908	726 227
Other financial services	157 890	142 540
Radiation protection and monitoring services	106 861	105 129
Translation services	173 772	210 401
Nuclear Fusion journal	180 935	155 219
Laboratory services	352 788	216 660
Marine Environmental Laboratory Services	31 381	21 027
Joint housing services	40 236	-
Total (Statement I)	<u>3 048 693</u>	<u>2 902 550</u>

F. Expenditure (Statement I)

33. Total expenditure of €63 337 243 for the Technical Cooperation Fund excludes obligations amounting to €909 718 against future year project budgets (2009: €3 162 912).

G. Prior period adjustments

	<u>2010</u>	<u>2009</u>
(a) <u>Regular Budget Fund:</u>		
Excess / (shortfall) of assessment collection over previous year outstanding assessed contributions		
Total (Statement I)	<u>(562 751)</u>	<u>(1 403 861)</u>
(b) <u>Technical Cooperation Fund:</u>		
Pledges and adjustments to pledges related to prior years' programmes		
Total (Statement I)	<u>362 357</u>	<u>738 779</u>

H. Credits to Member States

34. Cash surpluses surrendered amounted to €27 287 (2009: €4 523 832) (Statement I). This comprises the 2008 cash surplus in the amount of €185 407 and prior years' cash surpluses in the amount of €41 880.

I. Reserves

I.1. Transfers to reserves

35. An amount of €4 100 000 was transferred to the Reserve for the Major Capital Investment Fund in 2010 in accordance with the Programme and Budget document GC(54)/2 dated August 2010 (Statement IV).

I.2. Transfers from reserves

36. An amount of €3 980 700 in the Reserve for the Major Capital Investment Fund was used to meet the expenditure incurred during 2010 under the Major Capital Investment Fund (Note - AB).

37. Net transfers during the year amounted to €19 300 (Statement I). The final balance of the reserve at the year end amounted to €1 252 300 (Statement II and Note - AB).

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

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

	Funds Available	Expenditure	Unused Balance
<u>Trust Fund</u>			
Research Institute Trust Fund (RITF)	1 141 395	299 911	841 484
Total 2010	1 141 395	299 911	841 484
<u>Reserve Fund</u>			
Equipment Replacement Fund	4 626 018	1 733 782	2 892 236
Total 2010	4 626 018	1 733 782	2 892 236
<u>Special Fund</u>			
IAEA Nobel Cancer and Nutrition Fund	71 722	45 419	26 303
Total 2010	71 722	45 419	26 303

K. Investment in Commissary

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

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

41. As at 31 December 2010 the investment in the Commissary by the IAEA was €808 879 (2009: €808 879) (Statement II).

L. Assessed contributions receivable

42. Assessments outstanding by budget years amount to:

Budget Year	2010	2009
1974-2002	4 547 819	4 873 495
2003	198 046	237 653
2004	187 020	223 854
2005	253 208	310 237
2006	265 003	323 592
2007	268 297	433 319
2008	242 052	4 521 022
2009	5 750 945	19 583 760
(Schedule S1)	11 712 390	30 506 932
2010 (Schedule S1)	25 543 220	-
Total (Statement II)	37 255 610	30 506 932

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

	2010	2009
Member States	7 656 085	5 677 904
United Nations, specialized agencies and other international organizations	4 408 739	1 375 768
Staff	4 981 587	2 937 367
Suppliers and contractors	881 981	434 993
Other accounts	1 046 901	3 649 790
Working Capital advances	291 621	3 717
Total (Statement II)	19 266 914	14 079 539

M.2. Technical Cooperation Fund

	<u>2010</u>	<u>2009</u>
Member States	135 346	124 259
United Nations, specialized agencies and other international organizations	116 306	415 449
Staff	74 350	348 730
Suppliers and contractors	949 262	189 794
Funds with agents	713 288	3 487 551
Total (Statement II)	<u>1 988 552</u>	<u>4 565 783</u>

N. Unliquidated Obligations - Regular Budget Fund

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

	<u>2010</u>	<u>2009</u>
Current year	27 998 733	28 389 160
Prior years	1 695 342	823 747
2004 Unobligated balances (RBF)	250 314	250 314
2008 Unobligated balances (RBF)	2 392 348	7 785 876
Major Capital Investment Fund (MCIF)	625 708	-
Phase II Security Enhancement	1 890 194	2 685 978
AIPS Project (ERP)	602 448	2 075 732
Total (Statement II)	<u>35 455 087</u>	<u>42 010 807</u>

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

	<u>2010</u>	<u>2009</u>
Staff	380 285	3 529 968
Other accounts	639 690	300 055
Suppliers and contractors	44 406	17 765
Total (Statement II)	<u>1 064 381</u>	<u>3 847 788</u>

O.2. Technical Cooperation Fund

	<u>2010</u>	<u>2009</u>
Staff	25 219	47 460
Other accounts	1 054	71 489
Suppliers and contractors	-	8 779
Total (Statement II)	<u>26 273</u>	<u>127 728</u>

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

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

	<u>2010</u>	<u>2009</u>
Regular Budget Fund	5 922 126	5 783 333
Total (Statement II)	<u>5 922 126</u>	<u>5 783 333</u>

44. The slight strengthening of the US dollar against the euro in 2010 led to a small increase in unrealized gains for the Regular Budget Fund in comparison with last year.

Q. Contributions in kind

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

	Thousands of euro					
	Member States		United Nations, international organizations and non-governmental sources		Totals	
	2010	2009	2010	2009	2010	2009
Fellowships	585	153	-	214	585	367
Equipment and supplies	1 864	1 066	1	1	1 865	1 067
Meetings and other items	1 390	1 404	-	-	1 390	1 404
Human resources	13 353	11 410	163	145	13 516	11 555
Total	17 192	14 033	164	360	17 356	14 393

45. 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

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

	Thousands of euro	
	2010	2009
Scientific and technical equipment	12 283	12 367
Computer equipment	761	795
Transportation equipment	147	176
Total	13 191	13 338

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

48. 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.

49. 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

50. At the end of 2010, there were seven appeals cases against the Agency with the Administrative Tribunal of International Labour Organisation (ILOAT) relating to various claims from staff members or former staff members. There are further six cases from staff members with the Joint Appeals Board. If these appeals are ultimately successful, it is estimated that the cost to the Agency would be approximately €1.7 million.

T. Support for Technical Cooperation

51. Technical cooperation support arises from three sources: (a) the budget of Major Programme 6, Management of Technical Cooperation for Development, (b) the cost of scientific and technical expertise in support of the Technical Cooperation Programme provided by the other technical departments and (c) indirect programme and administrative support that is extremely difficult to quantify.

52. In the Budget for 2010 (GC(53)/RES/6), the amount of the regular budget dedicated to support the Technical Cooperation Programme for 2010 was estimated to be €30 741 357. This figure covers items (a) and (b) in the preceding paragraph.

Description of major programme	Appropriations	Expenditure			Balance
	Adjusted /a	Disbursements	Unliquidated obligations	Total	
1. Nuclear Power, Fuel Cycle and Nuclear Science	2 915 632	2 280 975	-	2 280 975	634 657
2. Nuclear Techniques for Development and Environmental	5 770 808	4 974 310	30 895	5 005 205	765 603
3. Nuclear Safety and Security	3 990 186	3 547 438	-	3 547 438	442 748
5. Policy, Management and Administration Services	457 651	469 122	560	469 682	(12 031)
6. Management of Technical Cooperation for Development	17 607 080	16 657 059	378 061	17 035 120	571 960
TOTAL	30 741 357	27 928 904	409 516	28 338 420	2 402 937

a/ Revalued at the UN average rate of exchange of \$1.3248 to 1 euro.

U. Health Insurance Premium Reserve Fund

53. 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 2010 was €1 585 399. The fund is owned jointly by the Agency and the plan participants on the basis of their contributions.

V. Separation benefits

54. 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 2010 are estimated as follows:

		Thousands of euro	
		2010	2009
Repatriation	- grants	15 786	13 279
	- travel and household removal	11 273	9 866
Accrued annual leave		22 033	21 330
End-of-service allowances		21 296	21 850
Total		70 388	66 325

W. Post-retirement benefits

55. 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 € 185 644 (2009: € 953 379).

56. 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 2010 to carry out an actuarial valuation of post-retirement health insurance benefits for the period 2010. The valuation method used was the projected unit credit cost technique. The accrued liability is projected as at 31 December 2010 to be €106 million (2009: €169 million) based on a discount rate of 4.35% and medical cost increase of 3%/4.4%. The decrease in the accrued liability is due to a decrease in medical cost development from 6% (as disclosed in 2009) to 3%/4.4% for year 2010.

X. Nuclear Security Fund

	Thousands of euro	
	Income	Expenditure
Australia	-	130
Belgium	228	-
Canada	147	698
Czech Republic	-	(5)
Denmark	399	393
Estonia	4	-
European Commission	4 010	3 656
Finland	50	36
France	303	215
Germany	-	1
Ireland	-	68
Italy	90	9
Japan	281	129
Korea, Republic of	-	143
Netherlands	500	64
Norway	625	17
New Zealand	42	28
Pakistan	-	8
Qatar	-	328
Russian Federation	1 146	-
Spain	350	168
Sweden	(5)	57
United Kingdom	172	1 202
UNICRI	-	2
USA	8 048	6 650
Total	16 390	13 997

57. The figures above show the income and expenditures relating to the Nuclear Security Fund for the year 2010.

Y. Provision for Phase II Security Enhancement

58. The status of the Provision for Phase II Security Enhancements for the year 2010 is as follows:

	Opening balance	Adjustments	Funds Available	Expenditure	Closing balance
Provision for Phase II - Security Enhancement	57 810	4 472	62 282	-	62 282
Total 2010	57 810	4 472	62 282	-	62 282

Z. Provision for ERP (Enterprise Resource Planning) system implementation

	Opening balance	Additions	Funds Available	Expenditure	Closing balance
Enterprise Resource Planning	4 910 621	-	4 910 621	4 426 485	484 136
Total 2010	4 910 621	-	4 910 621	4 426 485	484 136

59. The closing balance disclosed represents the amount available as at 31 December 2010 to implement the Agency-wide Information System for Programme Support (AIPS).

AA. Programme support costs

	Opening balance	Income	Funds Available	Expenditure	Closing balance
Programme Support Costs	1 402 004	2 612 556	4 014 560	1 104 935	2 909 625
Total 2010	1 402 004	2 612 556	4 014 560	1 104 935	2 909 625

AB. The Major Capital Investment Fund (MCIF)

60. The Major Capital Investment Fund (MCIF) was established as a Reserve Fund by the Board of Governors, in accordance with Financial Regulations 4.06, to support major infrastructural investments (GOV/2009/1). The status of the fund at the end of the year is as follows:

	Reserve for MCIF	Capital Portion in the Regular Budget	Total
Resources:			
Opening balance 1 January 2010	11 133 000	102 200	11 235 200
New income transferred from the 2010 Operational Portion in the Regular Budget a/	4 100 000	-	4 100 000
Total Resources	15 233 000	102 200	15 335 200
Expenditure:			
Nuclear Techniques for Development and Environmental Protection	619 604	-	619 604
Nuclear Verification	279 363	-	279 363
Policy, Management and Administration Services	3 081 733	102 200	3 183 933
Total Expenditure	3 980 700	102 200	4 082 900
Unallocated Balance 31 December 2010	11 252 300	-	11 252 300

a/ In accordance with the Agency's Programme and Budget document GC(54)/2 dated August 2010, €4.1 million was transferred to the Major Capital Investment Fund to support major infrastructural investments.

PART V

ANNEXES

ANNEX A1

REGULAR BUDGET FUND

ESTIMATED AND ACTUAL RESOURCES FOR THE YEAR ENDED 31 DECEMBER 2010
(expressed in euro)

	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	298 432 802		298 432 802	272 889 582	25 543 220	298 432 802	-
Sub-total	298 432 802		298 432 802	272 889 582	25 543 220	298 432 802	
Difference, Actual/Average Exchange Rate	447 135		447 135				(447 135)
Total assessments and revaluation	298 879 937		298 879 937	272 889 582	25 543 220	298 432 802	(447 135)
Miscellaneous income							
(a) Reimbursable work for others (Appropriation 7)							
Data processing services	229 408		229 408	317 248	-	317 248	87 840
Printing services	894 793		894 793	808 915	188 759	997 674	102 881
Medical services	796 576		796 576	546 914	142 994	689 908	(106 668)
Radiation protection and monitoring services	104 235		104 235	106 861	-	106 861	2 626
Translation services	173 606		173 606	173 772	-	173 772	166
Nuclear Fusion Journal	144 655		144 655	180 935	-	180 935	36 280
Other Financial Services	84 950		84 950	157 890	-	157 890	72 940
Laboratory services	250 000		250 000	352 788	-	352 788	102 788
Marine Environmental Laboratory services	60 000		60 000	31 381	-	31 381	(28 619)
Joint housing services	-		-	29 629	10 607	40 236	40 236
Sub-total	2 738 223		2 738 223	2 706 333	342 360	3 048 693	310 470
(b) Attributable to specific programmes							
Publications of the Agency - INIS Products	20 000		20 000	16 651	-	16 651	(3 349)
Publications of the Agency - other	375 000		375 000	184 728	-	184 728	(190 272)
Laboratory income	200 000		200 000	264 081	-	264 081	64 081
Amounts recoverable under safeguards agreements	185 000		185 000	129 208	-	129 208	(55 792)
Other service income	2 000		2 000	-	-	-	(2 000)
Sub-total	782 000		782 000	594 668	-	594 668	(187 332)
(c) Not attributable to specific programmes							
Investment and interest income	760 768		760 768	451 668	-	451 668	(309 100)
Gain (Loss) on exchange of currencies	-		-	161 780	-	161 780	161 780
Other	466 448		466 448	(970 313)	-	(970 313)	(1 436 761)
Sub-total	1 227 216		1 227 216	(356 865)	-	(356 865)	(1 584 081)
Sub-total (b) and (c)	2 009 216		2 009 216	237 803	-	237 803	(1 771 413)
Sub-total (a), (b) and (c)	4 747 439		4 747 439	2 944 136	342 360	3 286 496	(1 460 943)
TOTAL ASSESSMENTS AND MISCELLANEOUS INCOME	303 627 376		303 627 376	275 833 718	25 885 580	301 719 298	(1 908 078)

a/ GC(53)RES/6

ANNEX A2

TECHNICAL COOPERATION FUND

ESTIMATED AND ACTUAL RESOURCES IN THE YEAR ENDED 31 DECEMBER 2010

(expressed in United States dollars)

	Current year	2009	2008	2007	2006	Prior Years	Total
I. Estimates							
Targets	85 000 850	85 000 000	80 000 000	80 000 000	77 500 000	77 500 000	485 000 850
Estimated other income	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	6 000 000
Total allocations	86 000 850 a/	86 000 000	81 000 000	81 000 000	78 500 000	78 500 000	491 000 850
II. Actuals							
1. Voluntary contributions received for 2010	74 706 450		-	-	-	-	74 706 450
2009	2 830 918	77 463 688					80 294 606
2008	3 200	1 082 251	75 800 617				76 886 068
2007	800	6 400	244 963	76 491 085			76 743 248
2006	775	4 251	48 050	1 328 177	72 100 543		73 481 796
2005	-	-	25 465	370 416	957 789	68 866 684	70 220 354
for prior years	2 045	43 962	70 888	12 510	362 375	3 083 934	3 575 714
Total	77 544 188	78 600 552	76 189 983	78 202 188	73 420 707	71 950 618	455 908 236
2. Assessed programme costs received	211 032	364 865	514 735	513 138	685 958	829 425	3 119 153
3. National participation costs received	785 289	4 314 593	790 565	3 295 529	795 009	3 368 463	13 349 448
4. Miscellaneous income	(189 818)	491 058	2 591 330	2 103 111	1 866 269	486 257	7 348 207
Total received	78 350 691	83 771 068	80 086 613	84 113 966	76 767 943	76 634 763	479 725 044
5. Resources outstanding							
Voluntary contributions pledged and unpaid	3 746 283	45 100	2 924	-	-	895 361	4 689 668 b/
Assessed programme costs	-	-	-	-	-	2 239 876	2 239 876 c/
National participation costs	50 050	231 679	37 855	51 825	3 445	30 258	405 112 d/
Total outstanding	3 796 333	276 779	40 779	51 825	3 445	3 165 495	7 334 656
Total actual resources	82 147 024	84 047 847	80 127 392	84 165 791	76 771 388	79 800 258	487 059 700
III. Difference between actuals and estimates	(3 853 826)	(1 952 153)	(872 608)	3 165 791	(1 728 612)	1 300 258	(3 941 150)

a/ GC(53)/RES/7.

b/ Schedule S8.

c/ Schedule S9a.

d/ Schedule S9b.

ANNEX A3a

**RESOURCES MADE AVAILABLE TO THE AGENCY
BY MEMBER STATES FOR 2010 INCLUDING CONTRIBUTIONS IN CASH AND IN KIND**
(expressed in euro)

Member State	C A S H				I N K I N D a/ (Note Q)			
	T O T A L	Assessed contributions Schedule S1	Voluntary contributions (Technical Cooperation Fund)	Voluntary contributions and other extrabudgetary resources	Type II Fellowships	Equipment and supplies	Meetings and other items	Human resources
Afghanistan, Islamic Republic of	3 844	2 476	630	-	-	-	-	738
Albania	100 945	14 985	3 672	73 500	-	-	-	8 788
Algeria	398 226	203 710	48 302	42 001	-	-	-	104 213
Angola	22 674	7 454	15 220	-	-	-	-	-
Argentina	1 367 972	801 191	196 944	173 588	-	65	-	196 184
Armenia	22 389	5 036	1 297	-	-	-	-	16 056
Australia	6 608 924	5 193 377	1 086 898	-	-	1 127	-	327 522
Austria	3 141 664	2 577 071	508 003	-	-	2 678	-	53 912
Azerbaijan	17 903	12 544	-	-	-	-	-	5 359
Bahrain	118 089	95 760	-	-	-	-	6 392	15 937
Bangladesh	39 677	24 629	5 758	-	-	-	-	9 290
Belarus	78 526	47 200	11 192	-	-	-	-	20 134
Belgium	4 113 609	3 232 339	369 938	228 300	-	202	-	282 830
Belize	2 518	2 518	-	-	-	-	-	-
Benin	2 943	2 486	-	-	-	-	-	457
Bolivia	113 638	15 106	-	98 532	-	-	-	-
Bosnia and Herzegovina	19 569	14 906	3 749	-	-	-	-	914
Botswana	47 962	32 704	8 409	-	-	-	-	6 849
Brazil	2 939 305	2 160 039	538 074	32 259	-	160	-	208 773
Bulgaria	110 899	48 364	13 227	-	-	30	-	49 278
Burkina Faso	15 860	5 007	-	-	-	-	-	10 853
Burundi	2 486	2 486	-	-	-	-	-	-
Cambodia	2 486	2 486	-	-	-	-	-	-
Cameroon	62 454	22 660	5 822	31 004	-	-	-	2 968
Canada	11 354 347	8 625 306	1 872 060	197 342	6 849	578	-	652 212
Central African Republic	8 879	2 486	-	-	-	-	-	6 393
Chad	5 302	2 486	-	-	-	-	-	2 816
Chile	563 628	397 043	107 903	29 281	-	91	-	29 310
China	8 706 025	6 539 488	1 787 693	-	-	34 099	-	344 745
Colombia	349 704	250 156	43 200	49 800	-	-	-	6 548
Congo	10 071	2 994	-	-	-	-	-	7 077
Costa Rica	82 614	78 048	-	-	-	-	-	4 566
Côte d'Ivoire	51 113	22 656	5 822	8 385	-	-	-	14 250
Croatia	194 945	118 567	-	20 061	-	19	-	56 298
Cuba	199 921	130 919	31 470	-	15 473	-	-	22 059
Cyprus	156 812	128 004	26 525	-	-	-	-	2 283
Czech Republic	1 210 378	682 264	173 684	149 516	-	84	4 033	200 797
Democratic Republic of the Congo	11 160	7 455	2 007	1 698	-	-	-	-
Denmark	2 988 900	2 141 289	409 115	399 129	-	-	-	39 367
Dominican Republic	57 906	57 906	-	-	-	-	-	-

ANNEX A3a (continued)

Member State	C. A. S. H.					I. N. K. I. N. D. a/ (Note Q)			
	T O T A L	Assessed contributions Schedule SI	Voluntary contributions (Technical Cooperation Fund)	Voluntary contributions and other extrabudgetary resources	Type II Fellowships	Equipment and supplies	Meetings and other items	Human resources	
Ecuador	63 523	50 215	12 699	-	-	-	-	609	
Egypt	469 517	211 163	50 069	148 894	-	-	-	59 391	
El Salvador	48 596	47 835	-	-	-	-	-	761	
Eritrea	10 091	2 479	-	-	-	-	-	7 612	
Estonia	1 657 344	37 264	8 836	1 610 787	-	-	-	457	
Ethiopia	10 602	7 356	1 724	-	-	-	-	1 522	
Finland	2 324 362	1 645 445	329 547	77 752	-	308	11 415	259 895	
France	24 094 805	18 393 779	3 499 689	1 329 822	19 923	5 264	1 600	844 728	
Gabon	31 322	20 584	5 352	-	-	-	-	5 386	
Georgia	9 828	7 452	1 767	-	-	-	-	609	
Germany	31 398 073	24 931 846	4 122 587	1 654 159	1 014	2 291	6 392	679 784	
Ghana	37 669	10 070	2 587	91	-	-	-	24 921	
Greece	2 011 329	1 622 871	371 292	-	-	68	-	17 098	
Guatemala	82 427	78 048	-	-	-	-	-	4 379	
Haiti	4 995	4 995	-	-	-	-	-	-	
Holy See	4 952	3 006	1 946	-	-	-	-	-	
Honduras	12 488	12 488	-	-	-	-	-	-	
Hungary	963 507	593 614	146 816	71 975	-	2 347	-	148 755	
Iceland	142 534	109 095	21 848	-	-	-	-	11 591	
India	1 570 787	1 086 190	277 499	37 350	-	533	-	169 215	
Indonesia	600 163	388 673	97 890	7 430	-	-	-	106 170	
Iran, Islamic Republic of	827 490	435 557	-	239 642	-	19	-	152 272	
Iraq	51 157	35 195	9 056	-	-	-	-	6 906	
Ireland	1 582 371	1 299 997	242 128	10 109	-	42	-	30 095	
Israel	1 408 885	1 236 091	139 674	-	-	-	-	33 120	
Italy	18 480 454	15 012 874	3 081 226	100 000	-	278	-	286 076	
Jamaica	26 850	25 176	-	-	-	-	-	1 674	
Japan	69 161 425	49 439 936	10 712 565	7 423 333	-	670	-	1 584 921	
Jordan	119 500	27 597	6 947	55 563	-	-	-	29 393	
Kazakhstan	141 071	69 845	16 993	-	-	-	-	54 233	
Kenya	132 690	25 453	6 962	69 471	-	-	-	30 804	
Korea, Republic of	9 004 377	5 896 771	1 359 194	1 080 754	-	651	-	667 007	
Kuwait	777 019	533 140	110 224	103 950	-	-	6 392	23 313	
Kyrgyzstan	20 664	2 518	373	-	-	-	-	17 773	
Latvia	60 553	41 993	9 595	6 627	-	-	-	2 338	
Lebanon	95 365	82 988	3 805	-	-	-	-	8 572	
Lesotho	3 171	2 500	671	-	-	-	-	-	
Liberia	6 361	2 486	-	-	-	-	-	3 875	
Libyan Arab Jamahiriya	682 304	150 715	33 864	473 218	-	-	-	24 507	
Liechtenstein	35 644	30 000	5 644	-	-	-	-	-	

ANNEX A3a (continued)

Member State	C A S H				I N K I N D a/ (Note Q)			
	T O T A L	Assessed contributions Schedule SI	Voluntary contributions (Technical Cooperation Fund)	Voluntary contributions and other extrabudgetary resources	Type II Fellowships	Equipment and supplies	Meetings and other items	Human resources
Lithuania	137 962	75 257	19 859	(3 751)	-	-	-	46 597
Luxembourg	305 456	247 446	51 648	-	-	-	-	6 362
Madagascar	19 591	4 970	1 294	2 109	-	-	-	11 218
Malawi	17 211	2 485	647	14 079	-	-	-	-
Malaysia	623 648	464 160	111 063	7 620	1 903	38	-	38 864
Mali	10 441	2 489	647	-	-	-	-	7 305
Malta	50 293	40 583	9 710	-	-	-	-	-
Marshall Islands	2 531	2 531	-	-	-	-	-	-
Mauritania, Islamic Republic of	9 576	2 499	-	-	-	-	-	7 077
Mauritius	70 465	27 327	6 480	27 527	-	-	-	9 131
Mexico	5 665 112	5 565 579	-	-	1 522	46	-	97 965
Monaco	1 666 319	9 049	1 767	286 915	-	-	1 312 883	55 705
Mongolia	31 226	2 495	607	-	-	-	-	28 124
Montenegro	50 247	2 471	564	37 459	-	-	2 740	7 013
Morocco	159 849	100 488	25 262	-	865	-	-	33 234
Mozambique	2 463	2 463	-	-	-	-	-	-
Myanmar	16 269	12 317	3 038	-	-	-	-	914
Namibia	96 087	14 906	3 534	61 262	-	-	-	16 385
Nepal	7 455	7 455	-	-	-	-	-	-
Netherlands	7 355 697	5 466 634	1 094 848	673 504	-	148	-	120 563
New Zealand	848 116	741 054	-	64 002	-	-	-	43 060
Nicaragua	6 138	4 924	1 214	-	-	-	-	-
Niger	1 149 696	2 451	591	1 140 261	-	-	-	6 393
Nigeria	2 002 067	115 812	-	1 862 987	-	-	-	23 268
Norway	6 326 601	2 281 806	457 198	3 505 987	-	76	-	81 534
Oman	271 832	206 639	41 234	-	-	-	6 392	17 567
Pakistan	698 206	142 931	34 620	421 243	-	65	-	99 347
Palau	2 560	2 560	-	-	-	-	-	-
Panama	57 070	54 859	-	-	-	-	-	2 211
Paraguay	12 588	12 588	-	-	-	-	-	-
Peru	205 903	188 826	-	-	-	-	-	17 077
Philippines	258 283	188 133	50 686	-	-	-	-	19 464
Poland	1 683 568	1 199 900	284 511	135 905	-	19	-	63 233
Portugal	1 703 280	1 430 655	255 971	-	-	-	-	16 654
Qatar	279 393	249 847	-	-	-	-	9 589	19 957
Republic of Moldova	3 155	2 514	641	-	-	-	-	-
Romania	272 967	168 659	43 339	-	481	-	-	60 488
Russian Federation	9 387 856	3 488 403	604 990	4 770 906	1 775	133	2 283	519 366
Saudi Arabia	2 339 608	1 836 533	454 716	-	-	-	9 589	38 770
Senegal	46 406	9 940	2 587	-	-	-	-	33 879

ANNEX A3a (continued)

Member State	C A S H				I N K I N D a/ (Note Q)			
	TOTAL	Assessed contributions Schedule S1	Voluntary contributions (Technical Cooperation Fund)	Voluntary contributions and other extrabudgetary resources	Type II Fellowships	Equipment and supplies	Meetings and other items	Human resources
Serbia	8 223 758	49 888	12 138	8 151 000	-	-	-	10 732
Seychelles	6 230	5 052	1 178	-	-	-	-	-
Sierra Leone	10 831	2 486	669	1 055	-	-	-	6 621
Singapore	1 205 288	1 007 898	196 743	-	-	38	-	609
Slovakia	555 333	151 540	35 932	231 149	-	19	-	136 693
Slovenia	399 719	282 352	58 489	-	-	49	-	58 829
South Africa	1 110 064	695 950	194 226	-	-	-	-	219 888
Spain	12 038 586	8 747 970	907 661	1 910 585	113 836	259	-	358 275
Sri Lanka	244 827	37 772	8 861	196 976	-	-	-	1 218
Sudan	46 922	24 850	6 469	-	-	-	-	15 603
Sweden	4 147 007	3 187 452	711 409	18 076	-	2 602	6 849	220 619
Switzerland	4 452 819	3 533 675	696 871	21 207	21 307	704	-	179 055
Syrian Arab Republic	62 693	38 162	10 340	-	-	19	-	14 172
Tajikistan	8 167	2 501	592	-	-	-	-	5 074
Thailand	715 779	442 173	101 028	104 020	-	19	-	68 539
The Former Yugoslav Republic of Macedonia	16 581	12 586	3 234	-	-	-	-	761
Tunisia	136 491	76 360	20 885	10 874	-	-	-	28 372
Turkey	1 232 949	919 182	224 604	72 053	190	-	-	16 920
Uganda	21 655	7 534	2 088	1 052	-	-	-	10 981
Ukraine	432 957	107 950	27 303	158 000	-	-	-	139 704
United Arab Emirates	1 181 130	881 822	176 608	-	-	-	3 196	119 504
United Kingdom of Great Britain and Northern Ireland	24 115 868	19 306 933	3 768 743	566 677	3 805	2 622	-	467 088
United Republic of Tanzania	24 894	14 979	4 024	-	-	-	-	5 891
United States of America	135 078 167	76 514 720	17 031 000	37 699 027	396 761	1 805 508	-	1 631 151
Uruguay	91 215	67 211	17 923	-	-	-	-	6 081
Uzbekistan	37 804	19 956	4 855	-	-	-	-	12 993
Venezuela, Bolivarian Republic of	495 093	484 582	-	-	-	-	-	10 511
Vietnam	106 425	57 699	15 855	-	-	-	-	32 871
Yemen	132 069	17 406	-	114 359	-	-	-	304
Zambia	4 115	2 473	669	364	-	-	-	609
Zimbabwe	217 770	20 149	5 188	177 468	-	-	-	14 965
GRAND TOTAL	453 878 929	298 432 802	59 776 534	78 477 280	585 704	1 863 968	1 389 745	13 352 896

a/ Shown at actual cost where known, otherwise estimates provided by the Agency's technical 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 converted to euro at 31 December 2010 UNRROE.

b/ Pledged/paid a contribution in 2010 relating to 2009; Mexico - €303 224; Nepal - €1 767; Sierra Leone - €669; relating to 2008; Sierra Leone - €630; relating to 2007; Sierra Leone - €630; relating to 2006; Sierra Leone - €609.

ANNEX A3b

RESOURCES MADE AVAILABLE TO THE AGENCY
BY DONORS OTHER THAN MEMBER STATES FOR 2010 INCLUDING CONTRIBUTIONS IN CASH AND IN KIND

(expressed in euro)

	C A S H		I N K I N D (Note Q)			Human resources
	TOTAL	Voluntary contributions and other extrabudgetary resources	Type II Fellowships	Equipment and supplies	Meetings and other items	
Bureau International des Poids et Mesures (BIPM)	7 716	-	-	914	-	6 802
Commission of the European Communities (EC)	11 482 150	11 458 457	-	-	-	23 693
European Union (EU)	8 663	-	-	-	-	8 663
Food and Agriculture Organization of the United Nations (FAO)	1 233 648	1 230 606	-	-	-	3 042
Gulf Cooperation Council (GCC)	275 740	275 740	-	-	-	-
International Commission on Radiological Protection (ICRP)	3 011	-	-	-	-	3 011
International Commission on Radiation Units and Measurements (ICRU)	8 613	-	-	-	-	8 613
Nuclear Threat Initiative (NTI)	102 275	102 275	-	-	-	-
OPEC Fund for International Development	111 784	111 784	-	-	-	-
Organisation for Economic Co-operation and Development (OECD)	3 032	-	-	-	-	3 032
Regional Organization for the Protection of the Marine Environment	36 309	36 309	-	-	-	-
Roche African Research Foundation	986 841	986 841	-	-	-	-
United Nations (UN)	128 728	115 912	-	-	-	12 816
United Nations Development Programme (UNDP)	678 132	676 123	-	-	-	2 009
United Nations Environment Programme (UNEP)	138 578	138 578	-	-	-	-
United Nations Children's Fund (UNICEF)	2 143	-	-	-	-	2 143
United Nations Industrial Development Organization (UNIDO)	1 826	-	-	-	-	1 826
World Food Programme (WFP)	3 745	-	-	-	-	3 745
World Health Organization (WHO)	23 548	-	-	-	-	23 548
World Intellectual Property Organization (WIPO)	7 752	-	-	-	-	7 752
Other sources	199 531	147 305	-	-	-	52 226
TOTAL	15 443 765	15 279 930	-	914	-	162 921

ANNEX A3c

**RESOURCES MADE AVAILABLE TO THE AGENCY
BY MAJOR PROGRAMME FOR 2010 INCLUDING CONTRIBUTIONS IN CASH AND IN KIND**

(expressed in euro)

	CASH		I N K I N D (Note Q)		Human resources
	Voluntary contributions and other extrabudgetary resources a/	Type II fellowships	Equipment and supplies	Meetings and other items	
TOTAL					
Major Programme 1 - Nuclear Power, Fuel Cycle & Nuclear Science					
Overall Management, Coordination and Common Activities	918 810	-	-	-	-
Nuclear Power	5 792 949	481	-	29 832	2 009 920
Nuclear Fuel Cycle and Material Technologies	2 118 615	-	-	-	1 488 344
Capacity Building and Nuclear Knowledge Maintenance for Sustainable Energy Development	1 095 179	30 075	10 408	-	785 004
Nuclear Science	1 949 051	-	-	6 392	1 077 060
Total Major Programme 1	11 874 604	30 556	10 408	36 224	5 360 328
Major Programme 2 - Nuclear Techniques for Development and Environmental Protection					
Overall Management, Coordination and Common Activities and Management of the Coordinated Research Activities	857 271	-	-	-	9 776
Food and Agriculture	1 597 916	186 375	-	-	157 553
Human Health	2 959 446	287 956	12 556	26 143	314 280
Water Resources	23 759	6 991	-	-	16 768
Environment	2 054 010	31 703	400	1 305 461	130 375
Radioisotope Production and Radiation Technology	27 148	2 803	-	-	28 454
Total Major Programme 2	7 519 550	515 828	12 956	1 331 604	657 206
Major Programme 3 - Nuclear Safety and Security					
Enhancing the Global Nuclear Safety and Security Regime; Fostering Safety and Security Infrastructure and Improving Capacity Building; Strengthening Communication and Knowledge Management	5 386 636	-	-	-	2 791 245
Incident and Emergency Preparedness and Response	1 146 025	-	99 573	-	409 049
Safety of Nuclear Installations	8 335 823	-	-	2 283	69 953
Radiation and Transport Safety	2 594 836	28 854	-	-	2 116 212
Management of Radioactive Waste	2 790 832	10 466	174 436	-	1 199 732
Nuclear Security	15 310 722	-	95 216	19 634	92 808
Total Major Programme 3	35 564 874	39 320	369 225	21 917	6 678 999
Major Programme 4 - Nuclear Verification					
Overall Management, Coordination and Common Activities	99 776	-	-	-	-
Safeguards	17 058 277	-	-	-	472 014
Total Major Programme 4	17 158 053	16 686 039	-	-	472 014
Major Programme 5 - Policy, Management and Administration					
Policy, Management and Administration Services	3 354 166	-	1 472 293	-	192 136
Total Major Programme 5	3 354 166	1 689 737	1 472 293	-	192 136
Major Programme 6 - Management of Technical Cooperation for Development					
Management of the Technical Cooperation for Development	153 284	-	-	-	155 134
Total Major Programme 6	153 284	(1 850)	-	-	155 134
GRAND TOTAL	75 624 531	585 704	1 864 882	1 389 745	13 515 817

a/ Excludes Technical Cooperation Extrabudgetary Projects amounting to €35 488 827.

