The Agency's Financial Statements for 2024

IAEA
International Atomic Energy Agency
Atoms for Peace and Development

GC(69)/5

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THE AGENCY'S FINANCIAL STATEMENTS FOR 2024

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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 Financial Statements for 2024.

2. The Board has examined the report of the External Auditor and the report by the Director General on the financial statements, and also the financial statements themselves as well as the notes and annexes thereto (Parts I to V of GOV/2025/15) 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 financial statements for the year 2024 and of the report of the Board of Governors thereon [*].

[*] GC(69)/5

[1] INFCIRC/8/Rev.4

Sixty-ninth regular session

The Agency's Financial Statements For 2024

Contents

REPORT OF THE DIRECTOR GENERAL ON THE AGENCY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

1. I have the honour to present the financial statements of the International Atomic Energy Agency (hereafter IAEA or the Agency) for the year ended 31 December 2024. In accordance with the Financial Regulation 11.03 of the Agency, the financial statements are submitted with the report of the External Auditor that contains an unqualified opinion on the financial statements.

2. The IAEA is a not-for-profit autonomous intergovernmental organization established in 1957 in accordance with its Statute. It 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.

3. The Agency's statutory objective 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. To fulfil this statutory objective, the Agency manages its work under the following six Major Programmes:

- Nuclear Power, Fuel Cycle and Nuclear Science;
- Nuclear Techniques for Development and Environmental Protection;
- Nuclear Safety and Security;
- Nuclear Verification;
- Policy, Management and Administration Services; and
- Management of Technical Cooperation for Development.

4. The Agency carries out its mandate within a results-based framework ensuring effectiveness, accountability and transparency. This framework is supported by high quality financial reporting and management information. The comprehensive financial statements prepared under the International Public Sector Accounting Standards (IPSAS) are a key enabler to allow the Agency to deliver its mandate in an efficient manner.

Analysis of Financial Statements

5. The financial statements of the Agency have been prepared on the accrual basis in accordance with IPSAS. The budget, as well as the budgetary information contained in the financial statements, continues to be prepared on a modified cash basis. The Agency's functional currency is the euro.

6. Despite the challenging economic environment, the Agency continued to focus on the effective implementation of its programmatic activities. Within this context, the following are some of the highlights of the 2024 financial year:

Executive Summary

Financial Performance

Revenue

(i) Total revenue of €724.1 million decreased by €14.1 million (1.9%) mainly due to a decrease in voluntary monetary contributions of €31.9 million (11.4%), offset by the below increases.

(ii) Revenue from assessed contributions of €423.3 million increased by €8.4 million (2%), in line with the increase in the approved budget. The Regular Budget Fund (RBF) experienced a utilization rate of 98.2% in 2024.

(iii) Investment revenue of €33.6 million increased by €7.7 million (29.6%) due to higher interest earned on the Agency's financial holdings resulting from higher average interest rates.

Expenses

(iv) Total expenses of €747.8 million increased by €71.8 million (10.6%), as explained below.

(v) Salaries and employee benefits increased by €50.5 million (14.6%), primarily due to an increase in extrabudgetary (EB) funded posts, ICSC-mandated changes, annual leave and ASHI.

(vi) Travel expenses increased by €1.9 million (4.1%) due to higher air ticket costs in 2024.

(vii) Transfers to development counterparts increased by €3.8 million (4.0%) due to an exceptional year with the receipt and implementation of Technical Cooperation extrabudgetary contributions (TCEB) for projects in the areas of the special initiatives and added focus on the TCEB implementation.

(viii) Training expenses increased by €3.2 million (6.2%) mainly due to an increased number of training events in the Nuclear Security Training and Demonstration centre in Seibersdorf.

(ix) The decrease in revenue and increase in expenses resulted in a net deficit of €16.0 million, which is €72.8 million lower versus the net surplus in 2023.

Financial Position

(x) Total net assets increased by €23.5 million (3.8%), driven by the increase in total assets of €21.9 million offset by the decrease in total liabilities of €1.6 million. However, the net assets position of the Regular Budget Fund remained with a negative balance of €124.9 million, mainly due to the large After Service Health Insurance (ASHI) liability.

(xi) Cash, cash equivalents and investments increased by €29.1 million (3.2%), mainly driven by the increase in advance payments of assessed contributions of €13.3 million (17.9%).

(xii) Total outstanding contributions receivable for assessed and voluntary contributions decreased by €4.5 million (10%), primarily due to a decrease in the outstanding assessed contributions receivables as evidenced by the 97% collection rate of the 2024 assessed contributions and payments of prior year assessments.

(xiii) Total net book value of Property, Plant and Equipment (PP&E) increased by €15.7 million (5.3%). This increase is primarily related to the construction of the Flexible Modular Laboratory 2 (FML2), new greenhouses, and enhancement of the Dosimetry Laboratory under the Renovation of the Nuclear Applications Laboratories 2 (ReNuAL2) project.

(xiv) The net carrying value of Intangible Assets decreased by €3.0 million (6.9%) due to the amortization expense being higher than the additions during the year.

(xv) Employee benefit liabilities decreased by €21.4 million (4.2%) primarily as a result of a €29.1 million decrease in the After Service Health Insurance (ASHI) liability, mainly driven by changes in financial assumptions. The ASHI liability represents 46% of total liabilities.

Detailed analysis of Financial Performance

7. ***Table 1*** provides a summary of the Financial Performance by Fund for 2024

***Table 1**: Summary of Financial Performance by Fund for the year ended 31 December 2024*

	(expressed in millions of euro)								
	Regular Budget		**Technical Cooperation**		**Extrabudgetary**		**Other**		
	RBF & WCF	MCIF	TCF	TC-EB	EBF	LEU Bank	Trust Funds and Special Funds	*Inter-fund Elimination*	Total IAEA
Total Revenue from all sources a/	440.8	6.2	108.4	38.6	147.1	0.6	-	(17.6)	724.1
Total Expenses	475.8	5.1	112.4	30.1	141.2	0.7	(0.0)	(17.6)	747.8
Net gains/(losses) b/	4.4	(0.4)	3.5	(0.0)	(0.0)	0.2	-	-	7.7
Net surplus/(deficit)	**(30.6)**	**0.7**	**(0.5)**	**8.4**	**5.9**	**0.1**	**0.0**	**-**	**(16.0)**

a/ Includes assessed, voluntary and other contributions, revenue from exchange transactions and interest revenue
b/ Includes realized and unrealized foreign exchange gains/(losses) and gains/(losses) on sale or disposal of property, plant and equipment

Revenue analysis

8. ***Table 2*** shows the Agency's total revenue which decreased by €14.1 million from €738.2 million in 2023 to €724.1 million in 2024, mainly due to the decrease in revenue from total voluntary contributions by €34.3 million, as well as a decrease in revenue from exchange transactions by €0.2 million. The decrease was partially offset by an increase in revenue from assessed contributions of €8.4 million (2%), in line with the increase in the approved budget, an increase in revenue from NPC contributions of €4.3 million, and an increase in investment revenue of €7.7 million.

***Table 2**: Comparative Revenue Analysis*

Revenue	2024	2023	Change	Change (%)
	(expressed in millions of euro)			
Assessed contributions	423.3	414.9	8.4	2.0
Voluntary contributions	258.6	292.9	(34.3)	(11.7)
Other contributions	6.1	1.8	4.3	240.2
Revenue from exchange transactions	2.5	2.7	(0.2)	(7.4)
Investment revenue	33.6	25.9	7.7	29.8
Total Revenue	**724.1**	**738.2**	**(14.1)**	**(1.9)**

9. Voluntary contributions are comprised of contributions to the Technical Cooperation Fund (TCF) and monetary extrabudgetary contributions to both the Regular and Technical Cooperation Programmes. Voluntary contributions include €10.2 million of in-kind contributions (€12.6 million in 2023), primarily pertaining to the use of premises in Austria and Monaco, of which €7.5 million (€7.7 million in 2023) represents an in-kind contribution from the Government of Austria for the use of the Vienna International Centre (VIC). The decrease in voluntary in-kind contributions relates to a decrease in the value of donated equipment and inventories in 2024.

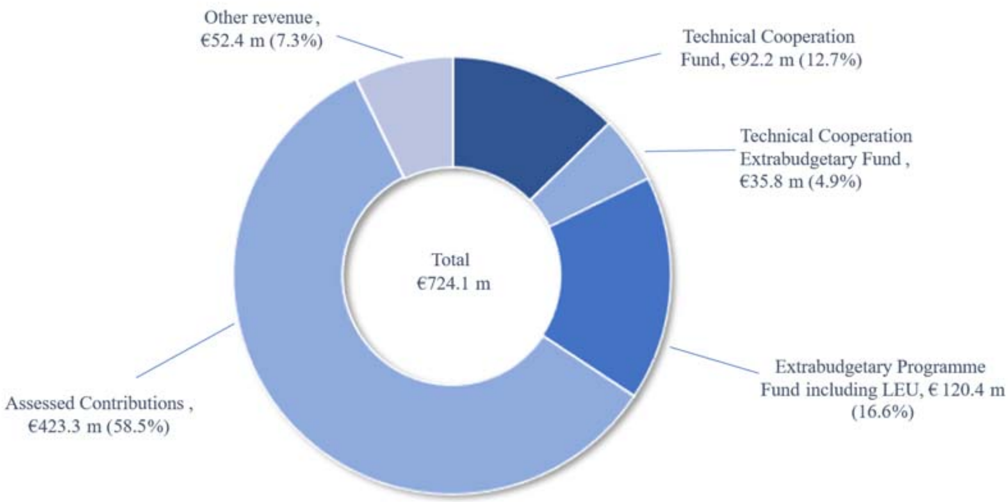
10. The decrease in voluntary contributions is primarily due to lower contributions received for the Nuclear Security Fund (NSF) (€4.2 million), ZODIAC (€0.5 million), ReNuAL2 (€2.9 million), Assistance to the Ukraine (€23.2 million), and Rays Of Hope (€10.6 million), partially offset by an increase in contributions received for Atoms4Food (€6.9 million) and NUTEC (€1.9 million).

11. The increase in other contributions reflects the fact that National Participation Costs (NPCs) are higher in the first year of the biennium.

12. Investment revenue increased by €7.7 million (29.6%) in 2024, primarily due to higher average interest earned on financial holdings compared to 2023. This was driven by rate increases from both the Federal Reserve (FED) and the European Central Bank (ECB) throughout most of 2024 as they aimed to achieve the target inflation rate of 2.0%.

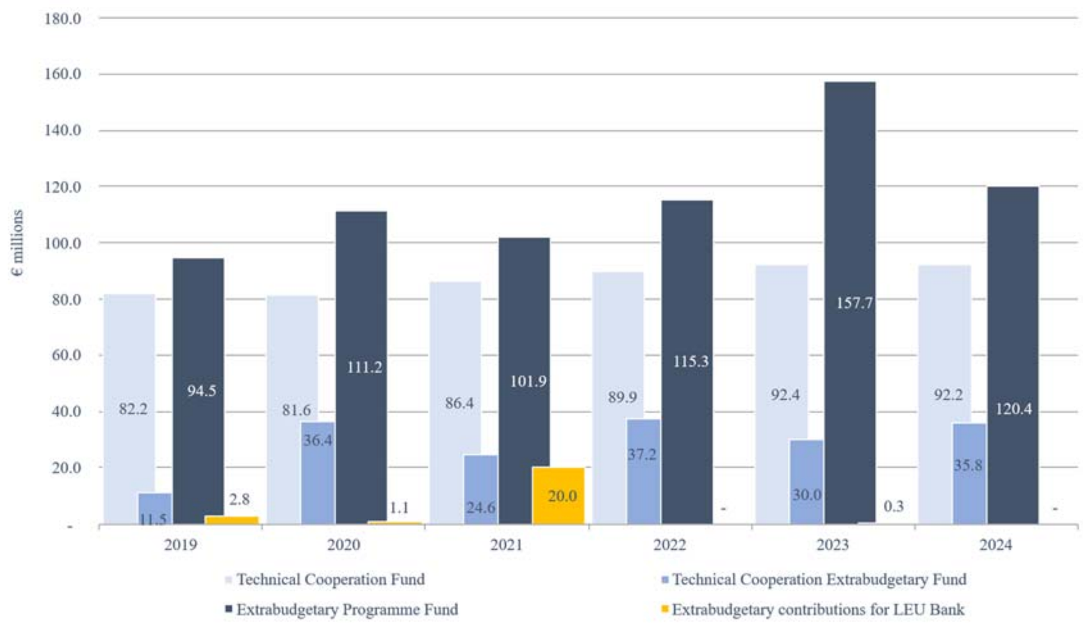
13. ***Figure 1*** below illustrates that most of the Agency's revenue continued to be derived from assessed contributions (€423.3 million) and monetary voluntary contributions (€248.4 million).

Figure 1: *Composition of revenue for the period ended 31 December 2024*



14. ***Figure 2*** shows the trend in monetary voluntary contributions. The overall decrease in revenue from such contributions, from €280.3 million in 2023 to €248.4 million in 2024, resulted mainly from a €37.3 million decrease in revenue of the Extrabudgetary Programme Fund, partially offset by a €5.8 million increase in the revenue of the Technical Cooperation Extrabudgetary Fund.

Figure 2: *Evolution of monetary voluntary contributions*



Expense analysis

15. Total expenses for 2024 of €747.8 million denote an increase of €71.8 million (10.6%) compared to 2023. The increase was experienced in the Regular Budget (€40.1 million), the Technical Cooperation Extrabudgetary Fund (€14.9 million) and the Extrabudgetary Programme Fund (€24.4 million), while there was a decrease in expenses in the Technical Cooperation Fund (€5.6 million).

***Figure 3**: Expense analysis, by nature of expense, for the period ended 31 December 2024*

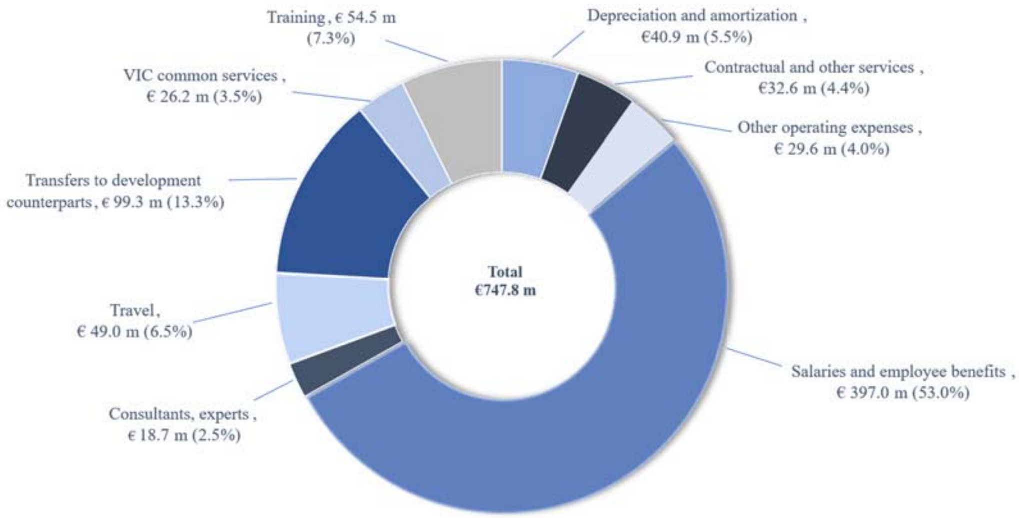


***Table 3**: Comparative Expense Analysis by nature of expense*

Expenses	2024	2023	Change	Change (%)
	(expressed in millions of euro)			
Salaries and employee benefits	397.0	346.5	50.5	14.6
Consultants, experts	18.7	17.1	1.6	9.4
Travel	49.0	47.1	1.9	4.0
Transfers to development counterparts	99.3	95.5	3.8	4.0
Vienna International Centre common services	26.2	25.8	0.4	1.6
Training	54.5	51.3	3.2	6.2
Depreciation and amortization	40.9	41.5	(0.6)	(1.4)
Contractual and other services	32.6	29.5	3.1	10.5
Other operating expenses	29.6	21.7	7.9	36.4
Total expenses	747.8	676.0	71.8	10.6

16. Salaries and employee benefits include the accrued costs of post-employment and other long-term employee benefits which better reflect the true cost of employing staff on an annual basis. In 2024, the increase of €50.5 million (14.6%) in total salaries and employee benefits was primarily due to an increase in extrabudgetary (EB) funded posts driven by the expanded implementation of EB funded activities, ICSC-mandated increases in General Service salary scale, pensionable remuneration scale, post adjustment multipliers for professional salaries, as well as a higher accrual of annual leave days. Furthermore, a one-time positive impact of €20.5 million in 2023, resulting from the implementation of cost containment measures related to ASHI, also contributed to higher expenses in 2024.

17. Consultancy expenses, which relate to costs to engage experts and translators, increased by €1.6 million (9.3%), and contractual and other services as well as other operating expenses have increased by €3.1 million (10.6%) and €7.9 million (36.2%) respectively.

18. Travel expenses have increased by €1.9 million (4.1%) in 2024, primarily due to higher air ticket costs in 2024.

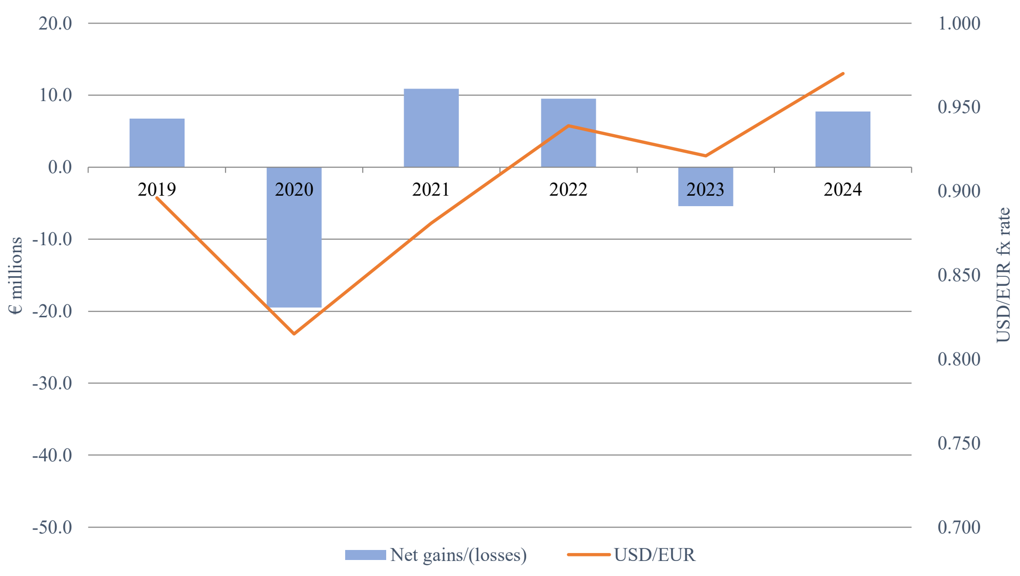
19. The increase in transfers to development counterparts of €3.8 million (4.0%) was due to an exceptional year with the receipt and implementation of TCEB for projects in the areas of the Special Initiatives and added focus on the TCEB implementation.

20. The increase in training expenses by €3.2 million (6.2%) was mainly due to an increased number of training events in the Nuclear Security Training and Demonstration centre in Seibersdorf.

Net surplus/(deficit) of the year

21. The overall net deficit in 2024 was €16.0 million, which was driven by expenses exceeding revenue by €23.7 million offset by a net gain of €7.7 million, primarily related to realized and unrealized foreign exchange gains in 2024, resulting from the US dollar appreciation against the euro.

***Figure 4**: Evolution of Net gains/(losses)*



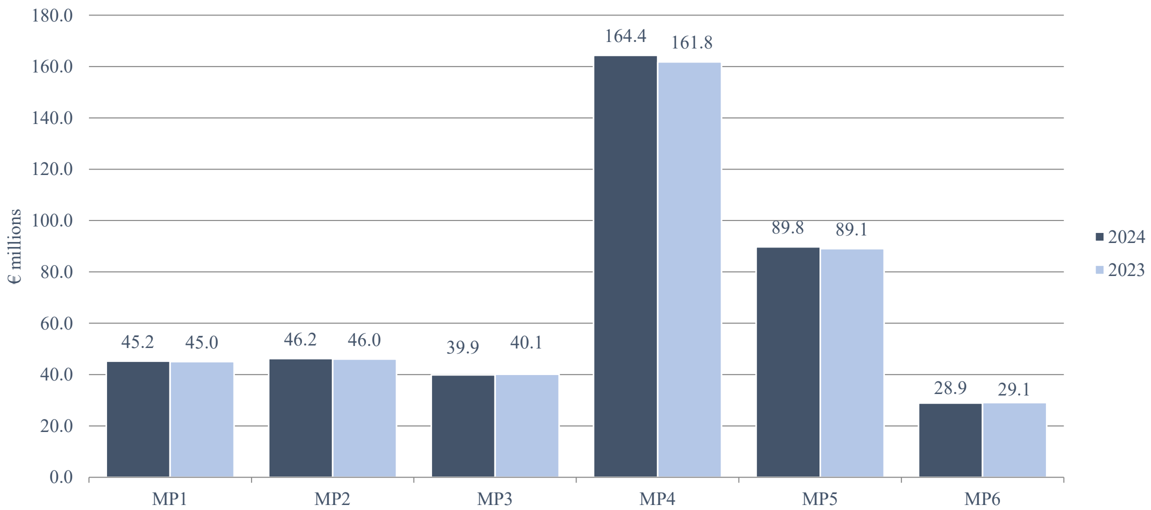
Budgetary performance

22. The Regular Budget of the Agency continues to be prepared on a modified cash basis and is presented in the financial statements as Statement V, Statement of Comparison of Budget and Actual Amounts. To facilitate a comparison between the budget and the financial statements, which are prepared on an accrual basis under IPSAS, reconciliation of the budget to the Cash Flow Statement is included in Note 39b to the financial statements.

23. The original operational portion of the Regular Budget appropriation for 2024 was approved for €430.0 million (€419.3 million in 2023) at an exchange rate of €1 = US $1. The final budget for the operational portion of the Regular Budget appropriation for 2024 was recalculated as €425.4 million using the UN average operational rate of exchange of €0.923 to US $1. There were no changes between the original capital portion of the Regular Budget appropriation and the final budget for 2024. As shown in Note 39a to the financial statements, there were no movements between Major Programmes of the Regular Budget appropriations.

24. Total operational Regular Budget expenditures were €418.1 million including €3.8 million reimbursable work for others. In 2023, these expenditures were €415.5 million.

__Figure 5__: Comparative analysis of Regular Budget operational portion expenditures by Major Programme



25. The overall utilization rate of the operational portion of the Regular Budget in 2024 was 98.2% highlighting the high level of implementation of available resources.

Table 4: *Regular Budget operational portion- budgetary utilization rates by Major Programme (MP)*

Major Programme	Utilization Rate Operational Portion	
	2024	2023
MP1 – Nuclear Power, Fuel Cycle and Nuclear Science	97.9%	99.8%
MP2 – Nuclear Techniques for Development and Environmental Protection	98.0%	100.0%
MP3 – Nuclear Safety and Security	96.7%	99.4%
MP4 – Nuclear Verification	99.2%	100.0%
MP5 – Policy, Management and Administration Services	98.1%	100.0%
MP6 – Management of Technical Cooperation for Development	96.2%	99.9%
Total Agency	**98.2%**	**99.9%**

26. Expenditures for the capital portion of the Regular Budget were €2.0 million out of a total €6.1 million in 2024.

Detailed analysis of Financial Position

Cash, investments, and liquidity analysis

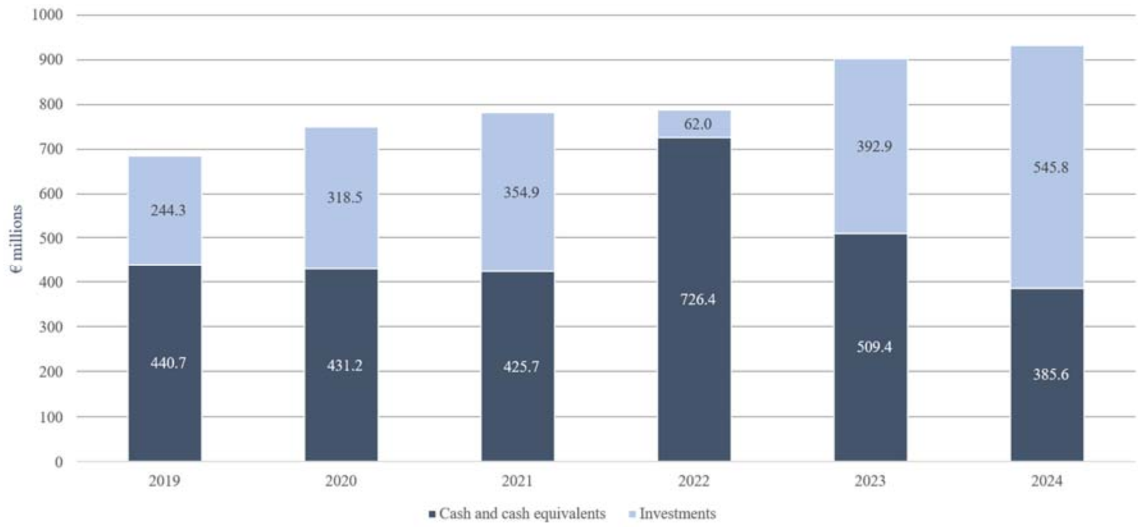
27. Cash, cash equivalents and investment balances increased by €29.1 million (3.2%) to €931.4 million as at 31 December 2024. The increase was mainly driven by the high collection of assessed contributions towards the end of the year as well as receipt of extrabudgetary contributions during the year.

28. The increase, which was experienced in the Regular Budget Fund, the Extrabudgetary Programme Fund and the Technical Cooperation Extrabudgetary Fund, was partially offset by a decrease in the Technical Cooperation Fund, extrabudgetary contributions related to LEU and Trust Funds.

29. As at the end of 2024, 87.0% of the total cash, cash equivalents and investments were denominated in euro while 12.9% were denominated in US dollars and 0.1% in other currencies. The increase of €7.7 million in the total investment revenue was primarily due to higher average interest earned on financial holdings compared to 2023.

30. *__Figure 6__* shows that in 2024, the Agency transferred its holdings from cash and cash equivalents to investments in order to position the portfolio to take advantage of higher rates in tenors longer than 3 months.

__Figure 6__: Evolution of cash, cash equivalents and investments



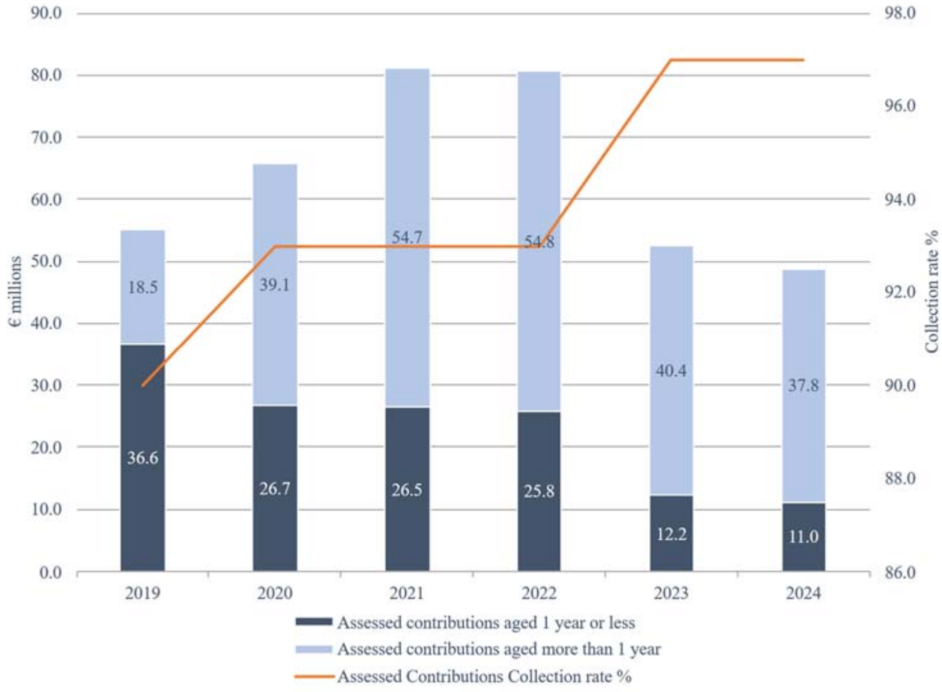
Accounts receivable

31. Total net receivables from non-exchange transactions decreased by €4.5 million to €40.4 million as at 31 December 2024. The main components of this balance are receivables from assessed contributions (€21.5 million), voluntary contributions (€18.1 million), and other receivables (€0.7 million).

32. The decrease experienced in net assessed contributions receivable in 2024 was mainly driven by payments of prior years' assessments. Although the Regular Budget assessed contributions receivable decreased, the total outstanding Regular Budget contributions from 2024 and prior years amounting to €48.8 million, represents 11.5% of the Regular Budget assessment for 2024.

33. Member States are reminded of the importance to the Agency's operations of paying their assessed contributions in full and on time, as this may pose liquidity risk to the Agency if not paid in a timely manner.

Figure 7: Outstanding Assessed contributions receivable and collection rate

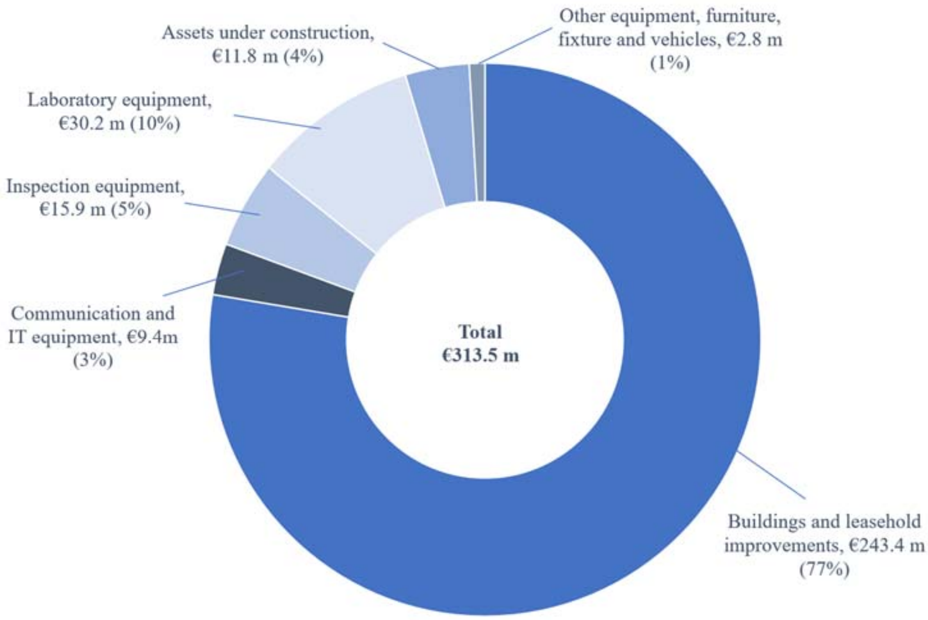


Long-term assets

Property, Plant and Equipment

34. ***Figure 8*** shows that Buildings and Leasehold Improvements continue to account for the largest component of the net book value of Property, Plant and Equipment (PP&E).

Figure 8: Composition of Property, Plant and Equipment as at 31 December 2024



35. The total net book value of PP&E increased by €15.7 million (5.3%). This was mainly due to the increase in the net book value of Laboratory Equipment, Inspection Equipment, Other Equipment, Furniture and Fixtures, and Buildings and Leasehold Improvements which was mainly attributable to the construction of the Flexible Modular Laboratory 2 (FML2), new greenhouses and enhancement of the Dosimetry Laboratory.

36. Additions to PP&E amounting to €26.5 million, representing 61.4% of total additions, relate to assets under construction, which include buildings within the scope of the ReNuAL2 project (€21.5 million) as well as Laboratory Equipment, Communication and IT Equipment, and Inspection Equipment pending installation or assembly (€3.9 million).

Intangible Assets

37. ***Table 5*** shows the net carrying amount of Intangible Assets, essentially software purchased or internally developed, as at 31 December 2024 amounting to €40.0 million.

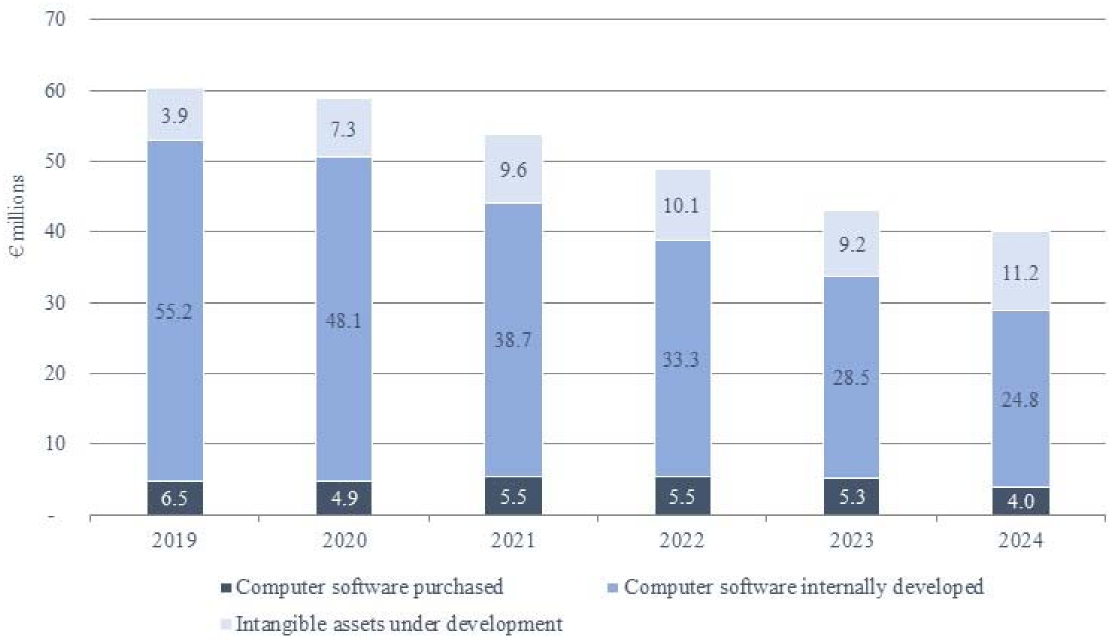
Table 5*: Comparative Analysis of Intangible Assets*

	(expressed in millions of euro)			
	2024	**2023**	**Change**	**%**
Intangible assets				
Computer software purchased	4.0	5.3	(1.3)	-25.0%
Computer software internally developed	24.8	28.5	(3.7)	-12.7%
Intangible assets under development	11.2	9.2	2.0	21.5%
Total Intangible Assets	**40.0**	**43.0**	**(3.0)**	**-6.9%**

38. The principal driver for the decrease of €3.0 million in the carrying value of Intangible Assets is the amortization expense, which more than offsets additions during the year. In 2024, total costs of €7.2 million were added to the value of internally developed software, of which €2.5 million relates to post-MOSAIC and €4.7 million relates to other internally developed software projects.

39. ***Figure 9*** shows that the amount of internally developed software decreased by €3.6 million in comparison to the past year, while the amount of intangible assets still under development increased by €2.0 million.

***Figure 9**: Evolution of the composition of Intangible Assets*



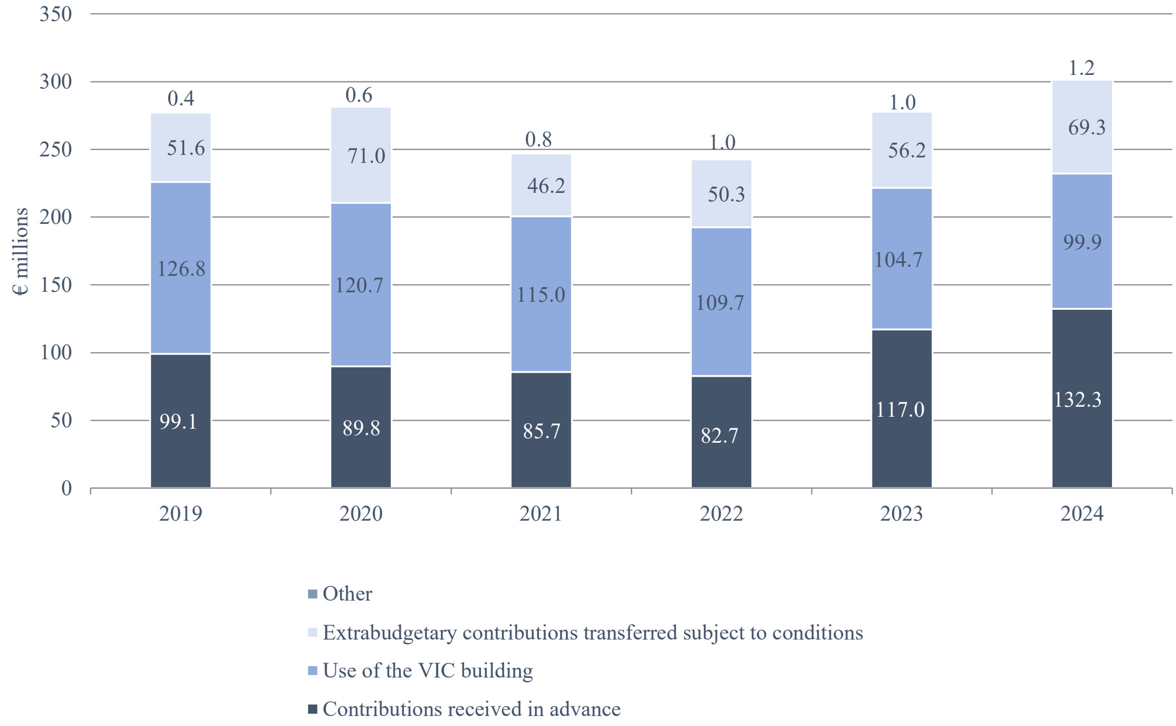
Deferred revenue

40. Since the first recognition of the VIC premises in 2015, the largest portion of deferred revenue relates to the donated right to use of these premises, whereby the Agency has the obligation of maintaining its Headquarters seat in Vienna and to occupy the VIC building until 2078 or return it to the Austrian Government. This obligation to maintain the Agency's Headquarters seat in Vienna is fulfilled by occupying the VIC over the remaining term of the agreement, and the deferred revenue is recognized annually in the Statement of Financial Performance.

41. Deferred revenue comprises two other major components. The larger of these two components is contributions received in advance, which relate to assessed contributions for 2025 paid in 2024 (€87.5 million), TCF and NPC contributions for 2025 paid in 2024 (€15.5 million and €0.2 million, respectively) and voluntary contributions received prior to the completion of formal acceptance by the Agency (€29.1 million). Total contributions received in advance increased by €15.3 million, primarily related to an increase in the Regular Budget assessed contributions and the Technical Cooperation Fund (TCF) contributions received in advance. The other deferred revenue component is contributions received subject to conditions, which amounted to €69.3 million in 2024, an increase from €56.2 million in 2023. These contributions will be recognized as revenue upon satisfaction of the related conditions in the respective agreements.

42. ***Figure 10*** shows a comparison of 2019 through 2024 year-end balances by category of deferred revenue.

***Figure 10**: Evolution of the composition of Deferred Revenue*

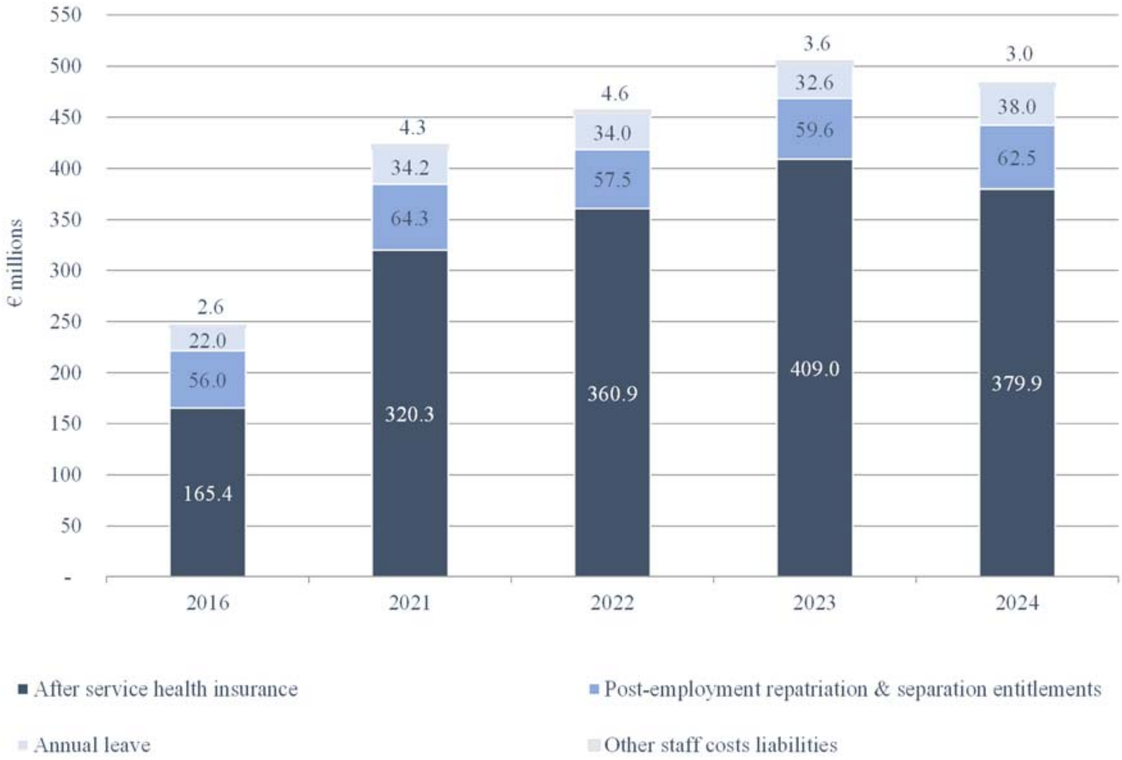


Employee benefits liabilities

43. Employee benefits liabilities consist of both current and non-current liabilities. ***Figure 11*** below shows that over the past years, liabilities related to After-Service Health Insurance (ASHI) have represented the largest component of the employee benefits liabilities, followed by post-employment repatriation and separation entitlements.

44. Furthermore, ***Figure 11*** shows that, overall, the employee benefits liabilities experienced a decrease of €21.4 million. This decrease was primarily due to the decrease of the ASHI liability of €29.1 million which was mainly driven by changes in financial assumptions such as the increase of the discount rate.

__Figure 11__: Evolution of the composition of the main employee benefits liabilities



45. The ASHI liability represents 46% of the total liabilities and remains for the most part unfunded, which is an ongoing matter of concern.

Net assets/equity

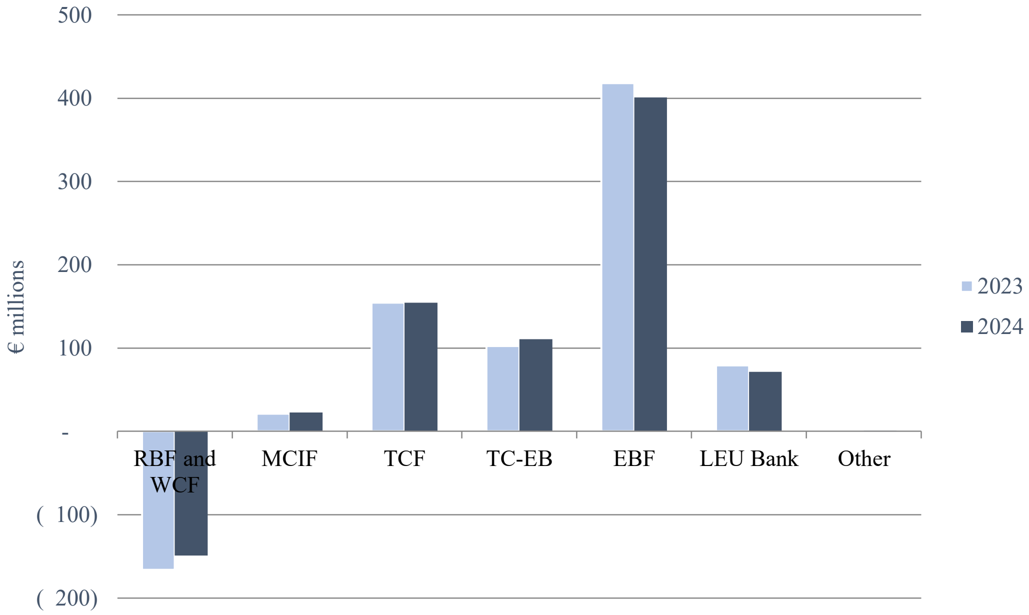
46. Net assets represent the difference between the Agency's assets and its liabilities, as illustrated in ***Figure 12*** below. In 2024, the Agency's net assets grew from €610.5 million to €634.0 million, primarily due to an increase in assets which more than offsets the increase in liabilities. Despite maintaining a healthy financial position overall and across all Funds, the Regular Budget Fund (RBF) reported a negative balance.

***Figure 12**: Evolution of Net Assets*

47. ***Figure 13*** shows the evolution of net assets by Fund. The main observations are as follows:

- The net assets of the Regular Budget Fund (RBF) increased by €41.2 million to a negative position of €124.9 million. The increase was primarily due to the decrease in the ASHI liability.
- The net assets of the Technical Cooperation Fund (TCF) decreased by €0.6 million to €153.9 million primarily resulting from the decrease in total assets.
- The net assets of the Technical Cooperation Extrabudgetary Fund (TC-EB) increased by €8.1 million to €110.6 million primarily as a result of the increase in cash, cash equivalent and investments.
- The net assets of the Extrabudgetary Programme Fund (EBF) decreased by €18.3 million to €399.7 million as a result of lower revenue from contributions in 2024.
- The net assets of the LEU Bank decreased by €7.7 million to €71.6 million, due to decrease in cash and cash equivalents in 2024 compared to 2023.

***Figure 13**: Evolution of the Net Assets by fund*



Risk management

48. The financial statements prepared under IPSAS provide details of how the Agency manages its financial risk, including credit risk, market risk (foreign currency exchange and interest rate) and liquidity risk. From an overall perspective, the Agency's investment management prioritizes capital preservation as its primary objective, ensuring sufficient liquidity to meet cash operating requirements, and secondly earning a competitive rate of return on its portfolio within these constraints.

Summary

49. The financial statements presented here show the Agency's overall financial health. The current challenging global economic environment affects the financial position and performance of the Agency as described above. While the Agency's overall financial health remains strong, the net asset position in the Regular Budget Fund continues to be negative, mainly driven by the Agency's unfunded long-term employee benefits liabilities.

(signed) RAFAEL MARIANO GROSSI
Director General

STATEMENT OF THE DIRECTOR GENERAL'S RESPONSIBILITIES AND CONFIRMATION OF THE FINANCIAL STATEMENTS WITH THE FINANCIAL REGULATIONS OF THE INTERNATIONAL ATOMIC ENERGY AGENCY AS AT 31 DECEMBER 2024

The Director General's responsibilities

The Director General is required by the Financial Regulations to maintain such accounting records as are necessary in accordance with the accounting standards generally in use throughout the United Nations system and to prepare annual financial statements. He is also required to give such other financial information as the Board may require or as he may deem necessary or useful.

In line with the Financial Regulations, the Agency prepares its financial statements in accordance with the International Public Sector Accounting Standards (IPSAS).

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 Financial Statements with the Financial Regulations

We hereby confirm that the following appended financial statements, comprising Statements I to VIIb, and supporting Notes, were properly prepared in accordance with Article XI of the Financial Regulations, with due regard to the International Public Sector Accounting Standards.

(signed) RAFAEL MARIANO GROSSI
Director General

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

10 March 2025

Part I

Audit Opinion

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

16 April 2025

Madam,

I have the honour to transmit the Financial Statements of the International Atomic Energy Agency for the year ended 31 December 2024 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 Financial Statements of the Agency for the year ended 31 December 2024.

Please accept the assurances of my highest consideration.

(signed)

K Sanjay Murthy

Comptroller and Auditor General of India
External Auditor

AUDIT OPINION

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF THE INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA) FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of the International Atomic Energy Agency (IAEA) which comprise the statement of financial position as at 31 December 2024, the statement of financial performance, the statement of changes in equity, the statement of cash flow, the statement of comparison of budget and actual amounts, statements of segment reporting by major programmes/ funds for the year then ended, as well as the notes to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of IAEA as at 31 December 2024, its financial performance, changes in net assets/equity, cash flow, comparison of budget and actual amounts, statements of segment reporting by major programmes/ funds for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are described in the section below entitled "Auditor's responsibilities for the audit of the financial statements". We are independent of IAEA in accordance with the ethical requirements relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and the auditor's report thereon

Management is responsible for the other information, which comprises the information included in the Director General's Report for the year ended 31 December 2024, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of IAEA to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the management intends either to liquidate IAEA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of IAEA.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control;

(b) Obtain an understanding of internal control relevant to the audit 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 internal control of IAEA;

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;

(d) Draw conclusions as to the appropriateness of the management's use of the going concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of IAEA to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify -our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the IAEA to cease to continue as a going concern;

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of IAEA that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the IAEA Financial Regulations.

In accordance with the Article XII of IAEA Financial Regulations, we have also issued a long-form report on our audit of the IAEA.

(signed)

K Sanjay Murthy
Comptroller and Auditor General of India
16 April 2025

Part II

Financial Statements

Financial Statements

Text of a Letter dated 10 March 2025 from the Director General to the External Auditor

Sir,

Pursuant to Financial Regulation 11.03(a), I have the honour to submit the financial statements of the International Atomic Energy Agency for the year ended 31 December 2024, which I hereby approve. The financial statements have been prepared and signed by the Director, Division of Budget and Finance, Department of Management.

Accept, Sir, the assurances of my highest consideration.

(signed) Rafael Mariano Grossi
Director General

STATEMENT I: STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(expressed in euro '000s)

	Note	31-12-2024	31-12-2023
ASSETS			
Current assets			
Cash and cash equivalents	4	385 639	509 360
Investments	5	545 758	392 913
Accounts receivable from non-exchange transactions	6, 7	38 186	41 784
Accounts receivable from exchange transactions	8	11 302	12 591
Advances and prepayments	9	31 058	36 310
Inventory	10	80 890	88 554
Total current assets		**1 092 833**	**1 081 512**
Non-current assets			
Accounts receivable from non-exchange transactions	6, 7	2 215	3 113
Advances and prepayments	9	6 298	7 571
Investment in common services entities	11	809	809
Property, plant & equipment	12	313 512	297 846
Intangible assets	13	40 047	43 008
Total non-current assets		**362 881**	**352 347**
TOTAL ASSETS		**1 455 714**	**1 433 859**
LIABILITIES			
Current liabilities			
Accounts payable	14	33 263	37 613
Deferred revenue	15	159 855	139 988
Employee benefit liabilities	16, 17	23 694	22 266
Other financial liabilities	18	238	167
Provisions	19	31	247
Total current liabilities		**217 081**	**200 281**
Non-current liabilities			
Deferred revenue	15	142 896	139 014
Employee benefit liabilities	16, 17	459 663	482 544
Other financial liabilities	18	304	304
Provisions	19	1 806	1 218
Total non-current liabilities		**604 669**	**623 080**
TOTAL LIABILITIES		**821 750**	**823 361**
NET ASSETS		**633 964**	**610 498**
Equity			
Fund balances	20, 21	636 632	654 969
Reserves	22	(2 668)	(44 471)
TOTAL EQUITY		**633 964**	**610 498**

The accompanying Notes are an integral part of these Statements.

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

STATEMENT II: STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31 December 2024
(expressed in euro '000s)

	Note	2024	2023
Revenue			
Assessed contributions	23	423 289	414 898
Voluntary contributions	24	258 615	292 870
Other contributions	25	6 124	1 787
Revenue from exchange transactions	26	2 465	2 718
Investment revenue	27	33 609	25 931
Total revenue		**724 102**	**738 204**
Expenses			
Salaries and employee benefits	28	397 044	346 532
Consultants, experts	29	18 716	17 118
Travel	30	49 023	47 106
Transfers to development counterparts	31	99 345	95 497
Vienna International Centre common services	32	26 227	25 846
Training	33	54 423	51 259
Depreciation and amortization	12, 13	40 909	41 517
Contractual and other services	34	32 573	29 455
Other operating expenses	35	29 575	21 719
Total expenses		**747 835**	**676 049**
Net gains/ (losses)	36	7 735	(5 355)
Net surplus/(deficit)		**(15 998)**	**56 800**
Expense analysis by Major Programme			
Nuclear Power, Fuel Cycle and Nuclear Science	38	81 699	78 008
Nuclear Techniques for Development and Environmental Protection	38	154 761	143 760
Nuclear Safety and Security	38	138 419	126 468
Nuclear Verification	38	214 106	198 255
Policy, Management and Administration a/	38	170 536	145 800
Shared Services and expenses not directly charged to major programmes	38	5 907	(903)
Eliminations	38	(17 593)	(15 339)
Total expenses by Major Programme		**747 835**	**676 049**

a/ Includes project management and technical assistance for the Technical Cooperation Programme.

The accompanying Notes are an integral part of these Statements.

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

STATEMENT III: STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024
(expressed in euro '000s)

	2024	2023
Equity at the beginning of the year	610 498	605 743
Actuarial gains/(losses) on employee benefit liabilities	48 550	(48 893)
Refunds/transfers of prior year voluntary contributions recognized directly in equity	(9 993)	(3 191)
Prior year adjustments	896	40
Health Insurance Reserve	14	-
Net revenue recognized directly in equity	39 467	(52 044)
Net surplus/(deficit) for the year	(15 998)	56 800
Increase/(decrease) in working capital fund from new Member States	(1)	1
Credits to Member States	(3)	(2)
Equity at the end of the year	**633 964**	**610 498**

The accompanying Notes are an integral part of these Statements.

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

STATEMENT IV: STATEMENT OF CASH FLOW
For the year ended 31 December 2024
(expressed in euro '000s)

	2024	2023
Cash flows from operating activities		
Net surplus/(deficit)	(15 998)	56 800
Refund of prior year voluntary contributions recognized in equity	(9 993)	(3 191)
Discount Amortization on Investment T-Bills	(4 756)	(1 156)
Prior year adjustments	896	40
Depreciation and amortization	40 909	41 517
Less amortization of deferred revenue on VIC depreciation	(6 073)	(6 275)
Impairment	100	1 291
Increase/(decrease) in allowance for undeliverable inventory in transit	(1 646)	(8 113)
Actuarial gains/(losses) on employee benefit liabilities	48 550	(48 893)
Increase/(decrease) in Impairment allowance	3 014	(22)
(Gains)/losses on disposal of PPE and Intangibles	(15)	(59)
Donated PPE and Inventory	(470)	(988)
Unrealized foreign-exchange (gains)/losses on cash, cash equivalents and investments	(5 275)	4 399
(Increase)/decrease in receivables	2 770	22 960
(Increase)/decrease in inventories	9 244	2 000
(Increase)/decrease in prepayments	6 525	3 664
Increase/(decrease) in deferred revenue	29 822	41 566
Increase/(decrease) in accounts payable	(4 349)	9 720
Increase/(decrease) in employee benefit liabilities	(21 453)	47 770
Increase/(decrease) in other liabilities and provisions	(144)	(183)
Health Insurance Reserve	14	-
Net cash flows from operating activities	**71 672**	**162 847**
Cash flows from investing activities		
Purchase or construction of PPE and intangibles	(52 575)	(45 734)
Investments	(147 213)	(329 654)
Net cash flows from investing activities	**(199 788)**	**(375 388)**
Cash flows from financing activities		
Increase/(decrease) in Working Capital Fund from new Member States	(1)	1
Credits to Member States	(3)	(2)
Net cash flows from financing activities	**(4)**	**(1)**
Net increase/(decrease) in cash and cash equivalents	(128 120)	(212 542)
Cash and cash equivalents at beginning of the period	509 360	726 360
Unrealized foreign-exchange gains/(losses) on cash and cash equivalents	4 399	(4 458)
Cash and cash equivalents and bank overdrafts at the end of the period	**385 639**	**509 360**

The accompanying Notes are an integral part of these Statements.

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

STATEMENT Va: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (REGULAR BUDGET FUND OPERATIONAL PORTION) a/

For the year ended 31 December 2024

(expressed in euro '000s)

	RB Current Year			
	Approved Budget	Final Budget	Actuals (Expenditure)	Variance
MP1-Nuclear Power, Fuel Cycle and Nuclear Science	46 710	46 171	45 197	974
MP2-Nuclear Techniques for Development and Environmental Protection	47 501	47 098	46 177	921
MP3-Nuclear Safety and Security	41 833	41 250	39 870	1 380
MP4-Nuclear Verification	167 730	165 749	164 366	1 383
MP5-Policy, Management and Administration Services	92 268	91 534	89 759	1 775
MP6-Management of Technical Cooperation for Development	30 406	30 072	28 922	1 150
Total Agency programmes	**426 448**	**421 874**	**414 291**	**7 583**
Reimbursable work for others	3 574	3 573	3 801	(228)
Total Regular Budget fund operational portion	**430 022**	**425 447**	**418 092**	**7 355**

a/ The accounting basis and the budget basis are different. This statement of Comparison of Budget and Actual amounts is prepared on the modified cash basis (further information is provided in Note 39).

The accompanying Notes are an integral part of these Statements.

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

STATEMENT Vb: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (REGULAR BUDGET FUND CAPITAL PORTION) a/

For the year ended 31 December 2024

(expressed in euro '000s)

	Approved Budget	Final Budget	Actuals (Expenditure)	Variance b/
MP2-Nuclear Techniques for Development	1 536	1 531	317	1 213
MP3-Nuclear Safety and Security	307	307	90	218
MP4-Nuclear Verification	717	717	-	717
MP5-Policy, Management and Administration Services	3 277	3 277	1 617	1 660
MP6-Management of Technical Cooperation and Development	307	307	-	307
Total Regular Budget fund capital portion	**6 144**	**6 139**	**2 024**	**4 114**

a/ The accounting basis and the budget basis are different. This statement of Comparison of Budget and Actual amounts is prepared on the modified cash basis (Note 39).

b/ Refer to Note 39c for a discussion of the variance between final budget and actuals.

The accompanying Notes are an integral part of these Statements.

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

STATEMENT VI: STATEMENT OF SEGMENT REPORTING BY MAJOR PROGRAMME
For the year ended 31 December 2024
(expressed in euro '000s)

	Nuclear Power, Fuel Cycle and Nuclear Science	Nuclear Techniques for Development and Environmental Protection	Nuclear Safety and Security	Nuclear Verification	Policy, Management and Administration Services a/	Expenses not Directly Charged to Major Programmes b/	Eliminations c/	Total
Expenses								
Salaries and employee benefits	41 833	35 237	68 520	147 768	102 547	1 139	-	397 044
Consultants, experts	3 423	4 183	5 469	872	4 769	-	-	18 716
Travel	8 873	9 325	17 039	11 526	2 260	-	-	49 023
Transfers to development counterparts	7 602	62 403	18 361	10	10 969	-	-	99 345
VIC common services	324	301	490	1 209	23 903	-	-	26 227
Training	11 495	20 016	15 199	2 482	5 231	-	-	54 423
Depreciation and amortization	1 737	5 480	3 217	22 772	7 703	-	-	40 909
Contractual and other services	1 442	5 852	1 448	16 023	7 778	30	-	32 573
Other operating expenses	4 970	11 964	8 676	11 444	5 376	4 738	(17 593)	29 575
Total expense	**81 699**	**154 761**	**138 419**	**214 106**	**170 536**	**5 907**	**(17 593)**	**747 835**
Assets								
Property, plant & equipment, and intangibles	**13 765**	**106 098**	**26 892**	**133 746**	**73 058**	**-**	**-**	**353 559**
Asset additions								
Property, plant & equipment, and intangibles	**1 051**	**26 472**	**4 688**	**16 393**	**5 049**	**-**	**-**	**53 653**

a/ Includes project management and technical assistance for the Technical Cooperation Programme.

b/ Expenses not directly charged to Major Programmes primarily include expenses tracked centrally pertaining to un-allocated shared services, reimbursable work for others, doubtful debt expenses, etc.

c/ Major Programme expenses are shown inclusive of allocated shared services costs and programme support costs. Eliminations column includes elimination of programme support costs and other transactions occurring between Major Programmes to reconcile to total expenses in the statement of financial performance.

The accompanying Notes are an integral part of these Statements.

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

COMPARATIVE STATEMENT VI: STATEMENT OF SEGMENT REPORTING BY MAJOR PROGRAMME

For the year ended 31 December 2023
(expressed in euro '000s)

	Nuclear Power, Fuel Cycle and Nuclear Science	Nuclear Techniques for Development and Environmental Protection	Nuclear Safety and Security	Nuclear Verification	Policy, Management and Administration Services a/	Expenses not Directly Charged to Major Programmes b/	Eliminations c/	Total
Expenses								
Salaries and employee benefits	38 971	32 545	55 365	132 761	88 099	(1 209)	-	346 532
Consultants, experts	3 129	4 165	5 279	785	3 760	-	-	17 118
Travel	8 348	8 434	17 671	10 492	2 161	-	-	47 106
Transfers to development counterparts	8 415	66 168	15 315	21	5 578	-	-	95 497
VIC common services	6	8	422	112	25 298	-	-	25 846
Training	11 504	18 491	14 963	2 666	3 635	-	-	51 259
Depreciation and amortization	1 642	5 057	2 821	23 410	8 587	-	-	41 517
Contractual and other services	1 047	2 093	1 172	12 142	12 953	48	-	29 455
Other operating expenses	4 946	6 799	13 460	15 866	(4 271)	258	(15 339)	21 719
Total expense	**78 008**	**143 760**	**126 468**	**198 255**	**145 800**	**(903)**	**(15 339)**	**676 049**
Assets								
Property, plant & equipment, and intangibles	**14 452**	**85 107**	**25 421**	**140 161**	**75 713**	**-**	**-**	**340 854**
Asset additions								
Property, plant & equipment, and intangibles	**1 598**	**17 302**	**5 404**	**16 407**	**6 113**	**-**	**-**	**46 824**

a/ Includes project management and technical assistance for the Technical Cooperation Programme.

b/ Expenses not directly charged to Major Programmes primarily include expenses tracked centrally pertaining to un-allocated shared services, reimbursable work for others, doubtful debt expenses, etc.

c/ Major Programme expenses are shown inclusive of allocated shared services costs and programme support costs. Eliminations column includes elimination of programme support costs and other transactions occurring between Major Programmes to reconcile to total expenses in the statement of financial performance.

The accompanying Notes are an integral part of these Statements.

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

STATEMENT VIIa: STATEMENT OF SEGMENT REPORTING BY FUND - FINANCIAL POSITION
As at 31 December 2024
(expressed in euro '000s)

	Regular Budget		Technical Cooperation		Extrabudgetary		Other	
	Regular Budget Fund and Working Capital Fund	Major Capital Investment Fund	Technical Cooperation Fund	Technical Cooperation Extrabudgetary Fund	Extrabudgetary Programme Fund	Low Enriched Uranium Bank	Trust Funds and Special Funds	Total
Assets								
Cash and cash equivalents	89 143	21 775	95 399	2 860	173 552	1 838	1 072	385 639
Investments	41 984	-	56 000	114 700	319 074	14 000	-	545 758
Accounts receivable	31 605	165	3 970	572	15 373	18	-	51 703
Advances and prepayments	32 811	721	1 905	34	1 196	686	3	37 356
Inventory	511	-	18 124	6 194	1 005	55 055	1	80 890
Property, plant & equipment	313 372	-	63	76	-	1	-	313 512
Intangible assets	40 024	-	-	23	-	-	-	40 047
Investment in common service entities	809	-	-	-	-	-	-	809
Total assets	**550 259**	**22 661**	**175 461**	**124 459**	**510 200**	**71 598**	**1 076**	**1 455 714**
Liabilities								
Accounts payable	16 149	337	10 018	2 763	3 990	4	2	33 263
Deferred revenue	188 598	-	15 743	8 636	89 774	-	-	302 751
Employee benefit liabilities	463 964	205	-	94	19 094	-	-	483 357
Other financial liabilities	5 833	-	(4 184)	2 327	(3 434)	-	-	542
Provisions	619	-	-	-	1 218	-	-	1 837
Total liabilities	**675 163**	**542**	**21 577**	**13 820**	**110 642**	**4**	**2**	**821 750**
Net assets	**(124 904)**	**22 119**	**153 884**	**110 639**	**399 558**	**71 594**	**1 074**	**633 964**
Equity								
Fund balances	(11 745)	20 865	98 427	90 034	366 521	71 501	1 029	636 632
Reserves	(113 159)	1 254	55 457	20 605	33 037	93	45	(2 668)
Total equity	**(124 904)**	**22 119**	**153 884**	**110 639**	**399 558**	**71 594**	**1 074**	**633 964**

The accompanying Notes are an integral part of these Statements.

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

COMPARATIVE STATEMENT VIIa: STATEMENT OF SEGMENT REPORTING BY FUND - FINANCIAL POSITION

As at 31 December 2023

(expressed in euro '000s)

	Regular Budget		Technical Cooperation		Extrabudgetary		Other	
	Regular Budget Fund and Working Capital Fund	Major Capital Investment Fund	Technical Cooperation Fund	Technical Cooperation Extrabudgetary Fund	Extrabudgetary Programme Fund	Low Enriched Uranium Bank	Trust Funds and Special Funds	Total
Assets								
Cash and cash equivalents	103 304	21 524	123 765	81 836	158 328	19 515	1 088	509 360
Investments	-	-	31 984	28 000	328 929	4 000	-	392 913
Accounts receivable	38 044	203	3 731	3 847	11 627	36	-	57 488
Advances and prepayments	32 071	962	1 512	22	8 640	667	7	43 881
Inventory	501	-	24 123	7 553	1 322	55 055	-	88 554
Property, plant & equipment	297 687	-	71	87	-	1	-	297 846
Intangible assets	43 008	-	-	-	-	-	-	43 008
Investment in common service entities	809	-	-	-	-	-	-	809
Total assets	**515 424**	**22 689**	**185 186**	**121 345**	**508 846**	**79 274**	**1 095**	**1 433 859**
Liabilities								
Accounts payable	14 266	951	12 539	4 871	4 925	1	60	37 613
Deferred revenue	179 932	-	19 365	11 498	68 207	-	-	279 002
Employee benefit liabilities	490 450	417	-	16	13 927	-	-	504 810
Other financial liabilities	(3 356)	-	(1 178)	2 459	2 546	-	-	471
Provisions	247	-	-	-	1 218	-	-	1 465
Total liabilities	**681 539**	**1 368**	**30 726**	**18 844**	**90 823**	**1**	**60**	**823 361**
Net assets	**(166 115)**	**21 321**	**154 460**	**102 501**	**418 023**	**79 273**	**1 035**	**610 498**
Equity								
Fund balances	(5 762)	16 419	105 319	82 600	376 131	79 243	1 019	654 969
Reserves	(160 353)	4 902	49 141	19 901	41 892	30	16	(44 471)
Total equity	**(166 115)**	**21 321**	**154 460**	**102 501**	**418 023**	**79 273**	**1 035**	**610 498**

The accompanying Notes are an integral part of these Statements.

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

STATEMENT VIIb: STATEMENT OF SEGMENT REPORTING BY FUND - FINANCIAL PERFORMANCE

For the year ended 31 December 2024

(expressed in euro '000s)

	Regular Budget		Technical Cooperation		Extrabudgetary		Other		
	Regular Budget Fund and Working Capital Fund	Major Capital Investment Fund	Technical Cooperation Fund	Technical Cooperation Extrabudgetary Fund	Extrabudgetary Programme Fund	Low Enriched Uranium Bank	Trust Funds and Special Funds	Elimination a/	Total
Revenue									
Assessed contributions	417 152	6 137	-	-	-	-	-	-	423 289
Voluntary monetary contributions	-	-	92 219	35 793	120 390	-	-	-	248 402
Voluntary in-kind contributions	10 213	-	-	-	-	-	-	-	10 213
Other contributions	1 836	-	4 288	-	-	-	-	-	6 124
Revenue from exchange transactions	2 403	-	45	12	5	-	-	-	2 465
Investment revenue	9 031	-	5 746	2 771	15 418	643	-	-	33 609
Internal revenue including programme support costs	213	-	6 126	-	11 254	-	-	(17 593)	-
Total revenue	**440 848**	**6 137**	**108 424**	**38 576**	**147 067**	**643**	**-**	**(17 593)**	**724 102**
Expenses									
Salaries and employee benefits	326 574	(29)	-	1 358	68 837	304	-	-	397 044
Consultants, experts	8 064	400	3 435	1 073	5 723	21	-	-	18 716
Travel	17 832	-	9 832	1 593	19 726	40	-	-	49 023
Transfers to development counterparts	6 004	-	63 839	17 964	11 556	27	(45)	-	99 345
VIC common services	24 344	1 580	10	152	141	-	-	-	26 227
Training	3 983	-	30 675	4 542	15 223	-	-	-	54 423
Depreciation and amortisation	40 891	-	7	11	-	-	-	-	40 909
Contractual and other services	27 336	1 060	41	81	4 010	39	6	-	32 573
Other operating expenses	20 769	2 103	4 677	3 358	16 019	243	(1)	(17 593)	29 575
Total expenses	**475 797**	**5 114**	**112 516**	**30 132**	**141 235**	**674**	**(40)**	**(17 593)**	**747 835**
Net gains/(losses)	4 369	(363)	3 599	(43)	(6)	178	1	-	7 735
Net surplus/(deficit)	**(30 580)**	**660**	**(493)**	**8 401**	**5 826**	**147**	**41**	**-**	**(15 998)**

a/ Fund expenses are shown inclusive of programme support costs and transactions occurring between funds. This column includes elimination of programme support costs and other transactions occurring between funds to reconcile to total expenses in the statement of financial performance.

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

COMPARATIVE STATEMENT VIIb: STATEMENT OF SEGMENT REPORTING BY FUND - FINANCIAL PERFORMANCE

For the year ended 31 December 2023
(expressed in euro '000s)

	Regular Budget		Technical Cooperation		Extrabudgetary		Other		
	Regular Budget Fund and Working Capital Fund	Major Capital Investment Fund	Technical Cooperation Fund	Technical Cooperation Extrabudgetary Fund	Extrabudgetary Programme Fund	Low Enriched Uranium Bank	Trust Funds and Special Funds	Elimination a/	Total
Revenue									
Assessed contributions	408 398	6 500	-	-	-	-	-	-	414 898
Voluntary monetary contributions	-	-	92 354	29 952	157 682	280	-	-	280 268
Voluntary in-kind contributions	12 602	-	-	-	-	-	-	-	12 602
Other contributions	1 682	-	105	-	-	-	-	-	1 787
Revenue from exchange transactions	2 677	-	38	-	3	-	-	-	2 718
Investment revenue	5 612	-	4 896	2 289	12 350	784	-	-	25 931
Internal revenue including programme supp	804	-	5 196	(2)	9 341	-	-	(15 339)	-
Total revenue	**431 775**	**6 500**	**102 589**	**32 239**	**179 376**	**1 064**	**-**	**(15 339)**	**738 204**
Expenses									
Salaries and employee benefits	292 697	108	-	338	53 089	300	-	-	346 532
Consultants, experts	6 698	361	3 537	730	5 783	9	-	-	17 118
Travel	16 325	-	10 236	1 485	19 038	22	-	-	47 106
Transfers to development counterparts	8 902	-	67 009	13 259	6 139	89	99	-	95 497
VIC common services	24 286	1 492	1	-	67	-	-	-	25 846
Training	3 010	31	31 863	4 284	12 071	-	-	-	51 259
Depreciation and amortisation	41 490	-	7	20	-	-	-	-	41 517
Contractual and other services	23 795	989	28	12	4 549	82	-	-	29 455
Other operating expenses	18 391	1 844	5 448	(4 882)	16 119	116	22	(15 339)	21 719
Total expenses	**435 594**	**4 825**	**118 129**	**15 246**	**116 855**	**618**	**121**	**(15 339)**	**676 049**
Net gains/(losses)	(1 043)	250	(2 123)	(193)	(1 980)	(266)	-	-	(5 355)
Net surplus/(deficit)	**(4 862)**	**1 925**	**(17 663)**	**16 800**	**60 541**	**180**	**(121)**	**-**	**56 800**

a/ Fund expenses are shown inclusive of programme support costs and transactions occurring between funds. This column includes elimination of programme support costs and other transactions occurring between funds to reconcile to total expenses in the statement of financial performance.

(signed) HELEN BRUNNER DE CASTRIS, CFO
Director, Division of Budget and Finance

Part III

Notes to the Financial Statements

Notes to the Financial Statements

NOTE 1: Reporting entity

1. The International Atomic Energy Agency (IAEA or the Agency) is a not-for-profit autonomous intergovernmental organization established in 1957 in accordance with its Statute. The Agency is a 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.

2. The Agency's statutory objective 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. To fulfil this statutory objective, the Agency manages its work under the following six Major Programmes:

- Nuclear Power, Fuel Cycle and Nuclear Science;
- Nuclear Techniques for Development and Environmental Protection;
- Nuclear Safety and Security;
- Nuclear Verification;
- Policy, Management and Administration Services; and
- Management of Technical Cooperation for Development.

3. The statements and related notes on segment reporting by Major Programme and by Fund provide further detail on how these core activities are managed and financed.

NOTE 2: Basis of preparation

4. These financial statements have been prepared on the accrual basis of accounting in accordance with the requirements of the International Public Sector Accounting Standards (IPSAS). The budget, as well as the budgetary information contained in the financial statements, continues to be prepared on a modified cash basis. Where IPSAS is silent concerning any specific matter, the appropriate International Financial Reporting Standard (IFRS) or International Accounting Standard (IAS) is applied.

5. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Accounting convention

6. The financial statements have been prepared using the historical cost convention.

Functional currency and translation of foreign currencies

Functional and presentation currency

7. The functional currency of the Agency (including all Fund groups) is the euro. The financial statements are presented in euros, and all values are rounded to the nearest thousand euros (euro ’000s) unless otherwise stated.

Transactions and balances

8. Foreign currency transactions are translated into euros using the United Nations Operational Rates of Exchange (UNORE). The UNORE are set once a month and revised mid-month if there are significant exchange rate fluctuations relating to individual currencies.

9. Monetary assets and liabilities denominated in foreign currencies are converted into euros at the UNORE year-end closing rate.

10. Realized and unrealized foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the conversion at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the Statement of Financial Performance.

Materiality and use of judgment and estimates

11. Materiality is central to the Agency’s financial statements. The Agency’s accounting materiality framework provides a systematic method to identify, analyse, evaluate, endorse and periodically review materiality decisions across a number of accounting areas.

12. The financial statements include amounts based on judgments, estimates and assumptions by management. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the period in which they become known. Significant judgment, estimates, and assumptions made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements include:

- Revenue recognition;
- Actuarial measurement of employee benefits;
- Selection of useful lives and the depreciation/amortization method for property, plant and equipment and intangible assets;
- Valuation of inventory;
- Impairment losses on assets;
- Classification of financial instruments; and
- Contingent assets and liabilities.

NOTE 3: Significant accounting policies

Financial instruments

13. Financial instruments are recognized when the Agency becomes a party to the contractual provisions of the instrument until such time as when the rights to receive cash flows from those assets have expired or have been transferred and the Agency has transferred substantially all the risks and rewards of ownership.

Classification and measurement

14. In line with the requirements of IPSAS 41 – Financial Instruments, the Agency classifies its financial assets based on its model for managing these assets and on their contractual cash-flow characteristics. Financial assets are classified as hold to collect cash flows - at amortized cost. Financial liabilities are classified at amortized cost.

Financial Instrument	Classification
Financial Assets	
Cash and Cash Equivalents	Hold to collect cash flows – Amortized Cost
Investments	Hold to collect cash flows – Amortized Cost
Assessed Contribution Receivables	Hold to collect cash flows – Amortized Cost
Voluntary Contribution Receivables[1]	Hold to collect cash flows – Amortized Cost
Other Receivables	Hold to collect cash flows – Amortized Cost
Financial Liabilities	
Accounts Payable and accrued liabilities	Amortized Cost
Other financial liabilities	Amortized Cost

Assets

Financial assets

15. Financial assets consist of cash and cash equivalents, investments, contributions, and other receivables. Financial assets maturing within one year of the reporting date are classified as current assets. Financial assets with a maturity date of more than one year after the reporting date are classified as non-current assets.

16. Financial assets are initially recognized at fair value, normally being the transaction price. The subsequent measurement of financial assets depends on their classification. The Agency classifies its financial assets at amortized cost based on the Agency's management model for the financial assets and the contractual cash flow characteristics of the financial assets. The Agency assesses impairment of its financial assets on a forward-looking expected credit loss basis.

[1] This includes Voluntary Contribution Receivables with and without conditions. The majority of the Agency's voluntary contributions are with conditions.

Cash, cash equivalents and investments

17. Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

18. Investments include term deposits, treasury bills and other discounted notes, all with original maturities greater than three months. As term deposits are purchased at face value, no discount amortization is required.

19. Cash, cash equivalents and investments are adjusted at each reporting date to reflect lifetime expected credit losses calculated using weighted long-term average default rates per the financial rating of the banking institutions in which they are held.

Receivables

20. Receivables relate to amounts owed to the Agency from Member States, donors, staff and others. They represent non-derivative financial assets. Receivables consist of receivables of assessed contributions, voluntary contributions and other receivables. Receivables are stated at amortized cost.

21. The forward-looking impairment model incorporates reasonable and supportable information that is available without undue cost or effort at the reporting date. The asset's carrying amount is reduced by the amount of the impairment lifetime loss which is recognised in the Statement of Financial Performance. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed through the Statement of Financial Performance.

Advances and prepayments

22. Advances and prepayments represent settlements of a debt or installment payment before its official due date. Advances and prepayments are recognized at their nominal value unless the effect of discounting is material.

Inventories

23. All goods (e.g. equipment, supplies and software) procured by the Agency or donated to it for transfer to recipient Member and non-Member States are recorded as project inventories. The transfer of these project inventories, also known as 'field procurement', takes place mostly under the Technical Cooperation Programme, but also directly within the technical departments in the framework of specific assistance programmes. Goods still under control of the Agency at the reporting date are included in project inventories in-transit to counterparts. In accordance with the Agreements in place with the Agency's counterparts, project inventories are de-recognized when they are received by the beneficiaries in the recipient country, which is considered the point at which the Agency transfers control over such inventories to the recipients. In order to reflect the fact that inventories that have been in transit for some time may not actually be delivered or may suffer damage or obsolescence, an allowance is recognized which is calculated as 50% of value for items in transit for over twelve months and 100% for over 24 months.

24. The Agency produces and holds publications and reference materials. These are not recognized as assets and the cost of producing each type of publication and reference material is expensed as incurred. This is due to the fact that the present value of the long-term service potential of these items, net of a required slow moving and obsolete inventory allowance, cannot be reliably determined in view of an indeterminable remaining holding period and the related risks of obsolescence.

25. The Agency holds a stock of Low Enriched Uranium (LEU) in the IAEA LEU Storage Facility. The IAEA LEU Bank is located at the Ulba Metallurgical Plant in Oskemen, Kazakhstan and is under the responsibility of the Kazakh appropriate authorities for safety, security and safeguards. This LEU inventory, which is stored in 60 cylinders, consists of two different enrichment assays: 4.95% and 1.6%. In the event that a Member State's supply of LEU is disrupted and cannot be restored by commercial means and that such Member State fulfils the eligibility criteria, the Member State can acquire LEU from the IAEA LEU Bank. The LEU inventory and cylinder costs consist of the acquisition price plus direct attributable costs required to bring the inventory to the storage facility.

26. Inventories are stated at fair value, measured as the lower of cost and either current replacement cost or net realizable value. Current replacement cost, which is used for inventories to be distributed to beneficiaries at no or nominal charge, is the cost the Agency would incur to acquire the asset on the reporting date. Net realizable value, which is used for inventories to be sold at broadly commercial terms or used by the Agency, is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. The LEU is valued at the lower of cost or net realizable value. Therefore, an allowance equivalent to the difference between the LEU spot prices at the end of each reporting period and the cost will be recognized in such cases where there is a decrease in the value.

27. Cost is determined using a weighted average cost formula unless the inventory items are unique in nature, in which case the specific identification method is used. The Agency utilizes a periodic system for the determination of inventories balances and respective inventory expense at the year end.

28. These policies apply to the Agency's major inventory categories as follows:

Inventory item	Valuation method	Cost formula
Project inventories in transit to counterparts	Lower of cost or current replacement cost	Specific identification method
Safeguards spare parts and maintenance materials	Lower of cost or net realizable value	Weighted average cost
Printing supplies	Lower of cost or net realizable value	Weighted average cost
Low Enriched Uranium and cylinders	Lower of cost or net realizable value	Weighted average cost

29. The Agency manages its Safeguards spare parts and maintenance materials inventory primarily in a centralized fashion. Inventories which are managed in central locations with a cost of €0.100 million or greater are recognized. Currently, such inventories are comprised of batteries and cables. Other minor inventory items centrally managed or held in decentralized locations are not capitalized due to the immateriality of such balances.

30. A charge for impairment is recorded in the Statement of Financial Performance in the year in which the inventory is determined to be impaired due to obsolescence or excess quantities relative to demand. In case of LEU, impairment losses can occur in case of any damage to the cylinders.

Property, plant and equipment

Measurement of costs at recognition

31. PP&E is considered non-cash generating assets and stated at historical cost less accumulated depreciation and any recognized impairment loss. For donated assets, the fair value as of the date of acquisition is utilized as a proxy for historical cost. Construction in progress assets are recorded at cost and will only begin to depreciate from the date they are available for use. Heritage assets are not recognized. PP&E items are capitalized in the financial statements if they have a cost equal to or greater than €3 000, except specific PP&E items of computer equipment and furniture which are considered group items and capitalized irrespective of costs.

32. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the Agency and the cost of the item can be measured reliably. Repairs and maintenance costs are charged as an expense in the Statement of Financial Performance during the financial period in which they are incurred.

Depreciation method and useful life

33. Depreciation is charged so as to allocate the cost of assets over their estimated useful lives using the straight-line method.

34. The estimated useful lives of PP&E for current and comparative periods are as follows and are subject to annual review and adjustment if expectations differ from previous estimates.

Asset Class	Useful Life (Years)
Communications and Information Technology Equipment	2 to 4
Vehicles	5
Furniture and Fixtures	12
Buildings	5 years (for prefabricated and containerized structures) and 15 to 100 years for others
Leasehold Buildings and Improvements	Shorter of lease term or useful life
Inspection Equipment	8
Laboratory Equipment	11
Other Equipment	5

Intangible assets

Measurement of costs at recognition

35. The Agency has applied IPSAS 31 Intangible Assets prospectively. As a result, intangible asset costs which were incurred before 1 January 2011 related to acquired or internally developed intangible assets have not been capitalized.

36. Intangible assets are carried at cost less accumulated amortization and any recognized impairment loss. For donated intangible assets, the fair value as of the date of acquisition is used as a proxy for cost. Capitalized intangible assets under development are recorded at cost and begin to be amortized once they are available for use. Intangible assets are capitalized in the financial statements if they have a cost equal to or greater than €3 000, except for internally developed software for which the capitalization threshold has been set at €25 000.

37. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the Agency and the cost of the item can be measured reliably. Maintenance costs are charged as an expense in the Statement of Financial Performance during the financial period in which they are incurred.

Amortization method and useful life

38. Amortization is provided on a straight-line basis on all intangible assets of finite life, at rates that will allocate the cost or value of the assets to their estimated useful lives. The estimated useful lives of major classes of intangible assets are subject to an annual review. Internally developed software generally has a useful life of 5 years; however, it has been determined that the Agency-wide Information System for Programme Support (AIPS), Integrated Review and Analysis Package (IRAP), and Next Generation Surveillance Review (NGSR) have a useful life of up to 12 years and projects developed under the Modernization of the Safeguards Information Technology (MOSAIC) project have a useful life of 8 years for current and comparative periods.

Asset Class	Useful Life (Years)
Software acquired separately	5
Software internally developed	5 to 12

Verification and impairment of assets

39. Asset verification is an internal control measure that ensures the existence, location and condition of the assets and supports the ongoing maintenance of assets within the Agency. The Agency has physical verification procedures to ensure that assets are accurately recorded in the asset register and reflected in the financial statements.

40. Assets that are subject to depreciation or amortization are reviewed annually for impairment to ensure that the carrying amount is still considered to be recoverable. Impairment occurs through complete loss, major damage or obsolescence. In case of complete loss, full impairment is recorded. In the case of major damage or obsolescence, impairment is recognized when the impairment exceeds €25 000. An impairment loss is recognized in the Statement of Financial Performance for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use. This impairment loss can be reversed in the subsequent periods if the recoverable service amount increases, to the extent of such increase, subject to a maximum of the impairment loss recognized.

Assets subject to restrictions

41. All of the Agency's financial assets and inventories are subject to restrictions such that they can only be utilized in support of the approved activities of the funds to which they were provided.

Additionally, the financial assets and inventories of the Technical Cooperation Extrabudgetary Fund, Extrabudgetary Programme Fund, Low Enriched Uranium (LEU) Bank and Trust Funds and Special Funds are further restricted to specific programmatic activities within these Funds. Statement VIIa shows the balances of these assets by Fund.

Leases

Finance leases

42. Leases of tangible assets, for which the Agency has substantially all the risks and rewards of ownership, are classified as finance leases.

Operating leases

43. Leases where the lessor retains a significant portion of the risks and rewards inherent in ownership are classified as operating leases. Payments due under operating leases are charged to the Statement of Financial Performance as an expense.

Liabilities

Financial liabilities

44. Financial liabilities include accounts payable, employee benefits liabilities, provisions and other financial liabilities.

45. All non-derivative financial liabilities are recognized initially at fair value, and subsequently measured at amortized cost using the effective interest method.

Accounts payable

46. Accounts payable are financial liabilities in respect of goods or services that have been received by the Agency, but not paid for. They are initially recognized at fair value and, when applicable, subsequently measured at amortized cost using the effective interest method. As the Agency’s accounts payable generally fall due within 12 months, the impact of discounting is immaterial, and nominal values are applied to initial recognition and subsequent measurement.

Other financial liabilities

47. Other financial liabilities primarily include unspent funds held for future refunds and other miscellaneous items such as unapplied cash receipts. They are designated similar to accounts payable and are recorded at nominal value as the impact of discounting is immaterial.

Employee benefits liabilities

48. The Agency recognizes the following categories of employee benefits:

- Short-term employee benefits;
- Post-employment benefits;
- Other long-term employee benefits; and
- Termination benefits.

Short-term employee benefits

49. Short-term employee benefits comprise of first-time employee benefits (assignment grants), regular monthly benefits (wages, salaries, allowances) and other short-term benefits (education grant, reimbursement of income taxes). Short-term employee benefits are expected to be settled within 12 months of the reporting date and are measured at their nominal values based on accrued entitlements at current rates of pay. These are treated as current liabilities. Certain other short-term employee benefits such as paid sick leave and maternity leave- are recognized as an expense as they occur.

Post-employment benefits

50. Post-employment benefits comprise of the Agency's contribution to the After-Service Health Insurance (ASHI) plan, repatriation grants and end-of-service allowances, along with separation-based travel and shipping costs. The liability recognized for these plans is the present value of the defined benefit obligations at the reporting date. The defined benefit obligations are calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality euro corporate bonds with maturity dates approximating those of the individual plans. Some elements of normally long-term benefits may be expected to be settled within 12 months of the reporting date and are therefore treated as current liabilities.

51. Actuarial gains or losses relating to ASHI and post-employment repatriation and separation obligations are accounted for using the 'reserve approach', i.e. they are recognized through net assets/equity in the Statement of Financial Position and in the Statement of Changes in Equity in the year in which they occur.

Other long-term employee benefits

52. Other long-term employee benefits are benefits that are due to be settled beyond 12 months such as annual leave and home leave. Annual leave and home leave benefits are calculated without the use of actuaries and are not discounted as the effect of discounting is not material. Long-term employee benefits are normally treated as non-current liabilities. Some elements of normally long--term benefits may be expected to be settled within 12 months of the reporting date and are therefore accounted for as current liabilities. Other long-term employee benefits are recognized immediately in the Statement of Financial Performance.

Termination benefits

53. Termination benefits are the benefits payable if the Agency terminates employment before the retirement date/contract expiry date. These are recognized when the Agency gives notice to an employee that the contract will be terminated early, or if termination relates to a number of staff, when a detailed plan for termination exists.

United Nations Joint Staff Pension Fund

54. 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 to employees. The Fund is a funded, multi-employer defined benefit plan. As specified in Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances

and other conditions of service of the United Nations and the specialized agencies. As of 31 December 2023, the Agency has 2 697 participants in the UNJSPF, which was 2% of overall 149 848 UNJSPF participants. The Agency is one of the 25 member organizations participating in the UNJSPF.

55. The Fund collectively exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. The Agency and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify the Agency's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, the Agency has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39 Employee Benefits. The Agency's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

Provisions

56. Provisions are recognized when the Agency has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date. This estimate is discounted where the effect of the time value of money is material.

Contingent liabilities and contingent assets

Contingent liabilities

57. Any possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency are disclosed.

Contingent assets

58. Any probable assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency are disclosed.

Equity

59. Components of Net Assets/Equity are disaggregated into Fund Balances, which represent accumulated surpluses and deficits, and Reserves. Reserves represent specific categories of net assets/equity with a potential future impact on Fund Balances. Examples of such reserves include a reserve for commitments, which represents purchase orders and service contracts that are not yet delivered as at end of the reporting period and reserves for actuarial gains/losses on employee benefits liabilities.

Revenue

Non-exchange revenue

Assessed contributions from Member States

60. Revenue from assessed contributions from Member States is recorded as of the first day of the year to which they relate. Assessed contributions received in advance of the year to which they relate are recorded as deferred revenue.

Voluntary contributions

61. Voluntary contribution agreements normally contain stipulations on the use of transferred resources by the Agency. Stipulations can be either restrictions or conditions. Restrictions limit or direct the purpose for which resources are used, while conditions require resources to be used as specified or returned to the transferor.

62. Voluntary contributions made to the Extrabudgetary Programme Fund, Low Enriched Uranium Extrabudgetary Programme Fund, Technical Cooperation Extrabudgetary Fund, and Trust Funds and Special Funds are generally restricted in their use.

63. Revenue from voluntary contributions is recognized upon the acceptance of a pledge, which constitutes a binding agreement, provided the contribution does not impose conditions on the Agency. Alternatively, revenue is recognized upon the signature of a binding Contribution Agreement between the Agency and the third-party donor. Revenue from voluntary contributions relating to the Technical Cooperation Fund is recognized at the later of the first day of the target year to which it relates or the date a binding pledge is received.

64. Voluntary contributions that include conditions on their use are initially treated as deferred revenue and recognized as revenue when the conditions are satisfied. Generally, the conditions are deemed satisfied upon approval of progress or final reports. Interest on such awards is recognized as it is earned unless the terms of the contribution would also require the return of such interest to the donor if the conditions are not met.

65. Refunds of voluntary contributions for which revenue was recognized in prior years are recorded as direct adjustment to equity.

National Participation Costs

66. National Participation Costs (NPCs) represent contributions from Member States related to the approved technical cooperation national programme for each Member State. As NPCs comprise only 5% of the approved technical cooperation national programme (including national projects, fellows and scientific visitors funded under regional or interregional activities), such contributions are considered non-exchange revenue. Revenue from NPCs is recognized when the projects comprising the technical cooperation national programme have been approved by the Technical Assistance and Cooperation Committee (TACC) of the Board of Governors and the amounts become due to the Agency, which is generally on 1 January following the TACC meeting in the preceding year. Since a majority of the projects are approved as of the first year of a biennium, NPCs revenue will generally be higher in that year compared to the second year of the biennium.

Goods and services in-kind contributions

Goods-in-kind

67. Goods that are donated to the Agency are recognized as revenue if the item value is worth €3 000 or more, with a corresponding increase in the appropriate asset, when such donations are received by the Agency. Revenue is recognized at fair value, measured as of the date the donated goods are recognized. Fair value is generally measured by reference to the price of the same or similar goods in an active market.

68. The Agency is provided with the use, under lease type arrangements with governments, of some of its land, buildings and facilities. The Agency's treatment of these arrangements is set out in the leases section previously described.

Services-in-kind

69. Services that are donated to the Agency are not recognized as revenue although disclosures related to the nature and types of these services are provided.

Exchange revenue

70. Revenue from the sale of goods is recognized when significant risk and rewards of ownership of the goods are transferred to the purchaser.

71. In case of supply of IAEA LEU, the cost charged to the Member State, i.e. the Revenue deriving from the sale of LEU, should be either the published market price plus costs of supply, or the total cost to the Agency for supply and replenishment, whichever is the higher.

72. Revenue from services is recognized when the service is rendered according to the estimated stage of completion of that service, provided that the outcome can be reliably estimated.

73. Revenue from the use of entity's assets is recognized when both of the following conditions are satisfied:

(1) The amount of revenue can be measured reliably

(2) It is probable that the economic benefits or service potential will flow to the entity

Investment revenue

74. Investment revenue is recognized over the period that it is earned. Interest on treasury bills and other discounted notes is recognized using the effective interest method.

Expenses

Exchange expenses

75. Exchange expenses arising from the purchase of goods and services are recognized at the point that the supplier has performed its contractual obligations, which is when the goods and services are delivered and accepted by the Agency. For some service contracts, this process may occur in stages.

Non-exchange expenses

76. The Agency incurs non-exchange expenses primarily in the transfer of project inventories to development counterparts. An expense is recognized when the project inventories are delivered to the beneficiaries in the recipient country, which is considered the point at which the Agency transfers control over such inventories to the recipients.

77. Other non-exchange expenses are incurred primarily in provision of grants to fund research and fellowship agreements. An expense is recognized at the point that the Agency has authorized the funds for release, or has a binding obligation to pay, whichever is earlier. For yearly non-exchange funding agreements, an expense is recognized for the period to which the funding relates.

Interests in other entities

78. The Agency participates in a number of arrangements which are classified in line with the requirements of IPSAS 35 to 38 as described below. For specific details on these arrangements, their governance and legal background refer to Note 37. The VIC Based Organizations (VBOs) have an agreement whereby the costs of certain VIC common services provided by each organization are to be shared according to the established cost-sharing ratios. The ratios are derived each year based on key factors such as number of employees, total space occupied, etc. The cost- sharing ratio for the Agency for 2024 is 53.822% (53.822% for 2023).

IPSAS standard and requirements	Accounting treatment	Applicable to
IPSAS 35: Consolidated Financial Statements Control is the key criteria for consolidation. It implies all of the following: • Power over the other entity. • Exposure or rights to variable financial and non-financial benefits. • Ability to use its power over the other entity to affect the nature or amount of the benefits from its involvement with the other entity.	Full consolidation of revenue, expenses, assets and liabilities.	VIC common services provided by the Agency: -Medical services -Printing and reproduction
IPSAS 37: Joint Arrangements Two or more parties have joint control (as defined in IPSAS 35) with the following characteristics:	Joint Operation – Proportionate consolidation of Agency's share of revenue, expenses, assets and liabilities.	The following Joint Operations:
• The parties are bound by a binding arrangement which gives them joint control. • Activities require unanimous consent among the parties with joint control.	Joint Venture – Equity method accounting.	- Joint Division of Nuclear Techniques with the Food and Agriculture Organization (FAO) -VIC land and buildings including Major Repairs and Replacements Fund (MRRF) (based on a defined cost sharing ratio)
There are two types of joint arrangements: - Joint Operations - Joint Ventures		
IPSAS 38: Disclosure of interests in other entities Prescribes disclosure requirements for interests in other entities that do not meet the requirements of the following categories: controlled entities, joint arrangements and associates, as well as structured entities that are not consolidated.	Disclose information that enables users of the financial statements to evaluate: the nature of, and risk associated with its interest in the other entities as well as the effects of those interests on its financial position, financial performance and cash flows.	- Abdus Salam International Centre for Theoretical Physics (ICTP) in Trieste: jointly funded with the United Nations Educational Scientific and Cultural Organization (UNESCO) and the Italian Government - the VIC Commissary

79. Services provided by other VBOs, such as the Buildings Management Services (BMS) provided by the United Nations Industrial Development Organization (UNIDO) and the UN security services and some conference services provided by the United Nations Office in Vienna (UNOV), are services provided to the Agency and thus are expensed when the related services have been received.

80. Other IPSAS standards, such as IPSAS 34 Separate Financial Statements and IPSAS 36 Investments in Associates and Joint Ventures, are not currently applicable to the Agency. IPSAS 34 is to be applied when an entity prepares and presents its financial statements under the accrual basis and elects or is required by its regulations to present investments in controlled entities separately. IPSAS 36 requires the equity method to be applied when a significant influence and a quantifiable ownership interest exist.

Segment reporting and fund accounting

81. Segment reporting information is presented on the basis of the Agency's activities on both a Major Programme basis and a source of funding (Fund groups) basis.

82. A Fund is a self-balancing accounting entity established to account for the transactions of a specified purpose or objective. Funds are segregated for the purpose of conducting specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The financial statements are prepared on a Fund accounting basis, showing at the end of the period the consolidated position of all funds. Fund balances represent the accumulated residual of revenue and expenses.

Apportionment of common costs

83. Common costs incurred centrally by the Agency are apportioned to each of the Agency's segments (i.e. each Major Programme) in a systematic and rational manner to ensure that: i) segment reporting is accurate (i.e. costs are shared by Major Programmes appropriately); ii) presentation of expenditures is made based on the nature of the expense; and iii) inter-segment transactions are eliminated from the consolidated financial statements.

Major Programmes

84. The Agency's six Major Programmes form the structure for Regular Budget appropriations. The six Major Programmes are:

(1) Nuclear Power, Fuel Cycle and Nuclear Science – Major Programme 1 provides IAEA Member States with scientific and technical support, services, guidance and advice for: reliable and safe operation of existing nuclear power plants, research reactors and other nuclear fuel cycle facilities; the introduction and the expanded use of nuclear power and research reactor technology, including the development of the national nuclear infrastructure; the development and deployment of advanced nuclear reactors and their fuel cycles, including Small and Medium -Sized or Modular Reactors (SMRs), also through the International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO); fusion energy technology development and preparation for deployment; all areas of radioactive waste technology, decommissioning, environmental remediation, spent fuel and radioactive waste management, including disused sealed radioactive sources; energy system analysis and energy planning, including factual considerations of the role of nuclear power for sustainable development, energy security and climate change mitigation; nuclear knowledge and nuclear information management; communication and stakeholders' engagement throughout the entire nuclear fuel cycle and the various stages of the life cycle of nuclear facilities; the advancement of nuclear sciences, including in the areas of fusion science and plasma physics, accelerator and neutron sources applications and nuclear instrumentation; the development and provision of validated nuclear, atomic and

molecular data; and for supporting education and training of nuclear scientists, including through cooperation with the Abdus Salam International Centre for Theoretical Physics (ICTP).

(2) Nuclear Techniques for Development and Environmental Protection – Major Programme 2 provides Member States with science-based advice, education and training materials, standards and reference materials, and technical documents, building on a core foundation of adaptive and applied research and development. The overall objectives of this Major Programme continue to support the development and peaceful uses of nuclear sciences and applications.

(3) Nuclear Safety and Security – Major Programme 3 establishes and continuously improves Agency nuclear safety standards and security guidance. The Agency provides for application of these standards and guidance to its own operations, and assists, upon request, Member States in implementing them in their own activities, including the conduct of peer reviews and advisory services. It also supports capacity building of various stakeholders in all safety and security related activities. The Agency promotes international instruments related to nuclear safety and security. This Major Programme also helps coordinate international preparedness for effectively responding to and mitigating the consequences of a nuclear and radiological emergency and contributes to global efforts to achieve effective nuclear security.

(4) Nuclear Verification – Major Programme 4 supports the Agency's statutory mandate to establish and administer safeguards designed to ensure that special fissionable and other materials, services, equipment, facilities and information made available by the Agency, or at its request or under its supervision or control, are not used in such a way as to further any military purpose; and to apply safeguards, at the request of the parties to any bilateral or multilateral arrangement, or at the request of a State to any of that State's activities in the field of atomic energy. To this end, the Agency concludes safeguards agreements with States, which confer upon the Agency the legal obligation and authority to apply safeguards to nuclear material, facilities and other items subject to safeguards. The implementation of Agency safeguards pursuant to safeguards agreements comprises four fundamental processes: the collection and evaluation of safeguards relevant information; the development of safeguards approaches; the planning, conduct and evaluation of safeguards activities in the field and at Headquarters; and the drawing of safeguards conclusions. In addition, the Agency, in accordance with its Statute, assists with other verification tasks, including in connection with nuclear disarmament or arms control agreements as requested by States and approved by the Board of Governors.

(5) Policy, Management and Administration Services – Major Programme 5 provides leadership, direction and management support for all Agency activities and initiatives. It provides innovative solutions across a wide range of financial, procurement, human resources management, conference, language, publishing, information technology, legal, oversight and general services to support both the regular budget programme and the technical programme, emphasizing a service-oriented culture of continuous improvement to meet the needs of all customers, including the Secretariat and Member States. It provides effective coordination to ensure a one-house approach, particularly with respect to overall directions and priorities; interactions with Member States; development and implementation of programmes; results-based management, including performance assessment and risk management; gender mainstreaming; partnerships and resource mobilization. It continues to promote an organizational culture of integrity, accountability and transparency. It facilitates the efficient exchange of information within the Secretariat, as well as communications with Member States, the media and the general public.

(6) Management of Technical Cooperation for Development – Major Programme 6 encompasses the *development*, implementation and management of the technical cooperation projects in the framework of biennial Technical Cooperation Programme. The Technical Cooperation Programme consists of national, regional and interregional projects funded from the Technical Cooperation Fund (TCF) and extrabudgetary contributions.

85. For purposes of segmental disclosure, Major Programme 5 and Major Programme 6 are shown as a single segment – Policy, Management and Administration.

Fund Groups

86. Agency activities across these six Major Programmes are financed through various funding sources, which are defined as Funds. 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 and Financial Rules issued by the Director General. Each Fund has differing parameters relating to how the revenue may be utilized. The grouping of Funds in the financial statements and their respective components are described below.

Regular Budget

(1) The *Regular Budget Fund* and *Working Capital Fund* (WCF) are the principal means of financing Agency activities and enable the Agency to meet obligations arising from authorized appropriations. The Regular Budget Fund is based on an annual Regular Budget approved by the General Conference and is financed from assessed contributions and miscellaneous income. The WCF, which serves to finance appropriations pending the receipt of assessed 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 by Member States.

(2) The *Major Capital Investment Fund* (MCIF) is a Reserve Fund established as part of the Regular Budget to segregate such funds for future use. The MCIF is financed in part by the annual assessed contributions for the capital portion of the Regular Budget and in part through other sources, such as year-end savings from the operational portion of the Regular Budget appropriations.

Technical Cooperation

(3) The *Technical Cooperation Fund* is a component of the General Fund and is the main financing mechanism for the Agency's technical cooperation activities. The Technical Cooperation Fund is primarily financed by voluntary contributions from Member States who are asked to pledge contributions against their indicative share of the Technical Cooperation Fund target, which is approved annually by the General Conference. The Technical Cooperation Fund is also funded by national participation costs and miscellaneous income.

(4) The *Technical Cooperation Extrabudgetary Fund* is a component of the General Fund and is a financing mechanism to enable donors to make voluntary contributions for activities in support of projects approved by the IAEA Board of Governors as nominated by the donor.

Extrabudgetary

(5) The *Extrabudgetary Programme Fund* is a component of the General Fund and is a financing mechanism to enable donors to make voluntary contributions for activities in support of programmes within the Regular Budget. The financial statements also present the Low

Enriched Uranium Fuel Bank (LEU Bank), which is an activity under the Extrabudgetary Programme Fund, as a separate segment.

Other

(6) Trust *Funds* and *Special Funds* relate to funds for specific activities that have been approved by the IAEA Board of Governors.

Budget comparison

87. The Agency's budgetary and financial reporting bases differ. Budgets within the Agency are approved on a modified cash basis, while financial statements follow the full accrual basis and comply with the requirements of IPSAS.

88. While the Agency's financial statements cover all activities of the Agency, budgets are separately approved annually for the Regular Budget, both the operational and the capital portion of the Regular Budget (classified according to Major Programme) and for the Technical Cooperation Fund (based on target for voluntary contributions). There are no approved budgets relating to the Technical Cooperation Extrabudgetary Fund, the Extrabudgetary Fund Group or the Other Fund Group. All Funds are administered in accordance with the Financial Regulations adopted by the Board of Governors, and Financial Rules issued by the Director General.

89. Statement V (Statement of Comparison of Budget and Actual Amounts) compares the final budgets for the Regular Budget Fund to actual amounts calculated on the same basis as the corresponding budgetary amounts. As the bases used to prepare the budget and financial statements differ, Note 39b provides reconciliation between the actual amounts presented in that note to the actual amounts presented in the Statement of Cash Flow.

NOTE 4: Cash and cash equivalents

	(expressed in euro '000s)	
	31-12-2024	**31-12-2023**
Cash in current accounts at bank and on hand	24 383	42 713
Cash in call accounts	4	4
Term deposits with original maturities of 3 months or less	336 324	466 643
Treasury Bills with original maturities of 3 months or less	24 928	-
Total cash and cash equivalents	**385 639**	**509 360**

90. The decrease of €123.7 million (24.3%) in total cash and cash equivalents was mainly due to the shift from Cash in current accounts at bank and on hand, and Term deposits with original maturities of 3 months or less, into Term deposits and Treasury bills with original maturities between 3 and 12 months, to position the portfolio to take advantage of the declining rates (refer to Note 5).

91. Some cash is held in currencies which are legally restricted or not readily convertible to euro (refer to Note 41, paragraph 270). As at 31 December 2024, the euro equivalent of these currencies was €0.177 million (€0.097 million at 31 December 2023), based on the respective United Nations Operational Rates of Exchange (UNORE). The main reason for the small increase in the amount

of these legally restricted or not readily convertible currencies was due to a new contribution received.

NOTE 5: Investments

	(expressed in euro '000s)	
	31-12-2024	31-12-2023
Term deposits with original maturities between 3 and 12 months	264 584	173 311
Treasury bills with original maturities between 3 and 12 months	110 344	219 602
Other discounted notes	170 830	-
Impairment allowance	-	-
Total investments	**545 758**	**392 913**

92. The increase of €152.8 million (or 38.9%) in total investments was due to the conversion to Term deposits and Treasury bills with original maturities of between 3 and 12 months, and Other discounted notes for the reason described in Note 4.

NOTE 6: Accounts receivable from non-exchange transactions

	(expressed in euro'000s)	
	31-12-2024	31-12-2023
Assessed contributions receivable		
Regular Budget	48 809	52 621
Working Capital Fund	3	4
Impairment allowance	(27 269)	(24 259)
Net assessed contributions receivable	**21 543**	28 366
Voluntary contributions receivable		
Extrabudgetary	15 323	13 001
Technical cooperation Fund	2 845	3 061
Impairment allowance	(28)	(27)
Net voluntary contributions receivable	**18 140**	16 035
Other receivables		
Assessed programme costs	792	755
National participation costs	718	496
Impairment allowance	(792)	(755)
Net other receivables	718	496
Total net accounts receivable from non-exchange transactions	**40 401**	**44 897**
Composition of accounts receivable from non-exchange transactions		
Current	38 186	41 784
Non-current	2 215	3 113
Total net accounts receivable from non-exchange transactions	**40 401**	**44 897**

93. The net assessed contributions receivable decreased by €6.823 million to €21.543 million. This was mainly due to a decrease in outstanding assessed contributions receivable and an increase in the impairment allowance.

94. The increase in the impairment allowance for the assessed contributions receivable of €3.010 million represents the impairment expense for the year 2024 as further elaborated under Note 7 below.

95. The increase in net voluntary contributions receivable during the year by €2.105 million to €18.140 million. This is primarily due to a number of material pledges received and accepted towards the end of December 2024 for which funds have not been received. The amount of extrabudgetary voluntary contributions receivable is shown net of €1.339 million which represents an advance allotment.

96. Details of outstanding contributions by Member States and other donors are provided in Annex A3.

NOTE 7: Non-Exchange receivable information

Impairment allowance

(expressed in euro '000s)

	2024				2023				
	Opening Allowance for Doubtful Debt	Impairment allowance for the Year	Unrealized Foreign Exchange (Gain)/Loss	Closing Allowance for Doubtful Debt	Opening Allowance for Doubtful Debt	Impairment allowance - Initial adoption of IPSAS 41	Impairment allowance for the Year	Unrealized Foreign Exchange (Gain)/Loss	Closing Allowance for Doubtful Debt
Receivables from non-exchange transactions									
Assessed contributions receivable									
Regular Budget	24 259	3 008	-	27 267	24 264	(2 143)	2 138	-	24 259
Related to assessed contributions receivable	24 259	3 008	-	27 267	24 264	(2 143)	2 138	-	24 259
Voluntary contributions receivable									
Technical Cooperation Fund	27	-	1	28	28	-	-	(1)	27
Extrabudgetary	-	-	-	-	-	-	-	-	-
Related to voluntary contributions receivable	27	-	1	28	28	-	-	(1)	27
Other receivables									
Assessed programme costs	755	(12)	49	792	787	-	-	(32)	755
National Participation Costs	-	-	-	-	-	-	-	-	-
Related to other receivables	755	(12)	49	792	787	-	-	(32)	755
Total related to receivables from non-exchange transactions	**25 041**	**2 996**	**50**	**28 087**	**25 079**	**(2 143)**	**2 138**	**(33)**	**25 041**

Ageing of receivables

(expressed in euro '000s)

	As at 31 December 2024					As at 31 December 2023				
		Outstanding for					Outstanding for			
	Carrying amount	< 1 year	1-3 years	3-5 years	> 5 years	Carrying amount	< 1 year	1-3 years	3-5 years	> 5 years
Receivables from non-exchange transactions										
Assessed contributions receivable										
Regular Budget	48 809	11 029	14 430	8 783	14 567	52 621	12 178	21 406	6 484	12 553
Working Capital Fund	3	-	3	-	-	4	4	-	-	-
Total assessed contributions receivable	48 812	11 029	14 433	8 783	14 567	52 625	12 182	21 406	6 484	12 553
Voluntary contributions receivable										
Extrabudgetary	16 662	16 534	27	101	-	13 001	12 682	219	10	90
Technical Cooperation Fund	2 845	1 049	711	1 011	74	3 061	1 048	1 760	195	58
Total voluntary contributions receivable	19 507	17 583	738	1 112	74	16 062	13 730	1 979	205	148
Other receivables										
Assessed programme costs	792	-	-	-	792	755	-	-	-	755
National participation costs	718	354	179	41	144	496	18	226	62	190
Safeguards agreements contributions	-					-	-	-	-	-
Total other receivables	1 510	354	179	41	936	1 251	18	226	62	945
Total receivables from non-exchange transactions	**69 829**	**28 966**	**15 350**	**9 936**	**15 577**	**69 938**	**25 930**	**23 611**	**6 751**	**13 646**

NOTE 8: Accounts receivable from exchange transactions

	(expressed in euro '000s)	
	31-12-2024	31-12-2023
Accounts receivable – Value Added Tax refunds	8 256	9 190
Accounts receivable – income tax refunds	961	934
Accounts receivable – others	2 115	2 531
Impairment allowance	(30)	(64)
Total net accounts receivable from exchange transactions	**11 302**	**12 591**

97. All accounts receivable from exchange transactions as at 31 December 2024 and 2023 are current. Value added tax receivables consist of value added tax paid by the Agency for its purchases of goods and services, which the Agency can recover.

98. The impairment allowance showed the following movements during 2024 and 2023:

	(expressed in euro '000s)	
	2024	2023
Opening balance as on 1 January	64	48
Increase	6	22
Decrease	(40)	(6)
Closing balance as on 31 December	**30**	**64**

99. In 2024, an analysis was carried out confirming that the current approach of recognizing an allowance for doubtful accounts, for the accounts receivable from exchange transactions, based on historical collection experience and/or evidence indicating that the collection of a particular receivable is in doubt, effectively works as an ECL model for the purposes of IPSAS 41.

100. The ageing of the accounts receivable from exchange transactions was as follows:

	(expressed in euro '000s)	
	31-12-2024	31-12-2023
Outstanding for:		
Less than 1 year	10 077	11 170
1 – 3 years	1 135	1 354
3 – 5 years	78	97
More than 5 years	42	34
Gross carrying value	**11 332**	**12 655**

NOTE 9: Advances and prepayments

	(expressed in euro '000s)	
	31-12-2024	**31-12-2023**
Vienna International Centre common services	20 555	19 093
Other international organizations	36	26
Staff	8 230	8 663
Travel	731	733
Other	7 804	15 366
Total advances and prepayments	**37 356**	**43 881**
Advances and prepayments composition		
Current	31 058	36 310
Non-current	6 298	7 571
Total advances and prepayments	**37 356**	**43 881**

101. Advances for the VIC common services represent payments made by the Agency for common services operated by other VBOs, in accordance with the Agency's cost sharing ratio. These advances have not yet been utilized for the provision of services.

102. Staff advances primarily consist of advances pending settlement towards education grants and income taxes.

103. Other advances relate to prepayments and deposits with suppliers.

NOTE 10: Inventory

	(expressed in euro '000s)	
	31-12-2024	**31-12-2023**
Project inventories in-transit to counterparts	25 329	33 013
LEU inventory	55 055	55 055
Safeguards spare parts and maintenance materials	414	415
Printing supplies	92	71
Total inventory	**80 890**	**88 554**

104. Project inventories in transit marks a decrease of €7.684 million in comparison to 2023. The decrease of project inventories in transit is mainly due to the establishment of processes and procedures (the 'last mile') to streamline the supplier to end user delivery process and add efficiency. 2024 represents a partial year application of some of the devised solutions and the efficiencies are bearing fruit.

105. The Technical Cooperation Programme accounts for €24.318 million (96.0%) of the project inventories in transit as at 31 December 2024, a 23.2% decrease from 2023 (€31.677 million (96%) in 2023). In 2024, donated inventory items amounting to €0.2 million were received and delivered to recipient counterpart. In consideration of the fact that inventories which have been in transit for some time may not actually be delivered or may suffer damage or obsolescence, their value is recognized net of an allowance of €8.184 million (€9.830 million in 2023), of which €2.486 million relates to goods which have been in transit for more than 12 months (with 50%

allowance), and €5.698 million relates to those which have been in transit for more than 24 months (with 100% allowance).

106. LEU inventory refers to the stock of Low Enriched Uranium of the IAEA in the IAEA LEU Storage Facility which is located at the Ulba Metallurgical Plant in Oskemen, Kazakhstan. The IAEA LEU Storage Facility is under the responsibility of the Kazakh appropriate authorities for safety, security and safeguards. This LEU inventory consists of two different enrichment assays: 4.95% (calculated at €781.77 per kgU and totalling 63 128.13 kgU) and 1.6% (calculated at €196.07 per kgU and totalling 27 054.96 kgU). The spot prices as of 31 December 2024 were calculated at at €4 283.86 per kgU and €1 039.66 per kgU, for enrichment assays of 4.95% and 1.6%, respectively. Hence, in 2024, the value of LEU inventory will continue to be reported at historical cost. The LEU is stored in 60 cylinders that are accounted as inventory. The purpose of the IAEA LEU bank is to serve as a mechanism of last resort to back up the commercial market without distorting it, in the event that a Member State's supply of LEU is disrupted and cannot be restored by commercial means and that such Member State fulfils the eligibility criteria.

107. Reference materials are not regarded as inventory and the costs of their production are expensed in the same year. The amount of labour and allocated overheads incurred by the Agency's laboratories with respect to reference materials during 2024 was approximately €0.122 million (€0.113 million in 2023).

108. Total inventory expense for 2024 and 2023 was as follows:

	(expressed in euro '000s)	
	2024	**2023**
Project inventories distributed to development counterparts	85 336	79 634
Safeguards spare parts and maintenance materials	3	2
Printing supplies	56	86
(Decrease)/Increase in allowance for inventory in transit	(1 646)	(8 113)
Total inventory expense	**83 749**	**71 609**

109. Expenses related to project inventories in-transit to counterparts are included in Transfers to development counterparts in the Statement of Financial Performance (refer to Note 31) and expenses related to printing supplies and Safeguards spare parts and maintenance materials are included in other operating expenses in the Statement of Financial Performance (refer to Note 35).

110. During 2024, the allowance for inventory in transit decreased by €1.646 million. An impairment of €0.06 million related to inventory reported as either lost or expired while in transit was recorded in 2024.

NOTE 11: Investment in common services entities

	(expressed in euro '000s)	
	31-12-2024	31-12-2023
Investment in Commissary	809	809
Total investment in common services entities	**809**	**809**

111. IAEA and UNIDO each made an initial investment of €0.809 million on 1 October 1979, which is to be returned in the event of dissolution of the VIC Commissary. Further details on the Commissary arrangement are provided in Note 37.

NOTE 12: Property, plant and equipment

2024

(expressed in euro '000s)

	Buildings and Leasehold Improvements	Furniture & Fixtures	Communications & Information Technology Equipment	Inspection Equipment	Laboratory Equipment	Vehicles	Other Equipment	Assets under Construction	Total Property, Plant and Equipment
Cost at 1 January 2024	443 060	5 379	43 577	80 726	74 225	2 448	2 846	23 281	**675 542**
Additions	4 178	407	3 350	2 369	6 015	50	305	26 518	**43 192**
Disposals	(2 403)	(50)	(7 662)	(4 039)	(888)	(24)	(215)	-	**(15 281)**
Other Adjustments	-	-	(128)	467	(339)	-	-	-	**-**
Assets under Construction Capitalized	34 098	-	537	1 944	1 448	-	-	(38 027)	**-**
Cost at 31 December 2024	**478 933**	**5 736**	**39 674**	**81 467**	**80 461**	**2 474**	**2 936**	**11 772**	**703 453**
Accumulated depreciation at 1 January 2024	224 638	3 893	32 913	65 332	46 124	1 381	2 693	-	**376 974**
Depreciation	12 752	276	4 962	4 185	4 963	263	87	-	**27 488**
Disposals	(1 844)	(51)	(7 655)	(3 977)	(821)	(24)	(214)	-	**(14 586)**
Other Adjustments	-	-	15	10	(25)	-	-	-	**-**
Accumulated depreciation at 31 December 2024	**235 546**	**4 118**	**30 235**	**65 550**	**50 241**	**1 620**	**2 566**	**-**	**389 876**
Accumulated impairment at 1 January 2024	560	-	4	107	51	-	-	-	**722**
Impairment	-	-	2	17	14	-	-	-	**33**
Disposals	(560)	-	(4)	(61)	(65)	-	-	-	**(690)**
Other Adjustments*	-	-	-	-	-	-	-	-	**-**
Accumulated impairment at 31 December 2024	**-**	**-**	**2**	**63**	**-**	**-**	**-**	**-**	**65**
Net carrying amount at 31 December 2024	**243 387**	**1 618**	**9 437**	**15 854**	**30 220**	**854**	**370**	**11 772**	**313 512**

* includes impairment reversals

2023

(expressed in euro '000s)

	Buildings and Leasehold Improvements	Furniture & Fixtures	Communications & Information Technology Equipment	Inspection Equipment	Laboratory Equipment	Vehicles	Other Equipment	Assets under Construction	Total Property, Plant and Equipment
Cost at 1 January 2023	429 633	5 088	41 938	79 140	72 320	1 658	2 809	14 385	**646 971**
Additions	3 636	314	4 307	4 347	3 586	955	43	20 507	**37 695**
Disposals	-	(23)	(3 541)	(3 944)	(1 430)	(165)	(21)	-	**(9 124)**
Other Adjustments	-	-	(122)	439	(332)	-	15	-	**-**
Assets under Construction Capitalized	9 791	-	995	744	81	-	-	(11 611)	-
Cost at 31 December 2023	**443 060**	**5 379**	**43 577**	**80 726**	**74 225**	**2 448**	**2 846**	**23 281**	**675 542**
Accumulated depreciation at 1 January 2023	212 089	3 662	31 995	64 947	42 918	1 318	2 627	-	**359 556**
Depreciation	12 549	253	4 452	4 320	4 627	184	77	-	**26 462**
Disposals	-	(22)	(3 537)	(3 926)	(1 417)	(121)	(21)	-	**(9 044)**
Other Adjustments	-	-	3	(9)	(4)	-	10	-	**-**
Accumulated depreciation at 31 December 2023	**224 638**	**3 893**	**32 913**	**65 332**	**46 124**	**1 381**	**2 693**	**-**	**376 974**
Accumulated impairment at 1 January 2023	5	-	1	66	10	-	-	-	**82**
Impairment	555	1	7	42	78	-	-	-	**683**
Disposals	-	(1)	(4)	(18)	(14)	-	-	-	**(37)**
Other Adjustments*	-	-	-	17	(23)	-	-	-	**(6)**
Accumulated impairment at 31 December 2023	**560**	**-**	**4**	**107**	**51**	**-**	**-**	**-**	**722**
Net carrying amount at 31 December 2023	**217 862**	**1 486**	**10 660**	**15 287**	**28 050**	**1 067**	**153**	**23 281**	**297 846**

* includes impairment reversals

112. For the PP&E projects with a value greater than €0.500 million, their values and their status as completed or construction in progress (CIP) as at 31 December 2024 are as follows:

Completed in 2024

- *Radiation Safety Technical Services Unit (RSTSU) Refurbishment Project (€0.678 million placed in service)*. This project aims to modernize and expand the NSRW RSTSU facilities at the IAEA Seibersdorf Laboratories to meet growing programmatic demands and support RSTSU's mandate to provide radiation monitoring services for the Agency. It includes refurbishing the Whole Body Counter facility, enabling the monitoring of Agency workers for internal contamination from radioactive materials. This ensures business continuity and allows for routine staff monitoring, and monitoring for emergency response (€0.026 million CIP in 2023).

- *Neutron Science Facility (NSF) Expansion Phase 2 (€0.545 million placed in service).* The NSF Expansion Phase 2 includes refurbishment of various functional rooms, an X-ray radiographer space, and a lab equipped with benches for the trainings of the Nuclear Science and Instrumentation Laboratory (NSIL) and the Radiochemistry and Radiation Technology (RCRT) Section. The facility is key for the neutron generator, radiotracer, and non-destructive testing training within NAPC, with ongoing demonstrations in collaboration with NSNS (€0.545 million CIP in 2023).

Construction in progress

- *Renovation of the Nuclear Applications Laboratories 2 (ReNuAL2) (€6.361 million CIP*; *€33.553 million completed).* ReNuAL2 is a continuation of the ReNuAL and ReNuAL+ initiative for modernisation of the Agency's Nuclear Applications Laboratories at Seibersdorf. ReNuAL and ReNuAL+ provided new buildings for four of the eight Nuclear Applications (NA) laboratories in Seibersdorf and an enhanced capability through provision of a Linear Accelerator facility for the Dosimetry Laboratory. ReNuAL2 consists of three components, the refurbishment of the Dosimetry Laboratory in the existing NA building, completed and brought into full operation in June 2024; the construction and commissioning of a new laboratories building for the remaining three laboratories, namely, the Plant Breeding and Genetics Laboratory (PBGL), the Nuclear Science and Instrumentation Laboratory (NSIL), and the Terrestrial Environment Radiochemistry Laboratory (TERC Laboratory), completed in November 2024; and the construction of new greenhouses to replace the existing ones, which will be completed in Q1 2025. All new facilities constructed under ReNuAL2 are on track to begin operations in 2025. ReNuAL2 is a €45 million capital project, funded from Extrabudgetary and Capital Regular Budget (MCIF) resources (€18.391 million CIP in 2023).

- *Japan Mixed Oxide Fuel Fabrication Plant (JMOX) (€0.934 million CIP).* This is a project to develop an integrated safeguards approach for a large mixed oxide fuel fabrication plant in Japan. The CIP asset consists of tubes filled with Helium-3 gas and other components to assemble NDA equipment. Following restart of the plant construction in 2022, some development, procurement, and manufacturing started in 2023 and continued in 2024. Construction completion is now scheduled for March 2028. Further development, manufacturing, testing and installation of equipment and software are necessary in order to have all safeguards systems available for use in the facility (€0.934 million CIP in 2023).

113. The result of the 2024 physical verification of assets recorded in AIPS shows that 97.5% of total Agency-owned assets in the SG asset register and 39.9% of those related to the other departments were

verified. Verification for the remaining assets during this cycle will continue in 2025. Assets not found during the verification cycle will be part of the next verification cycle. In addition, impairments due to damage, obsolescence or loss were recognized. The total impairment loss for 2024 amounted to €0.033 million (€0.683 million in 2023).

114. Efforts to dispose of old inactive equipment which was fully depreciated in previous years continued in 2024 resulting in the retirement of assets with an aggregate original cost of €12.768 million. The gross value of fully depreciated items of property, plant and equipment which remain in use as of 31 December 2024, including components of the VIC building, amounted to €116.009 million (€111.595 million in 2023).

115. Contributions in kind of laboratory equipment which primarily comprised of detectors amounting to €0.436 million were received in 2024 for use in training at the Nuclear Security Training and Demonstration Centre (NSTDC) in Seibersdorf. In addition, the Agency received electronic equipment valued at €0.034 million to support activities in the field of technical cooperation, specifically for "The Ministerial Conference on Nuclear Science, Technology and Applications and the Technical Cooperation Programme."

NOTE 13: Intangible assets

2024

	(expressed in euro '000s)			
	Computer Software Purchased	Computer Software Internally Developed	Intangible Assets Under Development	Total Intangible Assets
Cost at 1 January 2024	18 952	119 598	9 249	**147 799**
Additions	254	4 962	5 245	**10 461**
Disposals	(219)	(288)	-	**(507)**
Assets under Construction Capitalized	240	3 015	(3 255)	**-**
Cost at 31 December 2024	**19 227**	**127 287**	**11 239**	**157 753**
Accumulated amortization at 1 January 2024	13 649	91 142	-	**104 791**
Amortization	1 821	11 600	-	**13 421**
Disposal	(218)	(288)	-	**(506)**
Other Adjustments	-	-	-	**-**
Accumulated amortization at 31 December 2024	**15 252**	**102 454**	**-**	**117 706**
Accumulated impairment at 1 January 2024	-	-	-	**-**
Impairment	-	-	-	**-**
Disposals	-	-	-	**-**
Accumulated impairment at 31 December 2024	**-**	**-**	**-**	**-**
Net carrying amount at 31 December 2024	**3 975**	**24 833**	**11 239**	**40 047**

2023

	(expressed in euro '000s)			
	Computer Software Purchased	Computer Software Internally Developed	Intangible Assets Under Development	Total Intangible Assets
Cost at 1 January 2023	18 326	111 569	10 083	**139 978**
Additions	984	4 445	3 700	**9 129**
Disposals	(1 195)	(113)	-	**(1 308)**
Assets under Construction Capitalized	837	3 697	(4 534)	**-**
Cost at 31 December 2023	**18 952**	**119 598**	**9 249**	**147 799**
Accumulated amortization at 1 January 2023	12 806	78 236	-	**91 042**
Amortization	2 036	13 019	-	**15 055**
Disposal	(1 193)	(113)	-	**(1 306)**
Accumulated amortization at 31 December 2023	**13 649**	**91 142**	**-**	**104 791**
Accumulated impairment at 1 January 2023	-	-	-	**-**
Impairment	2	-	-	**2**
Disposals	(2)	-	-	**(2)**
Accumulated impairment at 31 December 2023	-	-	**-**	**-**
Net carrying amount at 31 December 2023	**5 303**	**28 456**	**9 249**	**43 008**

116. Software developed under the MOSAIC programme represents the most material portion of the Agency's Intangible assets. MOSAIC is a multi-phased project to upgrade and optimize the IT systems and infrastructure that support the activities of the Department of Safeguards. The aim of these systems is to improve the quality and efficiency of verification activities in the Department of Safeguards. The first phase, consisting of the transfer of mainframe applications, was completed during 2014-2015. Since 2015, the Agency has been further enhancing existing tools and applications, and introducing new ones, to make the data and information more readily available and improve support to users. The MOSAIC programme was completed in 2018. During 2024, there were sixteen enhancements to the MOSAIC project. One with a value of over €0.500 million, which refers to the new phase of the Upgrade to Safeguards Field Reporting and Evaluation, (SAFIRE) was completed this year.

117. The cumulative costs and completion status (complete, partly complete or construction in progress (CIP)) of other projects with a value greater than €0.500 million as at 31 December 2024 are as follows:

Completed in 2024

- *The Hana Smart Management System (HANA) (€1.833 million)*. This is an efficient, easy-to use smart document management system for Safeguards. Key benefits include document repository with intuitive user interface; customizable approval workflows; electronic signing of documents; metadata-based search and security, and integration with SG applications. In 2022, the first document workflow solution for tracking Quality Management System (QMS) controlled documents was successfully delivered and increased the efficiency of staff in creating, reviewing, and searching for non-confidential QMS controlled documents. In 2023, the solution was extended to handle confidential documents in Integrated Safeguards Environment (ISE). Safeguards Technical Reports (STR) became another document now available in HANA. In addition, a few enhancements (such as additional metadata) were introduced to make the management of quality-controlled documents more efficient. In 2024, the final stages of the solution were completed by upgrading to the last version of M-Files, the extension of the Quality Management System (QMS) documents workflow and training of the end users.

- *PR - IEC Portfolio 2024 (€0.858 million).* The 2024 IEC Portfolio comprises five key products within the Department of Nuclear Safety and Security - Incident and Emergency Centre, aimed at supporting international emergency preparedness, communication, and response to nuclear and radiological incidents. These products include IEC Assessment and Prognosis Tools (IECAT), International Radiation Monitoring Information System (IRMIS), Emergency Preparedness and Response Information Management System (EPRIMS), Unified System for Information Exchange during Incidents and Emergencies (USIE), and IES Event Registration and Information Management System (ERIMAS).

- *ServiceNow Implementation (€0.741 million)*. The implementation of ServiceNow contributes to digital transformation as part of the IAEAs strategic technology plan, enabling better, faster, and more reliable process automation and streamlining access to the agency's services and knowledge resources through the use of the ServiceNow platform.

- *Upgrade to Safeguards Field Reporting and Evaluation (SAFIRE) (€0.550 million)*. SAFIRE provides safeguards inspectors with a single and secure software application supporting the planning, reporting and evaluation of verification activities in the field and in the Integrated Safeguards Environment (ISE). SAFIRE provides off-line reporting of verification activities allowing inspectors to complete and share a verification report while in the field which securely synchronizes with the highly protected ISE environment at the Agency's Headquarter. SAFIRE also introduced a role-based dashboard to monitor verification processes at an operational and management level. In 2024, the upgrade of the SAFIRE Electronic Seals Working Paper (eSWP) provides inspectors with a more stable, user friendly and futureproof application. The delivery of the Inventory Verification in Data Processing provides inspectors with a more efficient and powerful tool to perform their field activities.

Construction in Progress

- *Centralized Automated System for Correlated Analysis and Data Evaluation (CASCADE) (€3.694 million CIP).* This project relates to the development of an information technology product which aims to boost the Safeguards business functions related to the SG core process called S1 Implementation Support and its sub-process called S1.1 Equipment and Technical Support which is providing equipment to perform in-field verification activities. This will be an integrated tool which will help inspectors in performing data review and verification tasks. It covers all stages of nuclear equipment, electronic seals and image data processing, analysis, evaluation, verification, and reporting of corresponding facility operator data, with the purpose of supporting operator declaration verification and related reporting on SG verification activities, providing an end-to-end view of the process, and achieving the required level of data integration. In 2024, there has been an enhancement to Integrated Review and Analysis Package (IRAP), a Solution Monitoring System Software (SMSS) user interface replacement and a Near Real Time Verification System (NRTS) for Encapsulation Plant and Geological Repository (EPGR) facility in Finland Proof of Concept.

- *Application Data Integration Implementation Project (ADII) 2021 (€0.747 million CIP).* The project is dedicated to establishing a standardized framework for seamless data integration across various applications. The agenda for the ADII project is outlined as follows: (1) Facilitate secure real-time access to data from Oracle Agency-wide Information System for Programme Support (AIPS) to other systems such as the Household removal system (HRS), among others; (2) Develop a batch integration (Common Information Model (CIM)) for all plateaus within AIPS. In pursuit of real-time integration, the project concentrated on developing and deploying common framework APIs for awards and funds availability for Agency applications in need of it. Regarding batch integration, the efforts regarding delivering comprehensive data sets for Travel and Events Data as well as Procurement Data for Safeguards were continued.)

118. There were 31 new projects initiated in 2024, with aggregate costs amounting to €5.156 million (27 projects amounting to €4.622 million in 2023). Of these 31 projects, 27 with aggregate costs of €4.962 million were completed, while the other 4 projects remain as construction in progress. Of the 12 internally developed projects initiated prior to 2024, 5 were completed, leaving 7 projects as construction in progress. Therefore, a total of 11 projects constituting intangible assets under development as at 31 December 2024 will continue in 2025.

119. No internally developed intangible asset was impaired in 2024.

NOTE 14: Accounts payable

	(expressed in euro '000s)	
	31-12-2024	**31-12-2023**
Accruals	24 985	27 270
Staff	426	988
Other payables	7 852	9 355
Total accounts payables	**33 263**	**37 613**

120. Accruals represent the amount of goods and services delivered for which invoices were not received by the reporting date.

121. Other payables primarily represent invoices processed but not paid as at the reporting date which are carried forward to the following period.

NOTE 15: Deferred revenue

	(expressed in euro '000s)	
	31-12-2024	31-12-2023
Contributions received in advance	132 318	117 038
Extrabudgetary contributions transferred subject to conditions	69 317	56 211
Other	1 244	1 042
Premises deferred	99 872	104 711
Total deferred revenue	**302 751**	**279 002**
Deferred revenue composition		
Current	159 855	139 988
Non-current	142 896	139 014
Total deferred revenue	**302 751**	**279 002**

122. Contributions received in advance primarily include Regular Budget assessed contributions received prior to the year to which they relate, as well as funds received for extrabudgetary contributions from Member States that have not been formally accepted by the Agency. Contributions received in advance increased by €15.280 million in 2024.

123. At the end of 2024, contributions received subject to conditions increased by €13.106 million. Out of the total balance of contributions received subject to conditions, 37.1% was received from non-Member State donors. These contributions will be recognized as revenue, as and when the conditions are satisfied. The portion of these voluntary contributions that are expected to be reclassified as revenue in the next twelve months, totalling €21.540 million, have been classified as current. Final and progress reports for these contributions are expected to be submitted during 2025, and the respective revenue recognition will be based on the approval of such reports by the donor.

124. In 2024, other deferred revenue consists of prepayments received.

125. Deferred revenue pertaining to the use of the VIC buildings recognizes that the Austrian Government leased to the Agency the original buildings for a nominal rental and contributed 50% of the cost of leasehold improvements. In return, the Agency has an obligation to maintain its headquarters seat in Vienna and to occupy the VIC until 2078 or return it to the Government. This obligation is fulfilled by occupation of the VIC over the remaining term of the lease and the deferred revenue is recognized annually in the Statement of Financial Performance. Further details may be found in Note 37.

126. Details of contributions received in advance and extrabudgetary contributions transferred subject to conditions as of 31 December 2024 are provided in Annex A4.

NOTE 16: Employee benefits liabilities

	(expressed in euro '000s)	
	31-12-2024	**31-12-2023**
After-Service Health Insurance	379 913	408 994
Post-employment repatriation and separation entitlements	62 487	59 648
Annual leave	37 999	32 556
Health Insurance Premium reserve account - staff contributions	878	1 645
Other staff costs	2 080	1 967
Total staff related liabilities	**483 357**	**504 810**
Composition of employee benefits liabilities		
Current	23 694	22 266
Non-current	459 663	482 544
Total employee benefits liabilities	**483 357**	**504 810**

127. Liabilities for After-Service Health Insurance (ASHI) and post-employment repatriation and separation entitlements have been recognized on the basis of an actuarial valuation. These liabilities have decreased during the year, primarily due to changes in the actuarial assumptions (more details are provided in Note 17).

128. As at 31 December 2024, the ASHI liability amounting to €379 913 million, was almost entirely unfunded[2] and mostly relates to the Regular Budget Fund. The unfunded status of the ASHI liability negatively impacts this Fund such that the total equity remains negative as at 31 December 2024.

129. Liabilities for annual leave have been calculated based upon the actual number of unused leave days as at year end.

130. Staff contributions towards the Health Insurance Premium reserve account represent the employee's share of the funds held related to health insurance premiums. The account balance decreased in 2024 due to the use of the funds to alleviate the significant increase in the FMIP premiums.

131. Liabilities for other staff costs as at 31 December 2024 consist mainly of home leave accruals amounting to €1.338 million (€1.325 million as at 31 December 2023) and accruals for compensatory time-off amounting to €0.610 million (€0.510 million as at 31 December 2023).

NOTE 17: Post-employment related plans

132. Post-employment related benefits include ASHI and post-employment repatriation and separation benefits.

133. The Agency operates the ASHI scheme, which is a defined employee benefit plan. Under the scheme, and in accordance with the Staff Regulations and Rules, former staff members of the Agency are eligible to obtain medical insurance through the Agency.

[2] Except for positions funded through extrabudgetary contributions for which 4% charge is applied to the salary expenditures since July 2021. This charge has been established to fund the ASHI Extrabudgetary Sub-Fund.

134. Other post-employment entitlements are those that staff members of the Agency are eligible to receive on separation from service with the Agency. These include a repatriation grant and the related travel and removal costs on separation from the Agency, as well as an end-of-service allowance that certain general service staff members are entitled to, and which are based on length of service.

Actuarial valuations

135. Liabilities arising from ASHI, repatriation and separation benefits are determined with assistance from professional actuaries.

136. The following assumptions and methods have been used to determine the value of post-employment and other separation-related employee benefits liabilities for the Agency as at 31 December 2024:

Parameter	31-12-2024	31-12-2023
Discount rate	ASHI: 3.38% Other post-employment entitlements: repatriation entitlements 3.33%; End of Service allowance 3.32% Market yields on high quality euro corporate bonds at the reporting date (estimated duration: ASHI: 22.3 years; Other post-employment entitlements: 8.9 to 9.6 years depending on entitlement)	ASHI: 3.29% Other post-employment entitlements: repatriation entitlements 3.21%; End of Service allowance 3.25% Market yields on high quality euro corporate bonds at the reporting date (estimated duration: ASHI: 20.2 years; Other post-employment entitlements: 5.6 to 7.5 years depending on entitlement)
Expected rate of salary increase	**Professional and Higher Staff** 3.94% for ASHI, 3.94% for other post-employment **General Staff** 3.97%	**Professional and Higher Staff** 3.94% for ASHI, 3.94% for other post-employment **General Staff** 3.97%
Expected rate of medical cost increase	3.75%	3.95%
Expected rate of travel costs increase	2.10%	2.30%
Expected rate of shipping cost increase	2.10%	2.30%

137. The following tables provide additional information and analysis on the employee benefits liabilities calculated by the actuary.

ASHI	31-12-2024	31-12-2023
	(expressed in euro '000s)	
Movement in defined benefit obligation		
Opening defined benefit obligation	408 994	360 880
Expense for the period		
Current service cost	11 773	10 486
Interest cost	13 308	12 325
Past service cost	-	(20 527)
Benefits paid	(5 039)	(4 345)
Transfers in/out	(65)	1 140
Actuarial losses/(gains) recognized in net assets:		
Actuarial (Gain)/Loss due to Experience Adjustments	(21 795)	(1 989)
Actuarial (Gain)/Loss due to Demographic Assumption Changes	-	38 516
Actuarial (Gain)/Loss due to Financial Assumption Changes	(27 263)	12 508
Closing defined benefit obligation	**379 913**	**408 994**

Other Post-employment benefits	31-12-2024	31-12-2023
	(expressed in euro '000s)	
Movement in defined benefit obligation		
Opening defined benefit obligation	59 648	57 480
Expense for the period		
Current service cost	6 618	6 365
Interest cost	1 789	1 898
Past service cost	-	-
Benefits paid	(6 143)	(6 088)
Transfers in/out	67	135
Actuarial losses/(gains) recognized in net assets:		
Actuarial (Gain)/Loss due to Experience Adjustments	(480)	(810)
Actuarial (Gain)/Loss due to Demographic Assumption Changes	-	(1 402)
Actuarial (Gain)/Loss due to Financial Assumption Changes	988	2 070
Closing defined benefit obligation	**62 487**	**59 648**
of which		
Repatriation entitlements	32 994	32 351
End of Service Allowance	29 493	27 297
	62 487	**59 648**

138. Within the ASHI liability closing defined benefit obligation, €183.997 million represents the liability towards former staff members and their dependents (€213.954 million in 2023) and €195.916 million represents the accrual towards active staff and their dependents (€195.040 million in 2023).

139. Actuarial gains or losses arise when the actuarial assessment differs from the long-term expectations on the obligations. They result from experience adjustments (differences between the previous actuarial assumptions and what has actually occurred) and the effects of change in actuarial assumptions.

140. The ASHI liability is highly sensitive to changes in financial assumptions. The decrease of the ASHI liability in 2024 by 7.1% is due to a €49.058 million decrease mostly resulting from changes in financial and experience assumptions, partially offset by an expense of €25.082 million resulting from the increase in the discount rate and service cost.

141. As at 31 December 2024, the ASHI and post-employment repatriation benefit obligations were for the most part unfunded[3]. Therefore, the present value of funded obligations and the fair value of plan assets are nil.

Sensitivity analysis

142. If the assumptions described above were to change, the estimated impact on the measurement of defined benefit obligations and current service and interest cost would be as per the table below:

		(expressed in euro '000s)	
Impact of change in assumptions	**Change**	**After-Service Health Insurance**	**Other post-employment benefits**
Effect of discount rate change on defined benefit obligation	+1%	(71 866)	(4 307)
	-1%	95 881	4 921
Effect of salary increase rate change on defined benefit obligation	+1%	(3 164)	4 425
	-1%	3 663	(3 939)
Effect of turnover rate change on defined benefit obligation	+1%	(6 083)	370
	-1%	6 485	(429)
Effect of changes in full retirement age on defined benefit obligation	+1 year	(3 242)	(1 411)
	-1 year	2 834	691
	Full retirement at 65	(3 431)	(1 007)
Effect of change in expected rate of medical costs increase on:			
*current service cost component of liability	+1%	4 598	n/a
	-1%	(3 225)	n/a
*interest cost component of liability	+1%	2 920	n/a
	-1%	(2 242)	n/a
*total defined benefit obligation	+1%	91 687	n/a
	-1%	(70 399)	n/a
Effect of changes in life expectancy on defined benefit obligation	+1 year	18 252	n/a
	-1 year	(18 640)	n/a
Effect of changes in shipping and travel costs on total defined benefit obligation	+1%	n/a	420
	-1%	n/a	(391)

143. The above sensitivity analyses are based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur as changes in some of the assumptions may be correlated.

144. When calculating the sensitivity of the Defined Benefit Obligation (DBO) to significant assumptions, the same method has been applied as when calculating the pension liability recognized in the statement of financial position. There have been no changes from the previous period in the methods or assumption adjustments used in preparing the sensitivity analyses.

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[3] Except for positions funded through extrabudgetary contributions for which 4% charge is applied to the salary expenditures since July 2021. This charge has been established to fund the ASHI Extrabudgetary Sub-Fund.

145. The sensitivity on life expectancy is calculated by adjusting the underlying mortality rates such that the life expectancy for a pensioner aged 65 at the date of the valuation would increase (or decrease) by one year.

146. The Agency's best estimate of benefits payments expected to be made for the next 12 months for ASHI plans is €8.206 million, and for post-employment repatriation and separation entitlements is €9.468 million.

147. The post-employment benefits liabilities represent a material unfunded liability of the Agency. Consistent with many other UN system organizations, the Agency is in the process of examining the possible approaches for addressing these long-term unfunded liabilities; however, no approach has yet been formalized.

148. The following tables provide the details of the defined benefit obligation and the experience adjustments for the current period and previous four periods.

After-service health insurance

	2024	2023	2022	2021	2020
Defined benefit obligation	379 913	408 994	360 880	320 334	346 347
Plan assets at fair value	-	-	-	-	-
Surplus/(deficit)	(379 913)	(408 994)	(360 880)	(320 334)	(346 347)
Remeasurement losses/(gains) due to experience adjustments	(21 795)	(1 989)	825	(3 749)	2 662
Remeasurement due to experience adjustments as a percentage of defined benefit obligation	-5.74%	-0.49%	0.23%	-1.17%	0.77%

Other post-employment benefits

	2024	2023	2022	2021	2020
Defined benefit obligation	62 487	59 648	57 480	64 277	63 116
Plan assets at fair value	-	-	-	-	-
Surplus/(deficit)	(62 487)	(59 648)	(57 480)	(64 277)	(63 116)
Remeasurement losses/(gains) due to experience adjustments	(480)	(810)	1 404	1 096	(2 233)
Remeasurement due to experience adjustments as a percentage of defined benefit obligation	-0.77%	-1.36%	2.44%	1.71%	-3.54%

United Nations Joint Staff Pension Fund

149. The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Fund's Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities into perpetuity. The Fund's published funding policy (available on the Fund's website) sets out the methods, processes and targets that are used to monitor the funding position and associated risks. This also includes the practice of utilizing an actuarial value of assets, which smooths short-term investment gains and losses for the purpose of reporting long-term solvency.

150. The Agency's financial obligation to the Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9% for participants and 15.8% for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension 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 payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date. It has never been necessary to invoke Article 26, and no deficiency payments have ever been requested.

151. The latest actuarial valuation for the Fund was completed as of 31 December 2023, and a roll forward of the participation data as at 31 December 2023 to 31 December 2024 will be used by the Fund for the purpose of reporting an actuarial present value of accumulated plan benefits in its 2024 financial statements.

152. The actuarial valuation as of 31 December 2023 reported a funded ratio of actuarial assets to actuarial liabilities of 111.0% (117.0% in the 2021 valuation) when future expected pension adjustments (cost-of-living indexation on benefits) were taken into account. The reported funded ratio was 152.0% (158.2 % in the 2021 valuation) when the current system of pension adjustments was not taken into account and would be the measure by which actuarial sufficiency is established under Article 26.

153. After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as at 31 December 2023, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. At the time of this report, the General Assembly has not invoked the provision of Article 26.

154. Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2021, 2022 and 2023) amounted to US $9 499.41 million, of which 2.7% was contributed by the Agency.

155. During 2024, contributions paid to the Fund amounted to €87.980 million (€82.738 million in 2023). Expected contributions due in 2025 are approximately €89.166 million.

156. Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the United Nations Joint Staff Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities are included in the amount.

157. The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund

publishes quarterly reports on its investments, and these can be viewed by visiting the Fund at www.unjspf.org.

NOTE 18: Other financial liabilities

	(expressed in euro '000s)	
	31-12-2024	31-12-2023
Deposits received	304	304
Others	238	167
Total financial liabilities	**542**	**471**
Composition of financial liabilities		
Current	238	167
Non-current	304	304
Total financial liabilities	**542**	**471**

158. As at 31 December 2024, non-current liabilities of €0.304 million is related to funds deposited by FAO to meet costs incurred by the Agency on behalf of the Joint FAO/IAEA Division, while 'Others' consisted primarily of cash received for which the purpose has not yet been identified.

NOTE 19: Provisions

	(expressed in euro '000s)	
	31-12-2024	31-12-2023
Provision for ILOAT cases	20	236
Provision for asset disposal and site restoration	1 806	1 218
Other provisions	11	11
Total provisions	**1 837**	**1 465**
Composition of provisions		
Current	31	247
Non-current	1 806	1 218
Total provisions	**1 837**	**1 465**

159. As at 31 December 2024, there were appeal cases against the Agency with the International Labour Organization Administrative Tribunal (ILOAT) relating to claims of current or former staff members, a provision has been recorded for one case amounting to €0.02 million.

160. Provisions for asset disposal relate to the estimated costs for disposal of laboratory glove boxes in the new Nuclear Material Laboratory (NML) in Seibersdorf at the end of the useful life of the glove boxes.

NOTE 20: Movement in fund balances

(expressed in euro'000s)

	Regular Budget Fund and Working Capital Fund		Major Capital Investment Fund		Technical Cooperation Fund		Technical Cooperation Extrabudgetary Programme Fund		Extrabudgetary Programme Fund		Low Enriched Uranium Bank		Trust Funds, Reserve Funds and Special Funds		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Opening Balance	(5 762)	(18 631)	16 419	19 658	105 319	118 817	82 600	70 260	376 131	341 156	79 243	78 922	1 019	1 139	654 969	611 321
Transfers to / (from) fund balances	24 597	17 731	3 786	(5 164)	(6 399)	4 165	(967)	(4 460)	(15 436)	(25 566)	(7 889)	141	(31)	1	(2 339)	(13 152)
Net surplus/ (deficit)	(30 580)	(4 862)	660	1 925	(493)	(17 663)	8 401	16 800	5 826	60 541	147	180	41	(121)	(15 998)	56 800
Closing balance	(11 745)	(5 762)	20 865	16 419	98 427	105 319	90 034	82 600	366 521	376 131	71 501	79 243	1 029	1 019	636 632	654 969
Included in fund balances are individual funds with specific purposes:																
Working Capital Fund	15 317	15 324	-	-	-	-	-	-	-	-	-	-	-	-	15 317	15 324
Nuclear Security Fund	-	-	-	-	-	-	-	-	105 043	106 760	-	-	-	-	105 043	106 760
Programme Support Cost Sub-fund	-	-	-	-	-	-	-	-	3 678	4 023	-	-	-	-	3 678	4 023
Research Institute Trust Fund	-	-	-	-	-	-	-	-	-	-	-	-	361	285	361	285
Equipment Replacement Fund	-	-	-	-	-	-	-	-	-	-	-	-	673	737	673	737

161. The WCF was established in accordance with the Financial Regulations to be used for advances to the Regular Budget Fund to temporarily finance appropriations and for other purposes authorized by the General Conference. The WCF level is approved by the General Conference and funded by Member State advances made in accordance with their respective base rates of assessment as determined by the General Conference. Each advance is carried to the credit of the respective Member State.

162. The Nuclear Security Fund (NSF) was established in accordance with the Financial Regulations to fund a range of activities with the objective of supporting the capacity of Member States to protect nuclear facilities, and nuclear material in use, storage or transport, against nuclear terrorism (GOV/2002/10).

163. The Programme Support Cost Sub-fund was established in 2009 under the Extrabudgetary Programme Fund to record all income and expenditures related to programme support costs in accordance with Financial Regulation 8.03.

164. The Research Institute Trust Fund was established in accordance with the Financial Regulations to enable multi-year funding availability for the purchase of equipment and supplies necessary for the Agency's research contract programme (GOV/2403).

165. The Equipment Replacement Fund was established as approved by the Board of Governors (GOV/2005/22) to upgrade or replace the Information and Communication Technology (ICT) infrastructure so that an appropriate level of ICT services can be delivered to support the Agency's programmes.

NOTE 21: Movement in fund balances of individual funds with specific purposes

(expressed in euro'000s)

	2024						2023					
	Opening Balance	Revenue a/	Transfers to/(from)	Expense	Net gains/ (losses)	Closing Balance	Opening Balance	Revenue a/	Transfers to/(from)	Expense	Net gains/ (losses)	Closing Balance
Working Capital Fund	15 324	(7)	-	-	-	15 317	15 193	131	-	-	-	15 324
Nuclear Security Fund	106 760	32 029	(377)	(33 246)	(123)	105 043	103 951	35 528	(2 566)	(29 865)	(288)	106 760
Programme Support Cost Sub-Fund	4 023	11 257	(913)	(10 539)	(150)	3 678	541	9 344	(65)	(5 891)	94	4 023
Research Institute Trust Fund	285	-	(29)	41	64	361	441	-	1	(115)	(42)	285
Equipment Replacement Fund	737	-	-	-	(64)	673	703	-	-	(7)	41	737

a/ Revenue includes contributions, interest, etc.

NOTE 22: Movements in reserves by fund group

(Expressed in euro '000s)

	Regular Budget Fund and Working Capital Fund		Major Capital Investment Fund		Technical Cooperation Fund		Technical Cooperation Extrabudgetary Fund		Extrabudgetary Programme Fund		Low Enriched Uranium Bank		Trust Funds and Special Funds		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	(160 353)	(122 924)	4 902	6 212	49 141	53 411	19 901	14 677	41 892	42 859	30	170	16	17	(44 471)	(5 578)
Transfers to/(from)	47 194	(37 429)	(3 648)	(1 310)	6 316	(4 270)	704	5 224	(8 855)	(967)	63	(140)	29	(1)	41 803	(38 893)
Closing balance	(113 159)	(160 353)	1 254	4 902	55 457	49 141	20 605	19 901	33 037	41 892	93	30	45	16	(2 668)	(44 471)
Movements in reserves comprise:																
Health insurance premium reserve opening balance	2 699	3 261													2 699	3 261
Transfers to/(from)	(472)	(562)													(472)	(562)
Health Insurance premium reserve closing balance	2 227	2 699													2 227	2 699
Commitments opening balance	33 362	17 764	4 994	6 274	49 141	53 411	19 910	14 686	42 296	42 546	34	174	16	17	149 753	134 872
Transfers to/(from)	(6 844)	15 598	(3 657)	(1 280)	6 316	(4 270)	700	5 224	(10 462)	(250)	63	(140)	29	(1)	(13 855)	14 881
Commitments closing balance	26 518	33 362	1 337	4 994	55 457	49 141	20 610	19 910	31 834	42 296	97	34	45	16	135 898	149 753
Cash surplus/(deficit) reserve opening balance	23	25													23	25
Transfers to/(from)	43	41													43	41
Credit to Member States	(46)	(43)													(46)	(43)
Cash surplus/(deficit) reserve closing balance	20	23													20	23
Post employment related plans revaluation reserve opening balance	(196 437)	(148 291)	(92)	(62)			(9)	(9)	(404)	313	(4)	(4)			(196 946)	(148 053)
Actuarial gains/(losses) recognized through equity	46 930	(48 146)	9	(30)			4	-	1 607	(717)	-	-			48 550	(48 893)
Reserve for actuarial gains/losses on employee benefit liabilities closing balance	(149 507)	(196 437)	(83)	(92)			(5)	(9)	1 203	(404)	(4)	(4)			(148 396)	(196 946)
Reserve for carry-over of unobligated appropriations opening balance	-	4 317													-	4 317
Transfers to/(from)	7 583	(4 317)													7 583	(4 317)
Reserve for carry-over of unobligated appropriations closing balance	7 583	-													7 583	-

166. The reserves increased by €41.803 million in 2024 (€38.893 million decrease in 2023) primarily due to actuarial gains on employee benefits liabilities as further described below.

167. The health insurance premium reserve represents the Agency's share of the funds related to health insurance premiums. In February 2021, the Agency received an amount of €4.343 million from CIGNA as savings due to reduced claim experience. This was recorded as an increase in the health insurance premium reserve and was used for premium payments in the following years.

168. Commitments represent committed funds for open contracts for goods and services which have not been received by the Agency. During 2024, such future commitments decreased by €13.855 million (€14.881 million increase in 2023). This decrease is shown as a transfer from reserves balances to the fund balances. It should be noted that the Technical Cooperation Fund balance includes balances pertaining to purchase requisitions for goods and services which have not yet been implemented into a contract.

169. The cash surplus reserve opening balances represent the accumulated cash surplus for prior years amounting to €0.023 million.

170. The liabilities arising from post-employment benefits and other long-term employee benefits are determined by independent actuaries. The reserve for actuarial gains/(losses) on employee benefits liabilities represent the balance of actuarial gains or losses relating to the ASHI and postemployment repatriation and separation benefit obligations. During 2024, a total of €48.550 million actuarial gain (€48.893 million on actuarial loss 2023) was recorded (refer to Note 17). This actuarial gain is mainly due to a change in actuarial assumptions relating to an increase in discount rate and an increase in the assumed-aged related medical claims costs.

NOTE 23: Assessed contributions

	(expressed in euro '000s)	
	2024	**2023**
Operational Assessment	417 152	408 398
Capital Assessment	6 137	6 500
Total assessed contributions	**423 289**	**414 898**

171. In accordance with Article XIVD of the IAEA's Statute and Financial Regulation 5.01, the scale of assessment of Member States' contributions towards the Regular Budget is calculated in line with the principles and arrangements established by the General Conference (GC). The operational portion of the assessment represents funding towards the activities in the Agency's approved Regular Budget programme for the specified year. The capital portion of the assessment represents funding towards the Agency's major capital investments. The split between the Operational and Capital portion is based on the Agency's budget as approved by the relevant GC resolutions.

172. Details of assessed contributions by Member State and other donors are provided in Annex A2.

NOTE 24: Voluntary contributions

	2024	2023
	(expressed in euro '000s)	
Voluntary monetary contributions		
Technical Cooperation Fund	92 219	92 354
Technical Cooperation Fund Extrabudgetary Fund	35 793	29 952
Extrabudgetary Programme Fund	120 390	157 682
Extrabudgetary contributions LEU Bank	-	280
Total voluntary monetary contributions	**248 402**	**280 268**
Voluntary in-kind contributions		
Lease of premises - Building VIC	6 073	6 275
Lease of premises - land VIC	1 429	1 412
Lease of premises - building other	1 440	1 340
Lease of premises - land other	593	578
Equipment/Inventories for counterparts	678	2 997
Total voluntary in-kind contributions	**10 213**	**12 602**
Total voluntary contributions	**258 615**	**292 870**

173. Voluntary contributions consist of monetary and in-kind contributions. Details of voluntary monetary contributions by Member State and other donors are provided in Annex A2.

174. The above amounts do not reflect the impact of the refunds and transfers of unused portions of extrabudgetary contributions to donors for voluntary contributions for which revenue was recognized in prior years and credits related to prior years' National Participation Costs. During 2024 and 2023, such refunds and transfers amounted to €9.914 million and €3.191 million, respectively. In accordance with the Agency's accounting policy for such refunds, these amounts were recognized as direct adjustments to equity.

175. In-kind contributions primarily comprise of the use of the Vienna International Centre (VIC) as a donated asset (€7.502 million) as well as the donated right to use the land, buildings and related utilities in Agency's other locations including Seibersdorf, Monaco and Fukushima (€2.033 million). The contribution related to the VIC consists of the Agency's portion of depreciation charges on structures in existence as at 1 January 2015 and still in use, plus additional leasehold improvements financed by the Austrian Government. It also includes the Agency's portion of the notional rental charge for the land on which the VIC sits.

176. Other in-kind contributions received by the Agency include goods that qualify as PP&E and project inventories for counterparts. In 2024, the Agency received donations of equipment and inventory items amounting to €0.470 million and €0.208 million, respectively. Revenue is recognized for these contributions if the cost of the donated goods can be reliably measured, and the goods have been transferred under the control of the Agency.

177. The above does not include the value of services-in-kind received by the Agency. In accordance with the Agency's accounting policies and in compliance with IPSAS, services in-kind are not recorded as revenue. The Agency receives a significant amount of services in-kind from

certain donors relating to training activities, technical support, consultancy services, analytical services and the coordination of technical meetings. Of particular note are the support services for the initial five years of the Linear Accelerator donated for the ReNuAL project which commenced in 2019 (refer to Note 12). Due to the uncertainty related to the control and valuation of these services, the Agency does not recognize these services in its financial statements. In addition, the Agency receives services-in-kind related to Cost Free Experts (CFEs), invited speakers, trainers and expert consultants and their related travel costs that have been donated to the Agency. These resources provide expertise- at technical meetings and expert consultations for the Agency in specific areas that help support the Agency's initiatives.

NOTE 25: Other contributions

	(expressed in euro '000s)	
	2024	**2023**
National Participation Cost	4 288	105
Safeguards agreements	1 491	1 476
Other Contributions	345	206
Total other contributions	**6 124**	**1 787**

178. Revenue from NPCs is recognized when projects comprising the Technical Cooperation national programme have been approved by the TACC and amounts become due to the Agency, usually on 1 January following the TACC meeting. Since a majority of the projects are approved as of the first year of the biennium, NPC revenue is generally higher in that year compared to the second year of the biennium. As such, 2024, being the first year of the biennium, had higher NPC revenue compared to 2023.

179. Revenue from Safeguards agreements reflects amounts recoverable in the Regular Budget under certain safeguards agreements.

180. Other contributions represent the recognition of deferred revenue in respect of depreciation on leasehold improvements at the VIC funded through the Common Fund for Major Repairs and Replacements (MRRF).

NOTE 26: Revenue from exchange transactions

	(expressed in euro '000s)	
	2024	**2023**
Revenue from sale of goods / use of entity's assets		
Publications	470	516
Laboratory reference materials	307	248
	777	**764**
Revenue from jointly financed services		
Medical	1 008	933
Printing	251	530
	1 259	**1 463**
Other miscellaneous revenue	429	491
Total revenue from exchange transactions	**2 465**	**2 718**

181. Revenue from publications includes €0.413 million relating to the use of Agency's assets by other parties, specifically derived from the publication and distribution of the Nuclear Fusion Journal.

182. Revenue from jointly financed services includes receipts for various services rendered to other UN system organizations on a cost reimbursement basis.

183. Other miscellaneous revenue includes revenue from translation and other services, as well as sundry credits.

NOTE 27: Investment revenue

	(expressed in euro '000s)	
	2024	**2023**
Term deposits	25 477	24 568
Treasury bills	4 756	-
Discounted notes	3 173	1 157
Call accounts and others	203	206
Total investment revenue	**33 609**	**25 931**

184. Investment revenue increased by €7.7 million in 2024, primarily due to higher average interest earned on financial holdings compared to 2023.

185. Statement VIIb provides details of the total investment revenue recognized in 2024 per Fund. These amounts are expected to be utilized in support of the activities of the respective funds.

NOTE 28: Salaries and employee benefits

	(expressed in euro '000s)	
	2024	**2023**
Professional staff		
Salaries	188 292	173 978
Common staff costs: contributions to UNJSPF and other pension schemes	46 577	43 354
Common staff costs: other	60 350	43 464
Total professional staff	**295 219**	**260 796**
General service staff		
Salaries	67 930	65 092
Common staff costs: contributions to UNJSPF and other pension schemes	13 716	12 940
Common staff costs: other	20 179	7 704
Total general service staff	**101 825**	**85 736**
Total salaries and employee benefits	**397 044**	**346 532**

186. Salaries include net base salary and the applicable post-adjustment. Common staff costs: other includes insurance, staff entitlements such as home leave, family visit, education grant, etc. as well as other separation benefits.

187. In 2024, the increase of €50.512 million (14.6%) in total salaries and employee benefits was primarily due to an increase in extrabudgetary (EB) funded posts driven by the expanded implementation of EB funded activities, ICSC-mandated increases in General Service salary scale, pensionable remuneration scale, post adjustment multipliers for professional salaries, as well as a higher accrual of annual leave days. Furthermore, a one-time positive impact of €20.5 million in 2023, resulting from the implementation of cost containment measures related to ASHI, also contributed to higher expenses in 2024.

NOTE 29: Consultants, experts

	(expressed in euro '000s)	
	2024	**2023**
Consultants and experts	16 849	15 394
Conference clerks	234	214
Language Services	1 633	1 510
Total	**18 716**	**17 118**

188. Consultants' expenses represent the cost of contracting consultants, experts and translators, including related fees and honorarium.

NOTE 30: Travel

	(expressed in euro '000s)	
	2024	2023
Staff travel		
Safeguards inspection and equipment maintenance	7 103	6 538
Duty travel staff	17 044	15 498
Total staff travel	**24 147**	**22 036**
Non-staff travel		
Consultants, experts and meeting participants	16 700	16 124
For technical cooperation projects	6 318	7 334
Other non-staff	1 858	1 612
Total non-staff travel	**24 876**	**25 070**
Total travel expenses	**49 023**	**47 106**

189. Staff travel expenses are comprised mostly of inspections, regular duty travel of staff to various missions, such as technical, research coordination, and liaison meetings, emergency assistance, conferences/symposia and project travel.

190. Non-staff travel expenses are the associated travel costs (including ticket costs and per diem) of consultants, meeting participants or experts the Agency utilizes to support technical cooperation projects or attendance at technical meetings/conferences.

191. The increase in travel expenses of 4.1% was due to higher air ticket costs in 2024.

NOTE 31: Transfers to development counterparts

	(expressed in euro '000s)	
	2024	2023
Project inventories distributed to development counterparts	85 336	79 634
Services to development counterparts	6 665	7 271
Research and technical contracts	4 947	5 934
International Centre for Theoretical Physics funding	2 152	2 360
Other grants	245	298
Total transfers to development counterparts	**99 345**	**95 497**

192. Project inventories are items purchased for counterparts which are ordinarily held for distribution, or in certain cases, purchased through the local UNDP office, the project manager or the Counterpart.

193. The increase in project inventories distributed to development counterparts of €5.702 million (7.2%) from €79.634 million in 2023 to €85.336 million in 2024 was the result of the receipt and implementation of TCEB for projects in the areas of the Special Initiatives and added focus on the TCEB implementation.

194. Services to development counterparts include services purchased by the Agency that will be carried out by individuals or contractors for the benefit of recipient counterparts. These services decreased by €0.606 million (8.3%) from €7.271 million in 2023 to €6.665 million in 2024.

NOTE 32: Vienna International Centre common services

	(expressed in euro '000s)	
	2024	2023
Buildings management services	15 170	15 662
Security services	9 725	8 929
Conference services	1 332	1 255
Total Vienna International Centre common services	**26 227**	**25 846**

195. Building Management Services (BMS), UN Security Services and Conference Services represent the Agency's share of expenditure for common services, which are controlled and operated by other VBOs. Further details of these services may be found in Note 37.

NOTE 33: Training

	(expressed in euro '000s)	
	2024	2023
Training of development counterparts	50 671	48 666
Training – staff	3 752	2 593
Total training	**54 423**	**51 259**

196. Training of development counterparts consists of stipends, tuition, travel and other training related costs.

197. Total training expenses have increased by €3.164 million. This was mainly due to an increase in the number of training events and training activities in the new Nuclear Security Training and Demonstration Centre in Seibersdorf.

NOTE 34: Contractual and other services

	(expressed in euro '000s)	
	2024	2023
Information technology contractual services	10 698	9 098
Scientific and technical contractual services	2 519	2 942
Other institutional contractual services	4 282	4 010
Building services and security non-VIC	8 454	8 091
Equipment and software maintenance	6 620	5 314
Total contractual and other services	**32 573**	**29 455**

198. Information technology contractual services comprise expenses supporting the Agency's information systems, including AIPS and other support services.

199. Scientific and technical contractual services consist of activities supporting scientific research work at the Agency, such as research reports and studies.

200. Other institutional contractual services are expenses related to translation, interpretation, medical and other services.

201. Building services and security non-VIC represents the Agency's expenditure for the maintenance of its offices other than the IAEA Headquarters, primarily Seibersdorf, Toronto, Tokyo, New York and Geneva.

202. Equipment and software maintenance refers to services performed by third parties in relation to maintenance of equipment as well as support for software in use.

NOTE 35: Other operating expenses

	(expressed in euro '000s)	
	2024	2023
Supplies and materials	7 066	8 115
Purchase of minor equipment and software	8 279	10 341
Communication and transport	3 021	2 883
Leased equipment	1028	966
Lease of premises	3 588	3 277
Impairment of intangibles	-	2
Impairment of Property, Plant & Equipment	33	677
Representation and hospitality	902	864
Printing supplies, Safeguards spare parts and maintenance materials inventory consumption	59	88
Increase/(Decrease) in provisions and allowances	1 460	(8 086)
Other operating expenses	2 253	134
Other miscellaneous expenses	1 886	2 458
Total other operating expenses	**29 575**	**21 719**

203. Supplies and materials mainly comprise of scientific and technical supplies, and also include office and communication materials and supplies.

204. Purchase of minor equipment and software relates to the expenses incurred in the purchase of items of equipment and software that do not meet the capitalization criteria.

205. Communication and transport relate to costs for telephone, mail and transport of goods.

206. All current commercial leases of equipment and premises are classified as operational leases.

207. The increase in provisions and allowances relates primarily to the undeliverable inventory in transit (see Note 10).

208. Other operating expenses relate primarily to the general laboratory utility costs.

209. Other miscellaneous expenses mainly include the Agency's contributions to UN system jointly funded activities, insurance and bank charges.

NOTE 36: Net gains/ (losses)

	(expressed in euro '000s)	
	2024	**2023**
Unrealized foreign exchange gains/(losses)	5 625	(4 877)
Realized foreign exchange gains/(losses)	2 095	(537)
Gains/(losses) on sale or disposal of property, plant & equipment	15	59
Total gains/(losses)	**7 735**	**(5 355)**

210. Total net gains mainly include unrealized foreign exchange gains of €7.735 million and mostly reflect the appreciation of the US dollar vis-à-vis the euro, the functional currency of the Agency.

NOTE 37: Interests in other entities

Jointly funded activities

Joint FAO/IAEA Centre

211. The Joint FAO/IAEA Centre of Nuclear Techniques in Food and Agriculture was established to operate in areas of common interest between the Agency and the FAO, to avoid duplication of activities and promote synergy. As such, the Joint Centre implements a Programme drawn up biennially in consultation between the two organizations. The operations and governance of the Joint Centre are established by the "Revised Arrangements between the Directors-General of FAO and the IAEA for the Joint FAO/IAEA Centre of Nuclear Techniques in Food and Agriculture" (the 'Revised Arrangements'). The Revised Arrangements establish a binding arrangement whereby the two organizations are committed to undertake an activity that is subject to joint control. The Joint Centre is not considered to be structured as a separate vehicle for the purposes of IPSAS 37 and is consequently accounted for as a Joint Operation. The Revised Arrangements were co-signed on 23 February 2021 and the name of the Joint FAO/IAEA Division changed into Joint FAO/IAEA Centre. In addition, a Memorandum of Understanding between FAO and IAEA was co-signed in 2022 aimed at strengthening FAO/IAEA cooperation in the area of the Peaceful Application of Nuclear Technology in Food and Agriculture and Practical Arrangements were co-signed on Cooperation in the area of response to nuclear and radiological incidents and emergencies.

212. Assessed contributions from Member States are the major source of revenue for the Joint Centre. A total of € 13.015 million of the assessed budget funding of the Joint Centre was provided by the Agency and a total of $4.992 million was provided by FAO. In addition, any extra budgetary funds that are made available to either FAO or IAEA for the purpose of the Joint Centre are reported in the financial statements of the respective organization. In fact, the Agency received extrabudgetary funds amounting to € 6.268 million in 2024 to support the operation of the Joint Centre including for the Flagship initiatives Atoms4Food and Zoonotic Disease Integrated Action

(ZODIAC), multiple Peaceful Uses Initiative projects, Cost Free Experts, and other EB funded projects. IAEA and FAO also recognize their respective shares of expenses related to the Joint Centre. Staff costs are one of the major components of the Joint Centre's expenses. In 2024, the Agency spent against the annual assessed budget funding € 7.828 million on staff costs and related employee benefits and €5.187 million on non-staff costs.

213. The Joint Centre operates with a team of approximately 150 scientists, technical experts and support personnel divided among offices, sections and laboratories. The staff members of the Joint Centre are employees of either one or the other of the two organizations. Staff costs and related employee benefits liabilities are recognized in the financial statements of the organization which employs the staff member. In 2024, FAO employed 7 staff at professional level and funded 21 general staff positions, laboratory technicians, admin staff and information assistants. Major global trends that continue to frame agricultural development include persistent food insecurity, malnutrition and the impact of climate change on agricultural production. Increasing demands from Member States for assistance in meeting the challenges in these areas, including support in the achievement of their relevant SDGs, guided the Food and Agriculture Programme in 2024. It is worth noting that the IAEA and FAO jointly launched the Atoms4Food Initiative in October 2023, which aims to provide Member States with ground-breaking solutions tailored to their specific needs and circumstances, by harnessing the advantages of nuclear techniques along with other advanced technologies, to enhance their innovation capacity so as to boost food and nutrition security, while keeping sustainable natural resource management.

Abdus Salam International Centre for Theoretical Physics at Trieste (ICTP)

214. The Abdus Salam International Centre for Theoretical Physics at Trieste (ICTP) was established in 1964. The ICTP operates under a tripartite agreement between the Agency, UNESCO and the Italian Government. The ICTP is controlled by UNESCO as a specialized science department supporting its program (a Category 1 institute). The Agency, through its relationship with the ICTP, obtains increased access to scientists and technologies from the Agency's Member States in the fields of nuclear science and fundamental research. This increased access comes through activities such as training, fellowships and other joint events. The Agency has significant influence in relation to the ICTP through its representation on the Steering Committee which governs the ICTP, along with the material funding it provides, which is recognized as an expense in the Statement of Financial Performance. However, the ICTP has no formal ownership structure, dissolution provisions or other means of enabling any interest the Agency may have in the ICTP to be reliably measured. Accordingly, contributions by the Agency are outside the scope of IPSAS 36 and no accounting interest in ICTP can be recognized.

215. Summary financial information of the ICTP is provided below, in line with the requirements of IPSAS 38:

ICTP Summary Financial Information	(expressed in euro '000s) 31-12- 2024 (provisional)	31-12- 2023 (final)
Revenue	33 835	32 933
Expense	29 718	31 546
Net surplus/(deficit)	4 117	1 387
Assets current	31 194	24 380
Assets non-current	2 517	1 627
Liabilities current	12 978	10 583
Liabilities non-current	22 708	21 517
Equity	(1 975)	(6 093)

The Vienna International Centre

Vienna International Centre land and buildings

216. The Agency entered into a 'Headquarters Agreement' with the Austrian Government in 1979 for a 99-year lease for its share of the VIC premises for a nominal rent of 1 Austrian schilling per year. As part of the agreement, the Agency must operate its headquarters seat from Austria, otherwise it must return its share of the VIC premises to the Austrian Government. Since the Headquarters Agreement is essentially in the nature of a finance lease, the Agency was required to capitalize its share of the VIC buildings on the basis of the Buildings Management Services (BMS) cost-sharing ratio. IAEA shares the VIC building with three other UN entities: UNOV, UNIDO and the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), all four collectively known as the VIC Based Organizations (VBOs). Each of these entities has two agreements with the Austrian Government, one relating to its headquarters seat and the other to those parts of the VIC designated as common to all four. These agreements are binding arrangements which together effectively establish a vehicle separate from both the VBOs and the Austrian Government which no single party can control without the cooperation of the others. The VBOs have all rights to the assets and obligations for the liabilities, whereas the net assets of the arrangement belong to the Austrian Government as the land and buildings revert to it after 99 years or on removal of the headquarters from Vienna, whichever is sooner. The VBOs have mutually agreed that the assets and liabilities will be shared according to the BMS ratio, which is reviewed annually. Taking into consideration these factors, the VIC is treated as a Joint Operation.

217. The IAEA recognizes its share of the buildings as capital assets held on a finance lease, and a corresponding obligation to remain in the VIC in the form of deferred income, which is reflected in the Statement of Financial Position as deferred revenue, please refer to Note 15 for details. It also recognizes depreciation charges related to its share of the buildings and leasehold improvements and operating lease payments for its share of the land, together with off-setting non--exchange revenue from the Austrian Government to reflect the fact that no cash changes hands, please refer to Note 24 on Voluntary Contributions.

Major Repairs and Replacements Fund

218. This Fund is a joint arrangement between the Austrian Government, which owns half of the Fund, and the VBOs, which jointly own the remainder. It operates under the terms of the Agreement between

the International Atomic Energy Agency, the United Nations and the Republic of Austria regarding the establishment and administration of a common fund for financing major repairs and replacements at their headquarters at the Vienna International Centre, signed on 19 January 1981 and amended through an Exchange of Letters on 24 January and 14 February 2002. Its purpose is to finance agreed programmes of work to maintain and enhance the facilities at the VIC. It is established under the terms of an agreement between the five parties which establishes that “authority over the common Fund shall be vested jointly in the parties”. Most of the output of the Fund takes the form of leasehold improvements to the VIC, which is capitalized as parts of the building, and the remainder constitutes minor works that are expensed jointly by the VBOs. Since the Fund gains the entirety of its income from the five participants and the four VBOs consume the totality of its output in agreed proportions, it is appropriate to account for it as a Joint Operation. Accordingly, the Agency recognizes its share of the assets and liabilities, revenues and expenses, consolidated in proportion to the BMS ratio (53.822% for 2024).

219. Summary financial information for the MRRF is provided below, in line with the requirements of IPSAS 38:

	(expressed in euro ‘000s)	
MRRF Summary Financial Information	**31-12-2024 (provisional)**	**31-12-2023 (final)**
Revenue	5 930	5 549
Expense	(4 941)	(5 667)
Net surplus/(deficit)	989	(118)
Assets current	13 637	12 901
Assets non-current	-	-
Liabilities current	1 014	1 269
Liabilities non-current	-	-
Equity	12 622	11 632

220. The Agency provided funding to MRRF in an amount of €1.580 million in 2024 and €1.490 million in 2023. These funds represent the Agency’s share towards its annual budgetary needs and unexpected major repairs and replacements which were not included in the agreed investment plan. The Agency’s share of the works capitalized as part of the VIC is recognized in the statement of financial position, and its share of other expenditures is consolidated into the statement of financial performance.

Vienna International Centre Common Services

Controlled entities

221. The VIC Medical Service is provided by the Agency, either by its own staff or by organizations contracted by it. The repayments by the other VBOs are apportioned on the basis of headcount employed by the various organizations, and it is also available to other individuals in the event of a medical emergency in the VIC. The service was organized in-house primarily to meet the particular medical needs of the Agency to provide regular medical examinations of the field inspectors exposed to specific health risks and radiation workers. The Medical Service is an integral part of the Agency and is operated in accordance with its rules and regulations. No mechanism of advisory and coordinating committees was established for the Medical Services.

222. The Agency also provides a printing service to other entities on a repayment basis. Users are invoiced monthly on the basis of their actual usage, according to a scale of charges. The printing

service is operated as an integral part of the Agency, which employs its staff and owns its assets and liabilities.

223. The Agency recognizes all the costs, assets and liabilities of the services it provides, together with the revenues received from the provision of services to the other VBOs for both entities.

Other entities

224. UN Security Services are provided by UNOV to the VIC, and to other external entities on a repayment basis. Although the Security and Safety Service operates under the authority of the Director General of UNOV, it is also answerable to the UN Department of Safety and Security, which has overall worldwide responsibility and sets security standards. The operation is consolidated into the UN financial statements. Consequently, the Agency does not have control over the service. The Agency recognizes its contribution for the services provided by the UNOV as an expense.

225. UNOV provides the full range of conference services to UNIDO and to CTBTO; however, with the exception of its use of the common interpretation service, the Agency remains outside these arrangements, running its own conference services in parallel. The Agency, therefore, does not have control over these conference services. Consequently, the conference services provided by UNOV are expensed in the Agency's financial statements as incurred.

226. UNIDO provides a range of maintenance and support services to the VIC through its Buildings Management Services Special Fund. The Agency advances monies to this Fund, which operates on a no gain/no loss basis, primarily to pay for its share of a variety of pass-through costs for utilities, cleaning, running repairs and routine maintenance. The Fund has no legal personality of its own, and all assets are owned by UNIDO, all contracts are issued in its name and BMS staff members are its employees. Reimbursement is calculated on the basis of floor space occupied and staff numbers employed by each of the VBOs, expressed as a percentage of total costs. Direction of the activities funded by the Special Fund is provided by the Committee on Common Services, which consists of the Heads of Administration/Management of the four VBOs, while final responsibility for the services provided lies with the Director General of UNIDO, under whose authority they are operated. Although the Special Fund has some of the characteristics of a joint arrangement, the nature of the services provided and the fact that the Agency payments are designed to reimburse costs incurred by UNIDO means that the substance of the transaction is best reflected by treating it as a service provided on a repayment basis.

Interests in structured entities that are not consolidated

Commissary

227. The Commissary was established under the terms of an Exchange of Notes between the Agency and the Austrian Government dated 1 March 1972 as a common service to enable staff, their dependent families and other entitled individuals to access the privileges conferred to them by the Austrian Government allowing purchases of certain articles on a tax-free basis, and the VBOs as entities receive no direct benefits. The Commissary is operated under the authority of the IAEA within the ambit of the Commissary rules and other agreements. The Commissary is financially independent of the Agency and covers its costs from revenue generated by retail sales, which it retains for itself. In the absence of any demonstrable benefits directly to the Agency or any other VBO, no VBO controls the Commissary as defined by the IPSAS standards, as all

benefits are enjoyed by entitled individuals rather than the VBOs as entities. According to the dissolution provisions, any residual net assets are payable to VBOs' staff welfare funds, except for the amount of initial investments of €0.809 million each made by the IAEA and UNIDO on 1 October 1979, which would revert to these Organizations. The initial investment of €0.809 million is recognized as an investment in common services entities.

228. As the Commissary is operated under the authority of the Agency, all staff of the Commissary hold Agency employment contracts. As such, the Agency would be liable for post-employment and other long-term employee benefits of these staff members should revenue generated by the Commissary not be sufficient to meet the financial obligations for such post-employment and other long-term employee benefits. As at 31 December 2024, the total amount of such post-employment and other long-term employee benefits for the staff of the Commissary was €10.200 million (€13.724 million in 2023).

229. Summary financial information for the Commissary is provided below:

Commissary Summary Financial Information	31-12-2024 (provisional)	31-12-2023 (final)
	(expressed in euro '000s)	
Revenue	29 613	29 149
Expense	28 786	27 985
Net surplus/(deficit)	827	1 164
Asset current	17 819	16 520
Asset non-current	823	905
Liabilities current	780	1 127
Liabilities non-current	11 383	15 022
Equity	6 479	1 276

Catering service

230. The Catering Service at the VIC has been established as a self-sustaining, non-profit-making operation to provide catering services to staff and other entitled individuals at the VIC. The responsibility for managing and operating the Catering Service is assigned to UNIDO by an agreement between the UN, IAEA and UNIDO dated 31 March 1977. The Catering Service is an integral part of the UNIDO Secretariat and has no legal personality of its own. As in the case of the Commissary, the benefits from operating the Catering Service flow to the staff of the VBOs, rather than to the VBOs themselves. In case of dissolution, any residual net assets are attributable to VBOs' staff welfare funds. Although they jointly sponsor the catering service, in the absence of direct benefits and rights to residual net assets, no VBO can demonstrate either control or significant influence over the Catering Service. The Agency therefore has no ownership interest in the Catering Service.

NOTE 38: Segment reporting by Major Programme — composition by fund

2024

For the period ending 31 December 2024
(expressed in euro '000s)

	Nuclear Power, Fuel Cycle and Nuclear Science	Nuclear Techniques for Development and Environmental Protection	Nuclear Safety and Security	Nuclear Verification	Policy, Management and Administration Services a/	Shared Services and Expenses not Directly Charged to Major Programmes	Eliminations	Total
Regular Budget and Working Capital fund								
Expense	49 685	54 396	47 149	187 021	130 626	6 920	-	475 797
Property, Plant, Equipment and intangibles	13 764	106 035	26 892	133 746	72 959	-	-	353 396
Additions to Property, Plant, Equipment and Intangibles	1 051	26 472	4 688	16 393	5 025	-	-	53 629
Major Capital Investment Fund								
Expense	1	105	121	600	4 287	-	-	5 114
Property, Plant, Equipment and intangibles	-	-	-	-	-	-	-	-
Additions to Property, Plant, Equipment and Intangibles	-	-	-	-	-	-	-	-
Technical Cooperation Fund								
Expense	12 680	69 318	16 034	-	14 494	(10)	-	112 516
Property, Plant, Equipment and intangibles	-	63	-	-	-	-	-	63
Additions to Property, Plant, Equipment and Intangibles	-	-	-	-	-	-	-	-
Technical Cooperation Extrabudgetary Fund								
Expense	2 508	21 273	2 301	2	4 048	-	-	30 132
Property, Plant, Equipment and intangibles	-	-	-	-	99	-	-	99
Additions to Property, Plant, Equipment and Intangibles	-	-	-	-	24	-	-	24
Extrabudgetary Programme Fund								
Expense	16 161	9 704	72 814	26 483	17 076	(1 003)	-	141 235
Property, Plant, Equipment and intangibles	-	-	-	-	-	-	-	-
Additions to Property, Plant, Equipment and Intangibles	-	-	-	-	-	-	-	-
Low Enriched Uranium Bank								
Expense	669	-	-	-	5	-	-	674
Property, Plant, Equipment and intangibles	1	-	-	-	-	-	-	1
Additions to Property, Plant, Equipment and Intangibles	-	-	-	-	-	-	-	-
Trust Funds and Special Funds								
Expense	(5)	(35)	-	-	-	-	-	(40)
Property, Plant, Equipment and intangibles	-	-	-	-	-	-	-	-
Additions to Property, Plant, Equipment and Intangibles	-	-	-	-	-	-	-	-
Inter-fund elimination of un-allocated shared services expenses							(17 593)	(17 593)
Total Expense	**81 699**	**154 761**	**138 419**	**214 106**	**170 536**	**5 907**	**(17 593)**	**747 835**
Total PP&E and Intangibles	**13 765**	**106 098**	**26 892**	**133 746**	**73 058**	-	-	**353 559**
Total Additions to PP&E and Intangibles	**1 051**	**26 472**	**4 688**	**16 393**	**5 049**	-	-	**53 653**

a/ Includes Management of Technical Cooperation for Development.

2023

For the period ending 31 December 2023
(expressed in euro '000s)

	Nuclear Power, Fuel Cycle and Nuclear Science	Nuclear Techniques for Development and Environmental Protection	Nuclear Safety and Security	Nuclear Verification	Policy, Management and Administration Services a/	Shared Services and Expenses not Directly Charged to Major Programmes	Eliminations	Total
Regular Budget and Working Capital fund								
Expense	46 337	50 176	44 680	173 624	119 896	881	-	435 594
Property, Plant, Equipment and intangibles	14 451	85 036	25 421	140 161	75 626	-	-	340 695
Additions to Property, Plant, Equipment and Intangibles	1 598	17 288	5 404	16 407	6 068	-	-	46 765
Major Capital Investment Fund								
Expense	-	422	135	385	3 883	-	-	4 825
Property, Plant, Equipment and intangibles	-	-	-	-	-	-	-	-
Additions to Property, Plant, Equipment and Intangibles	-	-	-	-	-	-	-	-
Technical Cooperation Fund								
Expense	14 398	75 365	18 023	-	10 342	1	-	118 129
Property, Plant, Equipment and intangibles	-	71	-	-	-	-	-	71
Additions to Property, Plant, Equipment and Intangibles	-	14	-	-	-	-	-	14
Technical Cooperation Extrabudgetary Fund								
Expense	2 597	8 555	3 076	-	1 018	-	-	15 246
Property, Plant, Equipment and intangibles	-	-	-	-	87	-	-	87
Additions to Property, Plant, Equipment and Intangibles	-	-	-	-	45	-	-	45
Extrabudgetary Programme Fund								
Expense	14 053	9 128	60 553	24 246	10 660	(1 785)	-	116 855
Property, Plant, Equipment and intangibles	-	-	-	-	-	-	-	-
Additions to Property, Plant, Equipment and Intangibles	-	-	-	-	-	-	-	-
Low Enriched Uranium Bank								
Expense	623	-	-	-	(5)	-	-	618
Property, Plant, Equipment and intangibles	1	-	-	-	-	-	-	1
Additions to Property, Plant, Equipment and Intangibles	-	-	-	-	-	-	-	-
Trust Funds and Special Funds								
Expense	-	114	1	-	6	-	-	121
Property, Plant, Equipment and intangibles	-	-	-	-	-	-	-	-
Additions to Property, Plant, Equipment and Intangibles	-	-	-	-	-	-	-	-
Inter-fund elimination of un-allocated shared services expenses							(15 339)	(15 339)
Total Expense	**78 008**	**143 760**	**126 468**	**198 255**	**145 800**	**(903)**	**(15 339)**	**676 049**
Total PP&E and Intangibles	**14 452**	**85 107**	**25 421**	**140 161**	**75 713**	-	-	**340 854**
Total Additions to PP&E and Intangibles	**1 598**	**17 302**	**5 404**	**16 407**	**6 113**	-	-	**46 824**

a/ Includes Management of Technical Cooperation for Development.

NOTE 39: Budget

231. The Regular Budget consists of an operational and a capital portion, the latter to fund major infrastructure investments. Regular Budget estimates, in accordance with the structure of the Agency's programme of work, are presented in the six Major Programmes (MPs). MPs 1-4 are scientific and technical in nature:

MP 1 – Nuclear Power, Fuel Cycle and Nuclear Science

MP 2 – Nuclear Techniques for Development and Environmental Protection

MP 3 – Nuclear Safety and Security

MP 4 – Nuclear Verification

Other MPs provide managerial and administrative services that facilitate the work of the scientific and technical MPs:

MP 5 – Policy, Management and Administration Services

MP 6 – Management of Technical Cooperation for Development

232. The capital portion of the Regular Budget is a part of the MCIF. This is a Reserve Fund, established in accordance with Financial Regulation 4.06, to support major infrastructure investments that comply with the Agency's Major Capital Investment Plan (MCIP).

NOTE 39a: Movements between original and final budgets (Regular Budget)

233. 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 are voted. The Director General cannot make transfers between any of the appropriation sections without the prior approval of the Board of Governors. No transfers between the appropriation sections were made during 2024. The amount in each appropriation section comprises of a euro component and a US dollar component expressed in euro equivalent based on the average US dollar-to-euro UNORE experienced during the budget year. Therefore, the authority granted by the General Conference, expressed in euros, can only be determined at the end of the budget year which was at €0.923 to US $1 in 2024.

234. The table below illustrates the revaluation of the 2024 Regular Budget appropriations for 2024. The variances between the original approved budget and the final budget were due to revaluation only.

(expressed in euro '000s)

Major Programmes	Original Approved Budget a/	Revalued Final Budget b/	Variance c/
MP1 - Nuclear Power, Fuel Cycle and Nuclear Science	46 710	46 171	(539)
MP2 - Nuclear Techniques for Development and Environmental Protection	47 501	47 098	(403)
MP3 - Nuclear Safety and Security	41 833	41 250	(583)
MP4 - Nuclear Verification	167 730	165 749	(1 981)
MP5 - Policy, Management and Administration Services	92 268	91 534	(734)
(MP6 - Management of Technical Cooperation for Development	30 406	30 072	(334)
Total Agency Programmes	**426 448**	**421 874**	**(4 574)**
Reimbursable Work for Others	3 574	3 574	-
Total Regular Budget fund operational portion	**430 022**	**425 447**	**(4 574)**

a/ General Conference Resolutions GC(67)/RES/3 of September 2023 - original budget at $1/€1.
b/ Original 2024 Regular Budget revalued at the United Nations operational average rate of exchange of €0.923 to $1 in 2024.
c/ Represents the difference between the original approved budget and revalued final budget.

NOTE 39b: Reconciliation between actual amounts on a budget comparable basis and the cash flow statement

235. As required under IPSAS 24 *Presentation of Budget Information in Financial Statements*, the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to net cash flows from operating, investing and financing activities, identifying separately any basis, timing and entity differences. There may also be differences in formats and classification schemes adopted for presentation of financial statements and the budget.

236. The reconciliation between the actual amounts on a comparable basis in the Comparison of Budget and Actual Amounts and the actual amounts in the Cash Flow Statement for the period ended 31 December 2024 is presented below:

(expressed in euro '000s)

	Operating	Investing	Financing
Actual Net Surplus as per the Statement of Comparison of Budget and Actual Amounts a/	7 583	-	-
Basis Difference	(6 484)	-	-
Presentation Difference	51 905	(52 995)	(3)
Entity Difference	18 668	(146 794)	(1)
Actual Amount in the Statement of Cash Flows	**71 672**	**(199 789)**	**(4)**

a/ IPSAS 24 requires a reconciliation to be presented between the actual amounts (Actuals/Expenditure Statement Va) and the net cash flows. The reconciliation in this Note compares the variance between budget and actuals (Statement Va) and the net cash flows (Statement IV). If the literal requirement of IPSAS 24 is followed, the Agency's revenues (substantial part of the cash flows) would appear as reconciling differences. This would distort the clarity and the ability of the readers of financial statements to draw conclusions from such presentation. The logical requirement of the Standard is to demonstrate the differences between the accounting basis used in the preparation of the budget and the accounting basis used in the financial statements. We believe that the given reconciliation achieves a fair presentation.

237. **Basis differences** capture the differences resulting from preparing the budget on a modified cash basis. In order to reconcile the budgetary results to the cash flow statement, the non-cash elements such as year-end unliquidated obligations, payments against prior-year obligations, outstanding assessed contributions as well as foreign exchange gain/loss are included as basis differences.

238. **Timing differences** occur when the budget period differs from the reporting period reflected in the financial statements. For the purposes of comparison of budget and actual amounts, there are no timing differences for the Agency.

239. Presentation **differences** are differences in the format and classification schemes in the Statement of Cash Flow and the Statement of Comparison of Budget and Actual Amounts.

240. Entity **differences** represent cash flows of Fund groups other than the Regular Budget Fund that are reported in the Financial Statements. The financial statements include results for all Fund groups.

NOTE 39c: Budget to actuals variance analysis

241. Excluding reimbursable work for others amounting to €3.800 million, the Agency expended €416.315 million (obligations plus actuals) from the 2024 Regular Budget, including capital portion €2.024 million. The Operational Regular Budget expenditure amounted to €414.291 million out of an adjusted budget of €421.873 million representing an implementation rate of 98.20% and thus, leaving an unencumbered balance of €7.583 million.

242. Under the 2024 capital portion of the Regular Budget, €2.024 million were expended (obligations plus actuals) out of an adjusted budgeted amount of €6.139 million, representing an implementation rate of 32.97% and thus, leaving an unencumbered balance of €4.114 million to be carried over for the same approved projects. The unencumbered balances will continue to be used as follows:

- €1.213 million for the Renovation of the Nuclear Application Laboratory – ReNuAL2 (Major Programme 2)
- €0.218 million for Enhancing Radiation Safety through Efficient and Modern Dosimetry (RADSED) (Major Programme 3)
- €0.717 million to Develop and Implement a Safeguards Approach for J-MOX (Major Programme 4)
- €1.033 million for the Provision for IT Infrastructure and Information Security Investment (Major Programme 5)
- €0.358 million for Seibersdorf Infrastructure and Common Facilities (Major Programme 5)
- €0.268 million for Buildings Management Services Capital Fund (Major Programme 5)
- €0.307 million for Upgrade of the IAEA Technical Cooperation Programme Cycle Management Framework (Major Programme 6)

NOTE 39d: Major Capital Investment Fund (MCIF)

243. The MCIF is a Reserve Fund established in accordance with Financial Regulation 4.06 which allows the retention ('carry over') of funds beyond the end of the biennium. The Director General will incur expenditures from the MCIF to implement the MCIP in compliance with the Financial Regulations and Rules.

244. The MCIP is a long-term plan which outlines the Agency's major capital projects. It is a mechanism which facilitates long-term planning, allows for the accumulation and retention of funds beyond the end of a budget biennium to make them available when needed. Furthermore, it helps to ensure that appropriations are planned for and managed in a manner that the amounts requested each year are more stable and predictable.

245. The MCIF is reviewed by the Board in the framework of the established programme and budget approval process to determine, inter alia, the adequacy of the fund balance and the level of appropriations required for the capital Regular Budget after considering such factors as extrabudgetary contributions received or pledged for items in the MCIP, rate of implementation and adjustments to the MCIP due to changes in circumstances or prioritization.

246. The MCIF is funded by multiple sources as originally described in GC(53)/5, including appropriations of the capital portion of the Regular Budget, any savings from annual Regular Budget appropriations and any other source as the Board may determine.

247. The following table presents the financial status of the MCIF at the end of the 2024 financial year.

Comparison of budget and actual amounts a/

	(expressed in euro '000s)
Resources:	
Opening balance 1 January 2024 b/	26 927
2024 Regular Budget Capital Portion c/	6 139
Total resources	**33 066**
Expenditure:	
MP2-Nuclear Techniques for Development and Environmental Protection	1 328
MP3 - Nuclear Safety and Security	299
MP4-Nuclear Verification	546
MP5-Policy, Management and Administration	5 533
MP6-Management of Technical Cooperation and Development	-
Total expenditure during 2024	**7 706**
Available Resources at 31 December 2024	**25 360**
Allocation of Available Resources at 31 December 2024	
Allocated to Major Programmes	12 411
Unallocated	12 949

a/ The accounting basis and the budget basis are different. This note is prepared on the modified cash basis.
b/ Closing balance reported as per Note 39d - GOV/2024/15 - page 112 is €26.427 million. The difference of €0.500 million to the opening balance reported in 2024 is an adjustment of available resources based on MCIF reconciliation.
c/ General Conference Resolutions GC(67)/RES/3, GC(67)/RES/4, GC(67)/RES/5 of September 2023.

NOTE 40: Related parties

Key management personnel

248. Key management personnel are the Director General and the six Deputy Directors General, as they have authority for planning, directing and controlling the activities of the Agency (or significant parts thereof).

249. The aggregate remuneration paid to key management personnel includes net salaries, post adjustment, entitlements such as allowances, grants and subsidies, and employer pension and health insurance contributions. Key management personnel remuneration incorporates housing allowances and representation allowances.

(expressed in euro '000s)

	Number of Individuals	Compensation and Post Adjustment	Entitlements	Pension and Health Plans	Total Remuneration	Outstanding Advances Against Entitlements	Outstanding Loans
2024	7	1 538	305	346	2 189	25	-
2023	7	1 433	295	328	2 066	24	-

250. No close family member of the key management personnel was employed by the Agency during the year.

251. Advances are those made against entitlements in accordance with Staff Regulations and Staff Rules. Advances against entitlements are widely available to all Agency staff.

NOTE 41: Financial instrument disclosures

252. Financial instruments are recognized when the Agency becomes a party to the contractual provisions of the instrument until such time as when the rights to receive cash flows from those assets have expired or have been transferred and the Agency has transferred substantially all the risks and rewards of ownership.

253. The classification of the financial instruments and their carrying value at 31 December are presented in the table below. Due to their short-term nature, their carrying value approximates their fair value. Annex A6 provides details of all investments, which include call accounts, discounted notes and time deposits. None of the financial instruments represent derivative financial instruments.

Financial Instrument	Classification	Carrying Value at 31-Dec 2024	2023
		(expressed in euro '000s)	
Financial Assets			
Cash and Cash Equivalents	Hold to collect cash flows	385 639	509 360
Investments [a]	Hold to collect cash flows	545 758	392 913
Assessed Contribution Receivables	Hold to collect cash flows	48 812	52 625
Voluntary Contribution Receivables	Hold to collect cash flows	19 507	16 062
Other Receivables	Hold to collect cash flows	1 510	1 251
Accounts receivable from exchange transactions	Hold to collect cash flows	11 332	12 655
Total Financial Assets		**1 012 558**	**984 866**
Financial Liabilities			
Accounts Payable	Amortized Cost	33 263	36 985
Other financial liabilities	Amortized Cost	485 736	506 746
Total Financial Liabilities		**518 999**	**543 731**
Net Exposure to Financial Instruments		**493 559**	**441 135**

[a] Annex A6 provides the details of all investments which may include call accounts, Time deposits and Treasury bills.

254. The Agency's activities expose it to credit risk, currency risk, liquidity risk, and interest rate risk. Detailed information on the Agency's management of each of these risks and the related exposures is provided in the following sections. From an overall perspective, the Agency's investment management objective prioritizes capital preservation as its primary objective, ensuring sufficient liquidity to meet cash operating requirements, and then earning a competitive rate of return on its portfolio within these constraints. Capital preservation and liquidity are emphasized over the rate of return. Currently, no investment can be longer than one year.

Credit risk management

Management of credit risk relating to non-exchange receivables

255. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the IAEA. The carrying value of financial assets equates to the maximum exposure to credit risk as at balance date.

256. Contributions receivables comprise amounts due from sovereign nations and contributions from governmental donors based on binding agreements with the donor. Details of contributions receivable and corresponding impairment allowance are provided in Note 6 and Note 7.

257. Assessed contributions comprise of the majority of the Agency's receivables; they are due and payable within 30 days of receipt of the assessment letter or as of the first day of the financial year, whichever is later. As of 1 January, the following year, the unpaid balance is considered one

year in arrears. Under Article XIX.A of the Statute, a Member State loses its voting rights when its arrears equal to or exceed the assessed amounts for the previous two years.

258. To facilitate the payment of arrears of assessed contributions, payment plans are available whereby arrears are consolidated and made payable in annual instalments over a period of up to 10 years. As long as the Member State with a payment plan pays the annual instalment of the arrears, the current year's assessed contribution and any outstanding advances due to the WCF, voting rights are maintained by the General Conference. As at 31 December 2024, receivables for which payment plans have been negotiated amounted to €1.86 million (€2.06 million as at 31 December 2023).

Management of credit risk relating to investment portfolio

259. To manage credit risk relating to its portfolio, the Agency has an investment policy that restricts investments to particular types of financial instruments along with investment ceilings per issuer depending on the credit quality of the issuer. The credit risk exposure is calculated for cash, cash equivalents and investments as a percentage of total financial holdings. The Agency actively monitors all ratings for the investment holdings and investment counterparties.

260. There were no impairments of assets held during this period for any reason in the cash, cash equivalents and investments of the Agency. The Agency has successfully navigated the management of credit risk due to its conservative investment policy which always aims at having an AA overall quality of the portfolio based on the Standard and Poor's Fund Credit Quality Ratings Methodology. This conservative approach of managing credit risk and the quality of our portfolio demonstrates the Agency's good financial stewardship of all funds entrusted to the Agency for programme delivery.

The Agency's credit quality on cash, equivalents and investments	**Carrying value and percentage of cash, cash equivalents and investments (expressed in euro '000s)**			
	31-12-2024		**31-12-2023**	
Credit quality a/	**Carrying value**	**Percentage**	**Carrying value**	**Percentage**
AAA	207 509	22.28%	240 078	26.61%
AA+	115 382	12.39%	-	-
AA	-	-	134 102	14.86%
AA-	445 805	47.86%	314 940	34.91%
A+	91 720	9.85%	12 417	1.38%
A	40 521	4.35%	53 693	5.95%
A-	-	-	-	-
BBB+	30 251	3.25%	146 918	16.28%
non-rated	209	0.02%	125	0.01%
Total	**931 397/b**	**100.00%**	**902 273 b/**	**100.00%**

a/ Credit quality is expressed as the issuer default/long-term rating, with the exception of a central bank of a triple A country in the European Union (EU), in which the report assumes the rating of its sole owner, the Government of that triple A country in the EU.

b/ 87.0% of the balance as at 31 December 2024 was denominated in euros, 12.9% was denominated in US dollars and 0.1% in other currencies (89.7%, 10.2% and 0.1%, respectively as at 31 December 2023).

261. Based on the above-described credit risk management strategies and in accordance with IPSAS 41, the Agency has adopted the following Expected Credit Loss (ECL) calculation methods:

Financial Asset	ECL Calculation Method	ECL Calculation at 31 December 2024
		(expressed in euro '000s)
Cash and Cash Equivalents	Using the Standard & Poor's (S&P) Annual Global Default & Rating Transition Study	Considered not material
Investments	Using the Standard & Poor's (S&P) Annual Global Default & Rating Transition Study	Considered not material
Assessed Contribution Receivables	Forward looking model based on historical experience	27 268
Voluntary Contribution Receivables	Forward looking model based on historical experience	Considered not material
Other Receivables	Forward looking model based on historical experience	Considered not material

Currency risk management

262. The Agency undertakes transactions denominated in foreign currencies and must therefore manage its exposure to exchange rate fluctuations. The Agency's general strategy for managing exchange rate risk is to ensure that revenues are received or converted in the market in the same currencies as anticipated expenses. The principal mechanisms being that the split assessment system for the Regular Budget Fund and the cash holdings of other funds are generally being held in the expected currency of the disbursements, which mitigates the economic currency risk of the Agency.

263. In addition, to mitigate the budgetary currency risk of the extrabudgetary awards, the Agency aligns the currency in which those funds are held in financial holdings to the extrabudgetary award balance (the euro).

264. Based on the above, the overall currency management strategy of the Agency aims at mitigating the economic risk by keeping the currency holdings in the currencies of the expected outflows.

265. Foreign currency revenue inflows are translated at differing exchange rates to the related foreign currency expense outflows which occur later. The foreign exchange gains and losses associated with foreign currency holdings during the window between these inflows and outflows therefore do not represent a true economic risk to the Agency due to the currency management strategy outlined above.

266. The carrying amounts of the Agency's foreign currency denominated financial translated to euro at the end of the period are set out below. Some financial assets are denominated in difficult-to-use currencies ('illiquid currencies') that cannot be readily converted into euro.

Total cash, cash equivalents and other investment currency denominations

(expressed in euro '000s)

	Euros	US dollars	Illiquid currencies	Others	Total
As at 31-12-2024	810 764	119 862	177	594	931 397
As at 31-12-2023	809 030	92 097	97	1 049	902 273
Change	1 734	27 765	80	(455)	29 124

267. The increase of €29.12 million (3.2%) in total cash, cash equivalents and investments as at 31 December 2024, as compared to the balance as at 31 December 2023 was due a higher level of contributions-related advance payments received. The Agency purchased US dollars from these contributions and increased the USD balance to align the currency of its financial holdings with the currency of the expected outflows.

Liquidity risk management

268. Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

269. Liquidity risk is generally managed on an individual fund basis. For all funds except the Regular Budget, commitments can generally only be made once funds are available and therefore liquidity risk is minimal. For the Regular Budget, the appropriation-based framework for expense authorization ensures that expenses do not exceed revenue streams for any given year, while the WCF is a mechanism for providing liquidity should issues arise around the timing of cash outflows and cash inflows (relating primarily to member state assessed contributions). The WCF provides a liquidity buffer for the Agency's regular budget of around two weeks' cash flow.

270. In 2024, the timely payment of contributions from Member States, eliminated the need to draw from the WCF to support the Agency's Regular Budget operations. It should be noted that the current level of the WCF has remained unchanged since 1997.

Maturity analysis of the Agency's financial liabilities and financial assets

271. The Agency's financial liabilities were approximately 52.8% of its financial assets as at 31 December 2024 (56.7% as at 31 December 2023). This lower percentage was mainly due to the decrease in employee benefits liabilities. Most of the financial liabilities are long-term -in nature. The Agency's short-term financial liabilities (due within 12 months) were 5.8% of its short-term financial assets as at 31 December 2024 (6.2% as at 31 December 2023).

272. As at 31 December 2024, the weighted average period to maturity of the Agency's cash and cash equivalents and investment holdings for euro and US dollar was 49 days and 55 days, respectively (69 days and 66 days, respectively as at 31 December 2023).

Interest rate risk management

273. The Agency seeks to earn a risk adjusted competitive market rate of return on its investment portfolio; however, as stated above, capital preservation and liquidity are to be emphasized over

the rate of return. Moreover, the Agency's return on the investment portfolio, as a short-term fixed income investor (currently, no investment can be longer than one year), is subject to the general level of short-term interest rates in euros and US dollars.

274. Within these settings, during 2024, the Agency earned an average rate of 3.61% per annum on its euro cash, cash equivalents and investments (2.99% per annum in 2023) and an average rate of 5.24% per annum on its US dollar cash, cash equivalents and investments (4.97% per annum in 2023). The Agency (as with any short-term fixed income investor) is exposed to changes in interest rates on floating rate financial assets and as fixed rate financial assets mature and require reinvestment.

NOTE 42: Commitments

275. Commitments include purchase orders and service contracts that are not delivered as at end of the reporting period. As at 31 December 2024, the Agency had commitments of €135.899 million (€149.753 million as at 31 December 2023). Details of commitments by funding source are provided below:

	(expressed in euro '000s)	
Fund Group	**31-12-2024**	**31-12-2023**
Regular Budget Fund and Working Capital Fund	26 518	33 362
Major Capital Investment Fund	1 336	4 994
Technical Cooperation Fund	55 457	49 141
Technical Cooperation Extrabudgetary Fund	20 611	19 910
Extrabudgetary Programme Fund	31 834	42 296
Low Enriched Uranium Bank	98	34
Trust Funds and Special Funds	45	16
Total commitments	**135 899**	**149 753**

Capital commitments

276. Out of the above, capital commitments were as follows:

	(expressed in euro '000s)	
	31-12-2024	**31-12-2023**
Scientific and Technical Equipment	18 960	19 217
Construction Contracts	2 915	24 049
Communications & IT Equipment	1 665	2 653
Software	1 498	1 639
Security & Safety Equipment	583	63
Furniture and Fixtures	167	176
Vehicles	36	442
Total capital commitments	**25 824**	**48 238**

Operating lease commitments

277. Details of the Agency's operating lease commitments are shown in the table below:

	(expressed in euro '000s)	
	31-12-2024	**31-12-2023**
Office facility	3 018	3 033
Other leases	124	498
Total operating lease commitments	**3 142**	**3 531**
Operating lease commitments by term		
Less than one year	620	896
One to five years	979	1 178
Over five years	1 543	1 457
Total operating lease commitments	**3 142**	**3 531**

278. Office facility operating lease commitments pertain to the Agency's offices, primarily in New York, Tokyo, Ontario, Geneva and Rio de Janeiro. The reduction in operating lease commitments for office facilities is primarily due to expiry or near future expiry of leases in certain locations and the effect of foreign exchange movements, as most of the contracts are denominated in currencies other than the euro.

279. Other leases primarily represent the rental of office equipment such as book binding and printing equipment. The decrease in value from 2023 compared to 2024 of these commitments is primarily due to the end of terms of some of the operating leases.

NOTE 43: Contingent liabilities and contingent assets

Contingent liabilities

280. As at 31 December 2024, there were appeal cases against the Agency with the ILOAT relating to claims of current or former staff members, in which it is has been determined that it is possible, but not probable that the cases will be decided in favour of the current or former staff members. If the claimants for these unresolved cases are ultimately successful, it is estimated that the cost to the Agency could be approximately €0.688 million.

281. The Agency has contingent liabilities amounting to €10.200 million related to post-employment and other long-term employee benefits for staff employed in the Commissary, all of whom hold Agency employment contracts; however, these post-employment benefits are paid out of the Commissary's budget as they become due. In 2021, a reserve of €4.0 million earmarked for these liabilities was set up by the Commissary. In addition, it should be noted that the Commissary continues to be a going concern with sufficient funds and ability to pay these post-employment and other long-term- employee benefits, no accrual for these liabilities has been made. Please refer to Note 37 for further details.

282. The Agency has a potential liability related to the decommissioning and decontamination of the NML facilities in Seibersdorf. While the Agency believes it continues to have a constructive obligation for such decommissioning and decontamination, the estimate of the amounts that the

Agency would ultimately incur in satisfaction of these obligations cannot be reliably measured or estimated at this time.

283. The Agency has a potential liability related to relocation, removal and/or other post operational activities related to the IAEA LEU and IAEA LEU cylinders when the Host State Agreement is terminated or expires. The estimate of the amounts that the Agency would incur in connection to these potential liabilities cannot be reliably measured or estimated at this time.

284. The Agency has established a continuous presence at the Zaporizhzhya Nuclear Power Plant (ZNPP) through rotational missions. In this context, the Agency has assumed contingent liability regarding insurance costs related to the risks arising out of rotations of Agency staff associated with the IAEA Support and Assistance Missions to ZNPP.

Contingent assets

285. The Agency's contingent assets, totaling €89.346 million, consist primarily of pledges where the amount of the pledge is based on an estimate for which funds have not been received (€39.901 million), pledges received that have not yet been formally accepted by the Agency (€28.502 million), and cases where a signed Contribution Agreement exists but the Agency is not in a position to invoice the donor yet or receipt against the contributions is not virtually certain (€20.943 million).

NOTE 44: Events after the reporting date

286. The Agency's reporting date is 31 December 2024. The financial statements were authorized for issuance by the Director General on 10 March 2025.

287. In the context of a review of past transactions, the Secretariat identified a historical, presentation error that resulted in an understatement of disbursements in Annex A5 - Regular Budget Fund - Status of Cash Surplus as elaborated in Annex A5. This has now been corrected.

288. There were no significant events impacting the financial statements, favorable or unfavorable, between the reporting date and the financial statements issuance date.

NOTE 45: Ex-gratia payments

289. No ex-gratia payments have been made during the reporting period.

NOTE 46: New accounting standards

Standard	Title	Effective Date	Anticipated impact in year of adoption
IPSAS 43	Leases	01 January 2025	This standard supersedes IPSAS 13 (Leases) and introduces the right-of-use model for lessees. On the basis of the right-of-use model, once the new standard has been adopted and the expiration of the validity of any transitional provisions has expired, most leases will be required to be capitalized, resulting in an increase in the amount of capitalized assets and the recording of related lease liabilities. The impact on the annual financial performance is expected to be broadly neutral as depreciation of leased assets and interest costs on the related lease liabilities will replace the currently recorded lease expenses. The impact of IPSAS 43 on the financial statements of the Agency upon adoption, including the impact of consequential amendments to other standards, is currently being assessed
IPSAS 44	Non-current Assets Held for Sale and Discontinued Operations	01 January 2025	This standard was developed to align with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) and specifies the accounting for assets held for sale, and presentation and disclosure of discontinued operations. The Agency does not foresee a significant impact on the consolidated financial statements resulting from this standard.
IPSAS 45	Property, Plant and Equipment	01 January 2025	This standard was developed to update principles drawn from IPSAS 17 (Property, Plant and Equipment), adding new guidance for heritage assets, infrastructure assets and measurement of property, plant and equipment. The impact of elements of IPSAS 45 relating to heritage assets and the measurement of assets acquired through non-exchange transactions on the financial statements of the Agency is currently being assessed.
IPSAS 46	Measurement	01 January 2025	This standard was developed to help improve measurement guidance across IPSAS. The Agency is currently assessing the impact of IPSAS 46 on the relevant areas of the financial statements.

Standard	Title	Effective Date	Anticipated impact in year of adoption
IPSAS 47	Revenue	01 January 2026	This standard sets out the accounting requirements for revenue transactions in the public sector and replaces IPSAS 9, 11 and 23. The standard is expected to affect the Agency's financial statements significantly and the full impact is currently being assessed.
IPSAS 48	Transfer Expenses	01 January 2026	This standard sets out the accounting requirements for expenses arising from a transaction, other than taxes, in which an entity provides a good, service or other asset to another entity, without directly receiving any good, service or other asset in return. The Agency does not anticipate IPSAS 48 having a material impact on its financial statements.
IPSAS 49	Retirement Benefit Plans	01 January 2026	This standard covers accounting and reporting requirements for public sector retirement benefit plans to improve the transparency and accountability of those plans. The Agency is a member of the United Nations Joint Staff Pension Fund, a separate legal and reporting entity where the changes required by the standard are most applicable. The impact of this standard on the Agency's financial statements is therefore anticipated to be very limited and any potential changes will be aligned with other United Nations entities, including the United Nations Joint Staff Pension Fund, through the United Nations Task Force on Accounting Standards.

290. The Agency continues to assess the impact of the above standards on future financial statements in advance of their effective date.

Part IV

Annexes to the Financial Statements

ANNEX A1

LIST OF ACRONYMS

AIPS	Agency-wide Information System for Programme Support
ADII	Application Data Integration Implementation
ASHI	After-service Health Insurance
BMS	Buildings Management Services
CASCADE	Centralized Automated System for Correlated Analysis and Data Evaluation
CFE	Cost-Free Expert
CIM	Common Information Model
CIP	Construction In Progress
CTBTO	Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization
DBO	Defined Benefit Obligation
EBF	Extrabudgetary Programme Fund
ECB	European Central Bank
ECL	Expected Credit Loss
EPGR	Encapsulation Plant and Geological Repository
EPRIMS	Emergency Preparedness and Response Information Management System
eSWP	Electronic Seals Working Paper
ERIMAS	Event Registration and Information Management System
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FED	Federal Reserve System
FML	Flexible Modular Laboratory
GC	General Conference
HANA	The Hana Smart Management System
HRS	Household Removal System
IAEA	International Atomic Energy Agency
IAS	International Accounting Standard
ICT	Information and Communication Technology
ICTP	Abdus Salam International Centre for theoretical Physics
IEC	Incident Emergency Centre
IECAT	IEC Assessment and Prognosis Tools
IES	Incident Emergency System
IFRS	International Financial Reporting Standard
ILOAT	Administrative Tribunal of the International Labour Organization
INPRO	International Project on Innovative Nuclear Reactors and Fuel Cycles
IPSAS	International Public Sector Accounting Standards
iRAP	Integrated Review and Analysis Package
IRMIS	International Radiation Monitoring Information System
ISE	Integrated Safeguards Environment
JMOX	Japan Mixed Oxide Fuel Fabrication Plant
KgU	Kilograms of Uranium
LEU	Low Enriched Uranium
MCIF	Major Capital Investment Fund
MCIP	Major Capital Investment Plan
MOSAIC	Modernization of the Safeguards Information Technology
MP	Major Programme
MRRF	Major Repairs and Replacements Fund

ANNEX A1 (continued)

LIST OF ACRONYMS

NA	Department of Nuclear Sciences and Applications
NGSR	Next Generation Surveillance Review
NSIL	Nuclear Science and Instrumentation Laboratory
NML	Nuclear Material Laboratory
NPCs	National Participation Costs
NRTS	Near Real Time Verification System
NSF	Nuclear Security Fund
NSTDC	Nuclear Security Training Demonstration Centre
PP&E	Property, Plant and Equipment
PBGL	Plant Breeding and Genetics Laboratory
QMS	Quality Management System
RADSED	Enhancing Radiation Safety through Efficient and Modern Dosimetry
RBF	Regular Budget Fund
RCRT	Radiochemistry and Radiation Technology
ReNuAL	Renovation of the Nuclear Applications Laboratories
RSTSU	Radiation Safety Technical Services Unit
SAFIRE	Safeguards Inspection Reporting and Evaluation
S&P	Standard & Poor’s
SMR	Small modular reactor
SMSS	Solution Monitoring System Software
STR	Safeguards Technical Reports
TACC	Technical Assistance and Cooperation Committee
TC-EB	Technical Cooperation Extrabudgetary Fund
TCF	Technical Cooperation Fund
TERC	Terrestrial Environmental Radiochemistry Laboratory
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
UNJSPF	United Nations Joint Staff Pension Fund
UNORE	United Nations Operational Rate of Exchange
UNOV	United Nations Office in Vienna
USIE	Unified System for Information Exchange during Incidents and Emergencies
VBOs	Vienna International Centre based Organizations
VIC	Vienna International Centre
WCF	Working Capital Fund
ZODIAC	Zoonotic Disease Integrated Action
ZNPP	Zaporizhzhya Nuclear Power Plant

ANNEX A2

REVENUE FROM CONTRIBUTIONS
FOR THE PERIOD ENDING 31 DECEMBER 2024
(expressed in euros)

Donors	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Extrabudgetary (EB) a/		Total
				EB RB	EB TC	
I. **Member States**						
Afghanistan	23 803	-	-	-	-	23 803
Albania	33 861	7 680	100	-	300 000	341 641
Algeria	444 432	100 800	51 130	-	114 754	711 116
Angola	39 673	9 600	-	-	-	49 273
Antigua and Barbuda	8 465	-	7 377	-	-	15 842
Argentina	2 929 021	664 320	96 852	-	-	3 690 193
Armenia	29 630	6 720	51 888	-	-	88 238
Australia	8 598 815	1 949 760	-	7 865 744	1 709 169	20 123 488
Austria	2 764 668	626 880	-	-	-	3 391 548
Azerbaijan	122 748	27 840	37 854	-	-	188 442
Bahamas	76 188	-	25 003	-	-	101 191
Bahrain	220 100	49 920	38 639	-	-	308 659
Bangladesh	39 673	9 709	-	-	-	49 382
Barbados	33 861	7 680	25 940	-	-	67 481
Belarus	165 074	37 440	147 126	-	-	349 640
Belgium	3 370 089	764 160	-	589 840	250 000	4 974 089
Belize	4 232	-	20 281	-	-	24 513
Benin	19 835	-	-	-	-	19 835
Bolivia, Plurinational State of	76 188	-	37 663	-	-	113 851
Bosnia and Herzegovina	46 559	10 560	43 028	-	-	100 147
Botswana	59 259	13 440	76 391	-	11 217	160 307
Brazil	8 194 487	1 858 560	100 678	50 000	-	10 203 725
Brunei Darussalam	84 654	23 146	20 756	-	-	128 556
Bulgaria	228 566	51 840	54 342	190 557	90 000	615 305
Burkina Faso	15 869	3 840	-	-	-	19 709
Burundi	3 967	-	-	-	-	3 967
Cabo Verde	4 232	960	-	-	-	5 192
Cambodia	27 771	7 785	-	-	-	35 556
Cameroon	50 792	62 533	35 329	-	10 355	159 009
Canada	10 703 013	2 426 880	-	3 855 744	-	16 985 637
Central African Republic	3 968	-	-	-	-	3 968
Chad	11 901	-	-	-	-	11 901
Chile	1 710 005	-	90 568	9 330	9 230	1 819 133
China	62 114 725	14 088 000	63 345	2 151 157	190 000	78 607 227
Colombia	1 003 147	-	48 879	-	-	1 052 026

ANNEX A2 (continued)

Donors	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Extrabudgetary (EB) a/		Total
				EB RB	EB TC	
Comoros	3 968	960	-	-	863	5 791
Congo	21 162	4 800	6 786	-	-	32 748
Costa Rica	279 357	63 360	53 016	-	-	395 733
Côte d'Ivoire	88 887	20 160	53 521	-	-	162 568
Croatia	368 244	83 520	12 615	-	-	464 379
Cuba	385 176	78 711	66 877	-	-	530 764
Cyprus	148 185	33 600	35 216	-	-	217 001
Czech Republic	1 384 090	313 920	10 890	274 461	98 425	2 081 786
Democratic Republic of the Congo	39 673	50 000	-	-	8 026	97 699
Denmark	2 252 371	510 720	-	-	-	2 763 091
Djibouti	3 967	960	-	-	860	5 787
Dominica	4 232	1 840	10 908	-	-	16 980
Dominican Republic	270 892	61 440	46 345	-	-	378 677
Ecuador	313 220	71 040	58 505	-	-	442 765
Egypt	567 181	128 640	53 047	-	154 443	903 311
El Salvador	50 793	32 780	33 913	-	-	117 486
Eritrea	3 967	960	-	-	-	4 927
Estonia	177 773	40 320	20 519	10 000	-	248 612
Eswatini	8 465	-	21 586	-	-	30 051
Ethiopia	39 673	-	-	-	8 488	48 161
Fiji	16 931	-	23 289	-	-	40 220
Finland	1 697 746	384 960	-	400 000	-	2 482 706
France	17 587 145	3 987 840	-	5 756 801	200 000	27 531 785
Gabon	50 793	-	-	-	-	50 793
Gambia, The	3 968	-	-	-	-	3 968
Georgia	33 861	7 680	-	-	-	41 541
Germany	24 890 427	5 643 840	-	3 408 000	100 000	34 042 267
Ghana	97 353	22 080	55 130	-	104 188	278 751
Greece	1 324 832	150 066	27 562	-	-	1 502 460
Grenada	4 232	960	6 973	-	-	12 165
Guatemala	165 074	-	48 355	-	-	213 429
Guyana	16 931	3 840	37 296	-	-	58 067
Haiti	23 803	4 528	-	-	-	28 331
Holy See	4 228	1 901	-	-	-	6 129
Honduras	38 094	10 000	48 838	-	-	96 932

ANNEX A2 (continued)

Donors	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Extrabudgetary (EB) a/		Total
				EB RB	EB TC	
Hungary	926 959	210 240	6 273	23 853	-	1 167 325
Iceland	148 185	-	-	-	-	148 185
India	4 249 621	963 840	-	-	-	5 213 461
Indonesia	2 234 861	506 880	65 133	-	-	2 806 874
Iran, Islamic Republic of	1 511 071	-	28 094	-	3 800	1 542 965
Iraq	520 622	118 080	61 517	-	-	700 219
Ireland	1 786 655	405 120	-	-	-	2 191 775
Israel	2 286 243	388 800	667	-	-	2 675 710
Italy	12 989 255	2 945 280	-	1 477 000	300 000	17 711 535
Jamaica	33 861	37 261	37 315	-	-	108 437
Japan	32 718 698	7 418 880	-	18 134 704	9 297 534	67 569 817
Jordan	88 887	20 160	54 943	-	100 000	263 990
Kazakhstan	541 784	122 880	55 076	651 000	-	1 370 740
Kenya	122 748	27 840	74 469	-	-	225 057
Korea, Republic of	10 480 141	2 376 960	-	4 414 117	174 150	17 445 368
Kuwait	952 598	216 000	40 066	-	-	1 208 664
Kyrgyzstan	8 465	1 920	4 148	-	-	14 533
Lao People's Democratic Republic	27 771	2 500	-	-	-	30 271
Latvia	203 169	46 080	26 217	-	20 000	295 466
Lebanon	148 145	-	66 872	-	-	215 017
Lesotho	3 968	960	-	-	863	5 791
Liberia	3 967	960	-	-	731	5 657
Libya	71 956	-	26 362	-	-	98 318
Liechtenstein	42 340	9 600	-	-	-	51 940
Lithuania	313 219	71 040	10 160	-	-	394 419
Luxembourg	275 192	62 400	-	-	-	337 592
Madagascar	15 869	-	-	-	-	15 869
Malawi	7 934	-	-	-	-	7 934
Malaysia	1 417 952	321 600	45 915	-	10 000	1 795 467
Mali	19 835	-	-	-	315 000	334 835
Malta	76 188	17 280	22 645	10 000	40 000	166 113
Marshall Islands	4 232	949	8 481	-	-	13 662
Mauritania	7 934	-	-	-	4 334	12 269
Mauritius	76 188	17 280	32 532	-	5 695	131 695
Mexico	4 973 410	1 128 000	122 602	19 060	-	6 243 072

ANNEX A2 (continued)

Donors	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Extrabudgetary (EB) a/		Total
				EB RB	EB TC	
Monaco	42 340	-	-	316 852	60 000	419 192
Mongolia	16 931	3 840	70 322	-	-	91 093
Montenegro	16 931	3 840	68 841	-	-	89 612
Morocco	224 332	50 880	48 454	-	-	323 666
Mozambique	15 869	3 840	-	-	-	19 709
Myanmar	39 673	9 600	-	-	-	49 273
Namibia	38 094	8 640	53 773	-	7 765	108 272
Nepal	39 673	9 600	-	-	-	49 273
Netherlands, Kingdom of the	5 609 762	1 272 000	-	2 703 034	-	9 584 796
New Zealand	1 257 434	-	-	31 158	-	1 288 592
Nicaragua	19 835	-	12 078	-	-	31 913
Niger	11 902	2 880	-	-	-	14 782
Nigeria	740 721	168 000	59 314	-	63 003	1 031 039
North Macedonia	29 630	6 720	6 426	-	-	42 776
Norway	2 764 668	626 880	-	12 822	2 000 092	5 404 461
Oman	452 899	102 720	35 221	-	-	590 840
Pakistan	465 597	105 600	48 261	10 000	139 373	768 831
Palau	4 232	-	14 055	-	-	18 287
Panama	364 012	83 904	44 946	-	-	492 862
Papua New Guinea	42 327	9 600	26 015	-	-	77 942
Paraguay	105 816	24 000	38 273	-	-	168 089
Peru	664 532	15 879	77 438	-	-	757 849
Philippines	863 469	195 840	56 976	9 230	9 230	1 134 745
Poland	3 407 315	772 800	46 384	-	-	4 226 499
Portugal	1 434 881	325 440	22 379	20 000	-	1 802 700
Qatar	1 096 553	248 640	18 895	-	-	1 364 088
Republic of Moldova	21 163	4 800	59 304	-	-	85 267
Romania	1 269 807	288 000	50 922	19 700	-	1 628 429
Russian Federation	7 599 649	1 723 200	1 000	2 516 557	683 000	12 523 406
Rwanda	11 902	2 880	-	-	-	14 782
Saint Kitts and Nevis	8 465	1 920	7 509	-	-	17 894
Saint Lucia	8 465	1 920	8 743	-	-	19 128
Saint Vincent and the Grenadines	4 233	-	11 594	-	-	15 827
Samoa	4 233	-	7 586	-	-	11 819
San Marino	8 465	500	-	-	-	8 965

ANNEX A2 (continued)

Donors	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Extrabudgetary (EB) a/		Total
				EB RB	EB TC	
Saudi Arabia	4 821 034	1 093 440	18 032	2 510 369	-	8 442 875
Senegal	27 771	6 720	-	-	-	34 491
Serbia	131 214	29 760	57 921	-	323 000	541 895
Seychelles	8 465	1 920	-	-	-	10 385
Sierra Leone	3 967	-	-	-	-	3 967
Singapore	2 053 389	465 600	15 635	15 340	-	2 549 964
Slovakia	630 670	143 040	17 342	-	-	791 052
Slovenia	321 773	72 960	26 747	-	-	421 480
South Africa	994 683	225 600	46 201	63 000	226 057	1 555 541
Spain	8 691 962	470 000	-	528 220	80 000	9 770 182
Sri Lanka	182 005	-	51 955	-	-	233 960
Sudan	39 673	9 600	-	-	-	49 273
Sweden	3 547 915	804 480	-	719 441	294 695	5 366 531
Switzerland	4 619 064	1 047 360	-	669 400	-	6 335 825
Syrian Arab Republic	38 094	8 640	52 606	-	-	99 340
Tajikistan	12 698	-	39 769	-	-	52 467
Thailand	1 498 371	339 840	49 078	-	-	1 887 289
Togo	7 934	1 920	-	-	863	10 717
Tonga	4 232	-	7 576	-	-	11 808
Trinidad and Tobago	148 145	33 600	5 255	-	-	187 000
Tunisia	76 188	17 280	43 424	-	-	136 892
Turkmenistan	139 678	-	-	-	-	139 678
Türkiye	3 441 177	780 480	13 080	-	109 844	4 344 581
Uganda	39 673	9 000	-	-	-	48 673
Ukraine	228 566	51 840	87 162	-	-	367 568
United Arab Emirates	2 586 839	586 560	19 431	886 043	9 180	4 088 053
United Kingdom of Great Britain and Northern Ireland	17 820 009	4 040 640	-	9 027 337	121 951	31 009 938
United Republic of Tanzania	39 673	11 000	-	-	462 843	513 516
United States of America	105 844 651	23 664 317	-	47 169 132	15 646 221	192 324 321
Uruguay	372 477	82 894	35 613	-	-	490 984
Uzbekistan	110 051	24 960	48 308	-	967 881	1 151 200
Vanuatu	3 967	960	21 463	-	-	26 390
Venezuela, Bolivarian Republic of	711 091	55 963	37 066	-	-	804 120
Viet Nam	353 085	85 440	59 833	-	-	498 358
Yemen	31 738	-	-	-	-	31 738

ANNEX A2 (continued)

Donors	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Extrabudgetary (EB) a/		Total
				EB RB	EB TC	
Zambia	31 738	7 680	-	-	7 461	46 879
Zimbabwe	29 630	6 720	45 882	-	-	82 232
Sub-total	**423 268 996**	**92 218 846**	**4 287 931**	**116 519 003**	**34 844 583**	**671 139 360**
II. **New Member States**						
Cook Islands	4 240	-	-	-	-	4 240
Guinea	11 901	-	-	-	-	11 901
Somalia	3 990	-	-	-	-	3 990
Sub-total	**20 132**	-	-	-	-	**20 132**
III. **Other Donors**						
European Commission	-	-	-	1 350 000	679 489	2 029 489
International Organizations	-	-	-	760 471	73 320	833 791
Other Sources	-	-	-	1 760 040	196 060	1 956 100
Sub-total	-	-	-	**3 870 511**	**948 869**	**4 819 380**
GRAND TOTAL	**423 289 128**	**92 218 846**	**4 287 931**	**120 389 514**	**35 793 452**	**675 978 871**

ANNEX A3

STATUS OF OUTSTANDING CONTRIBUTIONS FOR THE PERIOD ENDING 31 DECEMBER 2024 (expressed in euros)

Donors	Working Capital Fund (WCF)	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Assessed Programme Costs (APCs)	Extrabudgetary (EB)		Total
						EB RB	EB TC	
I. Member States								
Afghanistan	-	72 289	-	-	-	-	-	72 289
Albania	-	-	-	71 812	-	-	-	71 812
Algeria	-	-	-	-	-	-	-	-
Angola	-	-	-	-	-	-	-	-
Antigua and Barbuda	-	44 829	-	15 393	-	-	-	60 222
Argentina	-	2 952 360	1 559 670	-	-	-	-	4 512 030
Armenia	-	-	-	-	-	-	-	-
Australia	-	-	-	-	-	-	-	-
Austria	-	-	-	-	-	-	-	-
Azerbaijan	-	-	-	18 927	-	-	-	18 927
Bahamas	-	184 238	-	12 770	-	-	-	197 008
Bahrain	-	-	-	-	-	-	-	-
Bangladesh	-	-	-	-	-	-	-	-
Barbados	-	-	-	-	-	-	-	-
Belarus	-	-	-	-	-	-	-	-
Belgium	-	-	-	-	-	-	-	-
Belize	-	4 267	-	-	-	-	-	4 267
Benin	-	19 998	-	-	-	-	-	19 998
Bolivia, Plurinational State of	-	264 541	-	16 757	266 955	-	-	548 253
Bosnia and Herzegovina	-	66 470	-	-	-	-	-	66 470
Botswana	-	-	-	-	-	-	-	-
Brazil	-	-	-	-	-	-	-	-
Brunei Darussalam	-	-	-	-	-	-	-	-
Bulgaria	-	-	-	-	-	-	45 000	45 000
Burkina Faso	-	13 833	3 840	-	-	-	-	17 673
Burundi	-	4 000	-	-	-	-	-	4 000
Cabo Verde	-	-	-	-	-	-	-	-
Cambodia	-	-	-	-	-	-	-	-
Cameroon	-	370 791	-	-	-	-	-	370 791
Canada	-	-	-	-	-	1 331 484	-	1 331 484
Central African Republic	-	27 162	-	-	-	-	-	27 162
Chad	-	80 979	14 525	-	-	-	-	95 504
Chile	1 825	6 451 271	-	-	-	-	-	6 453 096
China	-	-	194 512	-	-	244 000	-	438 512
Colombia	-	-	-	-	-	-	-	-
Comoros	-	9 650	1 871	-	-	-	-	11 521
Congo	-	193 076	15 084	6 786	-	-	-	214 946
Costa Rica	-	-	-	-	-	-	-	-
Côte d'Ivoire	-	145 092	20 160	-	-	-	-	165 252
Croatia	-	-	-	-	-	-	-	-

ANNEX A3 (continued)

Donors	Working Capital Fund (WCF)	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Assessed Programme Costs (APCs)	Extrabudgetary (EB)		Total
						EB RB	EB TC	
Cuba	-	765 004	40 000	-	-	-	-	805 004
Cyprus	-	-	-	-	-	-	-	-
Czech Republic	-	-	-	-	-	-	-	-
Democratic Republic of the Congo	-	2 128	-	-	-	-	-	2 128
Denmark	-	-	-	-	-	-	-	-
Djibouti	-	-	-	-	-	-	-	-
Dominica	-	11 722	-	7 914	-	-	-	19 636
Dominican Republic	-	1 861 578	-	-	196 428	-	-	2 058 006
Ecuador	-	694 800	71 040	67	-	-	-	765 907
Egypt	-	-	-	-	-	-	-	-
El Salvador	-	-	-	-	-	-	-	-
Eritrea	-	-	-	-	-	-	-	-
Estonia	-	-	-	-	-	-	-	-
Eswatini	-	8 535	-	-	-	-	-	8 535
Ethiopia	-	-	-	-	-	-	-	-
Fiji	-	4 661	-	9 347	-	-	-	14 008
Finland	-	-	-	-	-	-	-	-
France	-	-	-	-	-	30 000	-	30 000
Gabon	-	625 711	-	15 619	-	-	-	641 330
Gambia, The	152	7 872	-	-	-	-	-	8 024
Georgia	-	-	-	-	-	-	-	-
Germany	-	-	-	-	-	-	-	-
Ghana	-	-	-	-	-	-	-	-
Greece	-	-	-	13 781	-	-	-	13 781
Grenada	-	4 267	-	-	-	-	-	4 267
Guatemala	-	591 036	-	4 540	-	-	-	595 576
Guyana	-	-	-	-	-	-	-	-
Haiti	-	52 559	-	-	-	-	-	52 559
Holy See	-	-	-	-	-	-	-	-
Honduras	-	33 272	-	2 201	-	-	-	35 473
Hungary	-	-	-	-	-	-	-	-
Iceland	-	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-	-
Indonesia	-	-	-	-	-	-	-	-
Iran, Islamic Republic of	-	4 420 420	-	-	-	-	-	4 420 420
Iraq	-	-	-	-	-	-	-	-
Ireland	-	-	-	-	-	-	-	-
Israel	-	-	-	-	-	-	-	-
Italy	-	-	-	-	-	-	300 000	300 000
Jamaica	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	1 606 996	-	1 606 996
Jordan	-	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-	-	-	-
Kenya	-	40 376	18 760	-	-	5 000	-	64 136
Korea, Republic of	-	-	-	-	-	20 000	67 200	87 200

ANNEX A3 (continued)

Donors	Working Capital Fund (WCF)	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Assessed Programme Costs (APCs)	Extrabudgetary (EB)		Total
						EB RB	EB TC	
Kuwait	-	-	-	-	-	-	-	-
Kyrgyzstan	-	-	-	2 074	-	-	-	2 074
Lao People's Democratic Republic	-	-	2 000	-	-	-	-	2 000
Latvia	-	-	-	-	-	-	-	-
Lebanon	-	793 094	1 714	61 320	-	-	-	856 128
Lesotho	-	18 630	960	-	-	-	-	19 590
Liberia	-	218 325	-	-	-	-	-	218 325
Libya	-	60 168	-	8 244	-	-	-	68 412
Liechtenstein	-	-	-	-	-	-	-	-
Lithuania	-	-	-	-	-	-	-	-
Luxembourg	-	-	-	-	-	-	-	-
Madagascar	-	19 859	-	-	-	-	-	19 859
Malawi	-	21 105	1 852	-	-	-	-	22 957
Malaysia	-	-	-	-	-	-	-	-
Mali	-	15 802	4 630	-	-	-	-	20 432
Malta	-	-	-	-	-	-	-	-
Marshall Islands	-	4 267	-	-	-	-	-	4 267
Mauritania	-	16 485	-	-	-	-	-	16 485
Mauritius	-	-	-	44 003	-	-	-	44 003
Mexico	-	-	-	-	-	-	-	-
Monaco	-	-	-	-	-	-	60 000	60 000
Mongolia	-	-	-	-	-	-	-	-
Montenegro	-	-	-	-	-	-	-	-
Morocco	-	-	-	19 683	-	-	-	19 683
Mozambique	-	73 654	7 544	-	-	-	-	81 198
Myanmar	-	-	-	-	-	-	-	-
Namibia	-	-	-	-	-	-	-	-
Nepal	-	-	-	-	-	-	-	-
Netherlands, Kingdom of the	-	-	-	-	-	300 000	-	300 000
New Zealand	-	-	-	-	-	-	-	-
Nicaragua	-	-	-	-	-	-	-	-
Niger	-	-	-	-	-	-	-	-
Nigeria	-	3 163 451	167 617	31 159	-	-	-	3 362 227
North Macedonia	-	-	-	-	-	-	-	-
Norway	-	-	-	-	-	-	-	-
Oman	-	-	-	-	-	-	-	-
Pakistan	-	-	-	-	-	-	-	-
Palau	-	-	-	593	-	-	-	593
Panama	-	940 580	-	14 479	-	-	-	955 059
Papua New Guinea	-	11 976	-	-	-	-	-	11 976
Paraguay	-	266 912	18 676	9 012	71 289	-	-	365 889
Peru	-	152 124	-	-	-	-	-	152 124
Philippines	-	-	-	-	-	-	-	-
Poland	-	-	-	-	-	-	-	-
Portugal	-	-	-	11 189	-	-	-	11 189

ANNEX A3 (continued)

Donors	Working Capital Fund (WCF)	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Assessed Programme Costs (APCs)	Extrabudgetary (EB)		Total
						EB RB	EB TC	
Qatar	-	-	-	-	-	-	-	-
Republic of Moldova	-	-	-	-	-	-	-	-
Romania	-	-	-	87 509	49 823	-	-	137 332
Russian Federation	-	790	-	-	-	4 340 000	-	4 340 790
Rwanda	-	1 594	1 656	-	-	-	-	3 250
Saint Kitts and Nevis	152	17 020	-	-	-	-	-	17 172
Saint Lucia	-	-	-	9 224	-	-	-	9 224
Saint Vincent and the Grenadines	-	12 881	-	5 797	-	-	-	18 678
Samoa	-	12 340	-	-	-	-	-	12 340
San Marino	-	-	-	-	-	-	-	-
Saudi Arabia	-	-	-	-	-	1 247 304	-	1 247 304
Senegal	-	-	-	-	-	-	-	-
Serbia	-	-	-	49 560	-	-	-	49 560
Seychelles	-	-	-	-	-	-	-	-
Sierra Leone	-	22 155	-	-	-	-	-	22 155
Singapore	-	-	-	2 887	-	-	-	2 887
Slovakia	-	-	-	-	-	-	-	-
Slovenia	-	-	-	-	-	-	-	-
South Africa	-	-	-	-	-	30 000	-	30 000
Spain	-	-	470 000	-	-	30 000	80 000	580 000
Sri Lanka	-	178 442	131 018	-	169 829	-	-	479 289
Sudan	-	131 286	9 600	-	-	-	-	140 886
Sweden	-	-	-	-	-	-	-	-
Switzerland	-	-	-	-	-	-	-	-
Syrian Arab Republic	-	-	-	22 190	-	-	-	22 190
Tajikistan	-	-	-	-	-	-	-	-
Thailand	-	-	-	-	-	-	-	-
Togo	-	9 920	1 920	-	-	-	-	11 840
Tonga	-	1 276	-	-	-	-	-	1 276
Trinidad and Tobago	-	-	-	-	-	-	-	-
Tunisia	-	-	-	-	-	-	-	-
Turkmenistan	-	-	-	-	-	-	-	-
Türkiye	-	-	-	-	-	-	-	-
Uganda	-	90 048	-	-	-	-	-	90 048
Ukraine	-	-	-	-	-	-	-	-
United Arab Emirates	-	-	-	-	-	26 827	-	26 827
United Kingdom of Great Britain and Northern Ireland	-	-	-	-	-	4 451 163	-	4 451 163
United Republic of Tanzania	-	69 178	18 208	-	-	-	-	87 386
United States of America	-	204 382	-	-	-	149 600	-	353 982
Uruguay	-	330 433	-	-	-	-	-	330 433
Uzbekistan	-	-	-	93 586	-	-	-	93 586
Vanuatu	-	4 409	960	-	-	-	-	5 369
Venezuela, Bolivarian Republic of	-	21 276 819	-	-	-	-	-	21 276 819
Viet Nam	-	-	-	-	-	-	-	-
Yemen	-	358 963	30 393	-	-	-	-	389 356

ANNEX A3 (continued)

Donors	Working Capital Fund (WCF)	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Assessed Programme Costs (APCs)	Extrabudgetary (EB)		Total
						EB RB	EB TC	
Zambia	-	60 142	-	-	-	-	-	60 142
Zimbabwe	304	61 112	8 136	49 317	-	-	-	118 869
Sub-total	**2 433**	**48 648 412**	**2 816 346**	**717 740**	**754 323**	**13 812 374**	**552 200**	**67 303 828**
II. New Member States								
Cook Islands	152	4 267	-	-	-	-	-	4 419
Guinea	456	23 615	-	-	-	-	-	24 071
Somalia	152	4 000	-	-	-	-	-	4 152
Sub-total	**760**	**31 882**	-	-	-	-	-	**32 642**
III. Former Member States								
Korea, Democratic People's Republic of	-	128 576	28 450	-	38 124	-	-	195 149
Sub-total	-	**128 576**	**28 450**	-	**38 124**	-	-	**195 149**
IV. Other Donors								
European Commission	-	-	-	-	-	1 339 200	-	1 339 200
International Organizations	-	-	-	-	-	619 473	-	619 473
Other Sources	-	-	-	-	-	338 922	-	338 922
Sub-total	-	-	-	-	-	**2 297 595**	-	**2 297 595**
GRAND TOTAL	**3 193**	**48 808 870**	**2 844 796**	**717 740**	**792 446**	**16 109 969**	**552 200**	**69 829 214**

ANNEX A4

STATUS OF DEFERRED REVENUE
FOR THE PERIOD ENDING 31 DECEMBER 2024
(expressed in euros)

Donors	Contributions received in advance: Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Extrabudgetary (EB): EB RB	Extrabudgetary (EB): EB TC	Total contributions received in advance	Extrabudgetary contributions transferred subject to conditions: EB RB	EB TC	Total EB contributions transferred with conditions
I. Member States									
Albania	-	-	100	-	-	100	-	-	-
Algeria	-	-	738	-	-	738	-	-	-
Angola	221	-	-	-	-	221	-	-	-
Argentina	-	571 438	-	-	-	571 438	-	-	-
Armenia	30 508	6 860	240	-	-	37 608	-	-	-
Australia	8 847 275	1 990 380	-	875 528	-	11 713 183	-	-	-
Austria	2 470 644	-	-	-	-	2 470 644	-	-	-
Barbados	632	-	-	-	-	632	-	-	-
Belarus	175 445	38 220	-	-	-	213 665	-	-	-
Belize	-	-	952	-	-	952	-	-	-
Bosnia and Herzegovina	-	-	112	-	-	112	-	-	-
Brazil	8 437 408	725 237	23 072	-	-	9 185 717	-	-	-
Bulgaria	235 340	52 920	350	-	-	288 610	-	-	-
Cabo Verde	659	-	-	-	-	659	-	-	-
Cameroon	-	-	-	-	451	451	-	-	-
Canada	11 019 947	2 477 440	-	-	-	13 497 387	38 117 741	-	38 117 741
Chile	-	-	22 959	-	-	22 959	-	-	-
China	-	-	28 297	214 211	155 356	397 864	-	-	-
Colombia	-	-	6 869	-	-	6 869	-	-	-
Costa Rica	124 957	-	-	-	-	124 957	-	-	-
Czech Republic	1 424 126	320 460	-	-	-	1 744 586	-	-	-
Dominican Republic	-	5 889	-	-	-	5 889	-	-	-
Egypt	-	-	670	-	-	670	-	-	-
El Salvador	150 570	-	-	-	-	150 570	-	-	-
Eritrea	-	2 496	-	-	-	2 496	-	-	-
Estonia	-	41 160	-	-	-	41 160	-	-	-
Ethiopia	41 614	-	-	-	-	41 614	-	-	-
France	-	-	-	755 970	55 000	810 970	-	-	-
Georgia	-	-	5 854	-	-	5 854	-	-	-
Ghana	26 161	-	-	49 975	-	76 136	-	-	-
Grenada	-	-	2 524	-	-	2 524	-	-	-
Guyana	-	25 760	-	-	-	25 760	-	-	-
Holy See	4 339	1 934	-	-	-	6 273	-	-	-
Hungary	950 981	214 620	-	-	-	1 165 601	-	-	-
India	4 372 550	983 920	-	-	-	5 356 470	-	-	-
Indonesia	-	-	1 868	-	-	1 868	-	-	-
Iran, Islamic Republic of	-	-	2 044	-	-	2 044	-	-	-
Iraq	-	4 462	-	-	-	4 462	-	-	-
Ireland	-	206 780	-	-	-	206 780	-	-	-
Israel	-	-	12 038	-	-	12 038	-	-	-
Jamaica	7 131	-	-	-	-	7 131	-	-	-
Japan	-	-	-	852 743	148 576	1 001 319	-	-	-
Jordan	92 168	20 580	-	-	-	112 748	-	-	-
Kazakhstan	557 457	1 426	-	-	-	558 883	-	-	-
Korea, Republic of	-	-	-	1 281 130	-	1 281 130	-	-	-
Kuwait	-	-	1 107	273 600	-	274 707	-	-	-
Lao People's Democratic Republic	28 523	-	-	-	-	28 523	-	-	-
Latvia	209 191	47 040	340	-	-	256 571	-	-	-
Lithuania	323 510	72 520	7 710	-	-	403 740	-	-	-
Malta	-	35 259	-	-	-	35 259	-	-	-

ANNEX A4 (continued)

Donors	Contributions received in advance						Extrabudgetary contributions transferred subject to conditions		
	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Extrabudgetary (EB)		Total contributions received in advance	EB RB	EB TC	Total EB contributions transferred with conditions
				EB RB	EB TC				
Marshall Islands	-	-	1 204	-	-	1 204	-	-	-
Mexico	2 991 585	-	847	-	-	2 992 432	-	-	-
Monaco	1 521	-	-	-	-	1 521	-	-	-
Mongolia	17 415	3 920	1 662	-	-	22 996	-	-	-
Montenegro	-	-	3 097	-	-	3 097	-	-	-
Morocco	-	51 940	18 725	-	-	70 665	-	-	-
Myanmar	57	-	-	-	-	57	-	-	-
Netherlands, Kingdom of the	5 775 887	1 298 500	-	-	-	7 074 387	600 000	253 590	853 590
New Zealand	1 294 668	-	-	-	-	1 294 668	-	-	-
Nicaragua	80	-	15 686	-	-	15 766	-	-	-
Norway	-	-	-	-	-	-	-	867 627	867 627
Pakistan	-	1 295	-	49 875	-	51 170	-	-	-
Palau	4 378	-	-	-	-	4 378	-	-	-
Papua New Guinea	-	-	12 111	-	-	12 111	-	-	-
Philippines	-	-	-	-	4 570	4 570	-	-	-
Poland	-	1 043	125	-	-	1 168	-	-	-
Portugal	1 478 448	-	-	65 000	60 000	1 603 448	-	-	-
Samoa	-	-	585	-	-	585	-	-	-
Saudi Arabia	4 945 953	1 116 200	-	-	-	6 062 153	-	-	-
Senegal	22 527	-	-	-	-	22 527	-	-	-
Serbia	-	-	-	-	13 211	13 211	-	-	-
Singapore	2 114 194	475 300	-	-	-	2 589 494	-	-	-
Slovakia	648 867	146 020	3 340	-	-	798 227	-	-	-
Slovenia	331 301	72 720	1 989	-	-	406 010	-	-	-
South Africa	-	80	-	-	-	80	-	-	-
Spain	8 955 580	-	-	-	-	8 955 580	-	-	-
Sudan	-	801	-	-	-	801	-	-	-
Sweden	-	-	-	-	-	-	3 156 487	571 564	3 728 050
Tajikistan	13 027	2 940	4 456	-	-	20 423	-	-	-
Thailand	755 624	346 920	-	-	-	1 102 544	-	-	-
Trinidad and Tobago	6 021	-	2	-	-	6 023	-	-	-
Türkiye	-	-	10 416	-	-	10 416	-	-	-
Ukraine	235 734	52 920	-	-	-	288 654	-	-	-
United Arab Emirates	10 952	-	951	-	-	11 903	-	-	-
United Kingdom of Great Britain and Northern Ireland	18 347 667	4 124 820	-	359 626	-	22 832 113	-	-	-
United States of America	-	-	-	23 103 675	604 194	23 707 869	-	-	-
Uzbekistan	-	-	-	-	50 000	50 000	-	-	-
Zambia	-	7 758	-	-	-	7 758	-	-	-
Sub-total	**87 482 846**	**15 549 978**	**193 039**	**27 881 333**	**1 091 358**	**132 198 555**	**41 874 228**	**1 692 781**	**43 567 009**

ANNEX A4 (continued)

Donors	Contributions received in advance						Extrabudgetary contributions transferred subject to conditions		
	Regular Budget (RB)	Technical Cooperation Fund (TCF)	National Participation Costs (NPCs)	Extrabudgetary (EB)		Total contributions received in advance	EB RB	EB TC	Total EB contributions transferred with conditions
				EB RB	EB TC				
II. Other Donors									
European Commission	-	-	-	-	-	-	19 898 355	1 748 824	21 647 179
International Organizations	-	-	-	116 754	-	116 754	-	-	-
Other Sources	-	-	-	3 000	-	3 000	-	4 102 732	4 102 732
Sub-total	-	-	-	119 754	-	119 754	19 898 355	5 851 556	25 749 911
GRAND TOTAL	87 482 846	15 549 978	193 039	28 001 087	1 091 358	132 318 308	61 772 583	7 544 336	69 316 919

ANNEX A5

REGULAR BUDGET FUND
STATUS OF CASH SURPLUS
As at 31 December 2024
(expressed in euro)

Calculation of provisional cash surplus/(deficit) for 2024	
Receipts	424 034 127
Disbursements	382 518 072
Excess (shortfall) of receipts over disbursements	41 516 055
Unliquidated obligations	(35 573 989)
Transfer of 2024 RB unobligated balances	(7 582 576)
Provisional 2024 cash deficit	**(1 640 511)**

Calculation of final cash surplus for 2023	
Prior year provisonal cash deficit	(8 246 634)
Restatement to 2023 Disbursements c/	(4 339 979)
Restated Prior Year Provisional cash deficit	(12 586 613)
Receipt of:	
Contributions all prior years	14 677 833
Savings on liquidation of prior year's obligations	1 820 819
Miscellaneous income	403 780
Final cash surplus for 2023	4 315 819
Restated Final cash deficit for prior years- correction of presented 2016-2022 disbursements c/	(22 633 416)
Less: Final cash deficit for PY	**(22 633 416)**
Transfer of Surplus to MCIF b/	-
Final cash surplus/(deficit) for 2023	**(18 317 597)**
Prior years cash surpluses a/	**19 996**
Total cash surpluses	**(18 297 601)**

a/ Withheld pending receipt of contributions.

b/ Reference to Note 39d: Major Capital Investment Fund (MCIF)

c/ Due to presentation error over the period 2016-2023, that resulted in an understatement of disbursements in this annex, amounting to €26 973 396

The Secretariat identified a historical error that occurred from 2016 to 2023, in which the Disbursements line in *Annex A5-Regular Budget - Status of Cash Surplus,* was understated by a cumulative amount of €26.9 million. This led to overstated cash surpluses in the 2017, 2018, 2019 and 2023 Financial Statements, resulting in a total of €14.2 million being transferred to the MCIF reserve account, of which €12.9 million remain unallocated at the end of 2024, as can be seen in Note 39d. The balance of €12.7 million remained correctly under the Regular Budget Fund Balances account. It should be noted that the disbursements and expenses in the corresponding Financial Statements and Programme Performance reports were recorded accurately.

The restatements shown in Annex A5 to correct the errors result in a final cash deficit for 2023 of €18.3 million. In line with established practice, this deficit will be recovered through future cash surpluses.

ANNEX A6

STATEMENT OF INVESTMENTS AS AT 31 DECEMBER 2024
(expressed in euro '000s)

Euro Denominated Cash Equivalents and Investments

Type of Issuer	Type of Instrument	Carrying Value	Yield per annum (%)	Original Investment date	Maturity date
Commercial	Call Accounts	4	0%		
Central Bank	Time Deposit	24 000	2.96%	2024-12-20	2025-01-06
Central Bank	Time Deposit	32 000	2.95%	2024-12-23	2025-01-06
Commercial	Time Deposit	40 000	3.21%	2024-12-16	2025-01-07
Commercial	Time Deposit	10 000	2.85%	2024-12-30	2025-01-07
Supranational	Discounted Notes	69 914	3.16%	2024-10-04	2025-01-10
Commercial	Time Deposit	6 000	2.85%	2024-12-31	2025-01-15
Commercial	Time Deposit	14 000	3.15%	2024-10-15	2025-01-15
Government	Treasury Bills	61 391	3.37%	2024-09-04	2025-01-15
Commercial	Time Deposit	36 000	3.13%	2024-12-04	2025-01-17
Commercial	Time Deposit	26 700	3.07%	2024-12-19	2025-01-17
Government	Treasury Bills	28 413	3.32%	2024-09-06	2025-01-29
Government	Treasury Bills	24 928	3.05%	2024-10-31	2025-01-30
Government	Treasury Bills	20 540	3.10%	2024-10-17	2025-01-30
Central Bank	Time Deposit	28 300	3.21%	2024-09-26	2025-01-30
Central Bank	Time Deposit	22 200	3.06%	2024-10-04	2025-02-07
Commercial	Time Deposit	6 000	2.78%	2024-12-31	2025-02-14
Supranational	Discounted Notes	26 373	3.10%	2024-10-21	2025-02-21
Commercial	Time Deposit	35 000	2.98%	2024-11-26	2025-02-26
Supranational	Discounted Notes	49 726	2.96%	2024-11-04	2025-03-04
Commercial	Time Deposit	10 000	2.95%	2024-12-04	2025-03-04
Supranational	Discounted Notes	24 817	3.20%	2024-09-19	2025-03-20
Commercial	Time Deposit	18 000	2.78%	2024-12-31	2025-03-31
Commercial	Time Deposit	20 000	2.84%	2024-12-02	2025-04-02
Commercial	Time Deposit	22 300	2.88%	2024-12-11	2025-04-11
Commercial	Time Deposit	55 000	2.80%	2024-12-19	2025-04-22
Commercial	Time Deposit	78 000	2.82%	2024-12-19	2025-05-19
Total Euro Denominated Cash Equivalents and Investments		**789 606**			
Percent of Total		**87%**			

US Dollar Denominated Cash Equivalents and Investments (euro equivalent)

Type of Issuer	Type of Instrument	Carrying Value	Yield per annum (%)	Original Investment date	Maturity date
Commercial	Time Deposit	2 880	4.51%	2024-12-20	2025-01-10
Commercial	Time Deposit	6 720	4.29%	2024-12-31	2025-01-10
Commercial	Time Deposit	8 640	4.86%	2024-10-11	2025-01-10
Commercial	Time Deposit	13 440	4.53%	2024-12-20	2025-01-21
Commercial	Time Deposit	24 000	4.79%	2024-10-31	2025-01-31
Commercial	Time Deposit	12 000	4.71%	2024-12-02	2025-02-28
Commercial	Time Deposit	10 944	4.71%	2024-11-29	2025-02-28
Commercial	Time Deposit	6 624	4.54%	2024-12-16	2025-03-31
Commercial	Time Deposit	12 000	4.63%	2024-12-02	2025-03-31
Commercial	Time Deposit	20 160	4.56%	2024-12-16	2025-04-30
Total US Dollar Denominated Cash Equivalents and Investments		**117 408**			
Percent of Total		**13%**			
Total Euro Equivalent Cash Equivalents and Investments		**907 014**			

Part V

Report of the External Auditor on the Audit of the Financial Statements of the International Atomic Energy Agency for the Year Ended 31 December 2024

Office of the Comptroller and Auditor General of India

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Our audit aims to provide independent assurance and to add value to the International Atomic Energy Agency (IAEA) by making constructive recommendations.

For further information please contact:

Ms. Shefali S. Andaleeb
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Audit of the International Atomic Energy Agency (IAEA) for the Financial Year ended 31 December 2024

TABLES OF CONTENTS

EXECUTIVE SUMMARY

Importance of This Audit

In 2024, the International Atomic Energy Agency (IAEA) generated a revenue of EUR 724 million and incurred expenses amounting to EUR 748 million. It managed assets totalling EUR 1.46 billion and liabilities of EUR 822 million. The Comptroller and Auditor General of India (CAG) presents this report based on the audit of the Agency's financial statements for the year ended 31 December 2024. The CAG also conducted a performance audit of the Management of Construction Projects, Major Programme 2 – Nuclear Techniques for Development and Environmental Protection and the Jointly Funded Activities of IAEA and FAO for the period 2021-23.

Audit Objectives

The general objectives of the audit were to:

Provide independent assurance on the fairness of the presentation of the financial statements.

Assess the management and execution of IAEA's construction projects, ensuring that they meet technical, regulatory, and contractual requirements.

Evaluate the efficiency and effectiveness of programme implementation, keeping in mind the programme objectives.

Review of Jointly Funded Projects of IAEA and FAO, focusing on the coordination, implementation, and reporting.

Financial Audit Overview

In our opinion, the financial statements of the International Atomic Energy Agency (IAEA) present fairly, in all material respects, the financial position for the year ending 31 December 2024, and its financial performance and cash flows, in accordance with the International Public Sector Accounting Standards (IPSAS). Based on our conclusions, we have issued an unqualified audit opinion on the Agency's financial statements for the year ended 31 December 2024.

Performance Audit Findings

Performance Audit of the Management of Construction Projects by IAEA

This audit evaluated IAEA's management of construction projects. We found that while the organizational structure and operational processes were generally aligned to meet construction goals, the construction projects faced common issues of delay in planning processes and cost management. We noted that several project contracts were awarded not following competitive bidding process, by resorting to Rule 110.38(a) as an exception to competition, which led to over reliance on few agencies.

Performance Audit of Major Programme 2 Nuclear Techniques for Development and Environmental Protection

This audit assessed the control mechanisms of Programme 2, focusing on the program's efficiency, transparency, and accountability in achieving its objectives. While strong control mechanisms were observed, there are areas that need improvement to ensure greater consistency and efficiency in programme execution.

Performance Audit of Jointly Funded Projects of IAEA and FAO

This audit focused on the planning, programming, coordination, implementation, and reporting of the Jointly Funded Projects between IAEA and FAO. While the projects achieved many of their objectives, the audit identified areas for improvement in project design and execution, including better coordination and operational support, such as staffing, logistics, and facilities.

Conclusion

The audit report highlights the strengths and weaknesses across various IAEA projects and financial activities. It provides recommendations aimed at improving transparency, accountability, and efficiency, ensuring that the Agency's objectives are met.

INTRODUCTION

1. By appointment of the General Conference, the Comptroller and Auditor General of India (CAG) has been entrusted with the responsibility of auditing the Agency's financial statements for the financial years 2022 to 2027 in accordance with Financial Regulations 12.01 (Article XII) and the Additional Terms of Reference governing the External Audit, as set out in the Annex to these Regulations. CAG made such observations as deemed necessary in relation to the financial consequences of prevailing administrative practices in conformity with paragraph 5 of the Additional Terms of Reference governing the External Audit.

2. Our audit was conducted in accordance with the applicable International Standards on Auditing (ISA) and International Standards of Supreme Audit Institutions (ISSAI), as adopted by the Panel of External Auditors of the United Nations (UN), the Specialized Agencies and the IAEA.

3. According to the requirements of ISA, the main objective of the financial audit was to enable the auditor to express an opinion on whether expenditure recorded for the year had been incurred for the purposes approved by the General Conference; whether revenue and expenses were properly classified and recorded in accordance with Financial Regulations; and whether the financial statements present a fair view of the financial position as at 31 December 2024. This includes the correctness of year-end balances of all IAEA funds as detailed in IAEA financial statements. In addition, the ISSAI provides guidance on the conduct of performance audits.

4. The audits involved discussions with key managers of the sub-programmes and sections concerned; review of related documents; review of policy, processes and procedures; seeking information and clarifications from Management through information requests and audit queries; and providing audit observations and recommendations.

5. The purpose of this Audit Report is to communicate the audit results to Management and those charged with the governance of the Agency, as well as other stakeholders. Important findings arising from the audit procedures performed were, after detailed discussions with the management responsible, conveyed through audit observations. The more significant of these findings, appropriately aggregated, have been incorporated in this report, after duly considering Management's final responses and action plans for implementation of the recommendations.

FINANCIAL OVERVIEW

Adoption of IPSAS

6. The Agency carries out its mandate within a result-based framework ensuring effectiveness, accountability and transparency. This framework needs to be supported by high quality financial reporting and management information. Financial statements prepared under IPSAS are a key enabler to allow the Agency to deliver its mandate in an improved manner. The adoption of IPSAS represents a best management practice and is expected to lead to greater harmonization in the presentation of financial statements between UN system organizations and better comparability of financial statements with other international organizations and national governments. Financial statements prepared in accordance with IPSAS provide greater insight into the actual assets, liabilities, revenues and expenses of the Agency. This is the fourteenth year since the adoption of IPSAS by the Agency in 2011.

Fund Accounting and Segment Reporting

7. A fund is a self-balancing accounting entity established to account for the transactions of a specified purpose or objective. Funds are segregated for the purpose of conducting specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The financial statements are prepared on a fund accounting basis, showing at the end of the period the consolidated position of all funds. Fund balances represent the accumulated residual of revenue and expenses. The financial statements contain segment reporting which provides information on the Agency's activities on both a major programme basis and a source of funding basis. The Agency's six major programmes, namely: (i) Nuclear Power, Fuel Cycle and Nuclear Science; (ii) Nuclear Techniques for Development and Environmental Protection; (iii) Nuclear Safety and Security; (iv) Nuclear Verification; (v) Policy, Management and Administration Services; and (vi) Management of Technical Cooperation for Development, are financed through the Agency's fund groups. The funds have been 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 (the Board) and Financial Rules issued by the Director-General. Each Fund has differing parameters about how the revenue can be utilized.

Budgetary Performance

8. The Programme and Budget of the Agency focuses on the Regular Budget Fund and the related appropriations approved by Member States. The components of the Regular Budget include the Operational Regular Budget and Capital Regular Budget. In 2024, the Agency attained the rate of budget implementation, of 98.2% in Operational Regular Budget, in comparison to 99.9 % attainment in 2023, but attained only a rate of 32.97% in Capital Regular Budget against 40.6% achieved in 2023.

Summary of Financial Performance

9. The net assets of the Regular Budget Fund and Working Capital Fund (RBF & WCF) increased by EUR 41.2 million to a negative position of EUR 124.9 million. The net assets of the Technical Cooperation Fund (TCF) decreased by EUR 0.6 million to EUR 153.9 million primarily resulting from the decrease in total cash and cash equivalents and inventory. The net assets of the Technical Cooperation Extrabudgetary Fund (TC-EB) increased by EUR 8.1 million to EUR 110.6 million primarily resulting from the increase in investment. The net assets of the Extrabudgetary Programme Fund (EBF) decreased by EUR 18.5 million to EUR 399.6 million as a result of increase in deferred revenue and employee benefit liabilities and further decrease in investments in 2024. The net assets of

the LEU Bank decreased by EUR 7.7 million to EUR 71.6 million, primarily due to decrease in cash and cash equivalents in 2024 compared to 2023.

Revenue Analysis

10. Total revenue in 2024 was EUR 724.10 million, which represented a 1.9 % decrease as compared to 2023 (EUR 738.20 million), mainly due to decrease in revenue from Voluntary Contributions and Revenue from exchange transactions of EUR 34.2 million and EUR 0.3 million respectively. This decrease was partially offset by an increase in Revenue from Assessed Contributions and Other Contributions of EUR 8.40 million and EUR 4.3 million respectively.

Expense Analysis

11. There was 10.6 % increase in expenses in 2024 (EUR 747.8 million), as compared to 2023 (EUR 676.05 million). Salaries and Employee Benefits (EUR 397.0 million) accounted for 53.1% of the Agency's expenses and has shown an increase of EUR 50.5 million from 2023. The second largest component was Transfers to Development Counterparts (EUR 99.34 million), which represented 13.3% of the Agency's expenses in 2024. Travel (EUR 49.0 million) had shown an increase of EUR 1.9 million from 2023. Training (EUR 54.4 million) had shown an increase of EUR 3.2 million as compared to 2023.

Financial Position

12. The overall financial position of the Agency continues to be healthy as at 31 December 2024. This financial health can be seen in the following key indicators:

- The overall net assets value, calculated as total assets less total liabilities, is EUR 633.96 million; and
- The value of current assets is approximately five times the value of current liabilities. This signifies that the Agency has sufficient resources to cover its liabilities expected to come due in the upcoming 12 months.

13. As at 31 December 2024, the total Cash and Cash Equivalents (CCE) and Investments represent 85.2% of the Agency's total current assets. This signifies that the Agency's liquid assets are sufficient to meet the Agency's requirements.

14. The significant areas of change in the Agency's financial position in 2024 from 2023 are in relation to the following:

- Current assets increased by EUR 11.3 million mainly due to the increase in the overall amount of investment;
- Increase in Non-current assets by EUR 10.6 million related primarily to Property, Plant, & Equipment (PP&E) and offset by a decrease in Intangible Assets and advances and prepayments; and
- Total liabilities decreased by EUR 1.6 million mainly due to the overall decrease in the Agency's Employee Benefits Liabilities and Accounts Payable.

15. In 2024, the Agency experienced an overall increase in net assets, from EUR 610.5 million in 2023 to EUR 633.96 million in 2024, which was primarily driven by the increase in total net assets by EUR 23.5 million.

Cash and Cash Equivalents (CCE) and Investments Balances

16. In 2024, the CCE and Investments balances increased by EUR 29.1 million (3.1%) to EUR 931.4 million at 31 December 2024. The increase was mainly due to the increase in investment of (EUR 152.8 million but offset by decrease in CCE of EUR 123.8 million).

Accounts Receivables

17. Overall, the total receivables from non-exchange transactions decreased by EUR 4.5 million to EUR 40.4 million at 31 December 2024 from EUR 44.9 million as at 31 December 2023. The main components of this balance are receivables from assessed contributions (EUR 21.5 million), voluntary contributions receivables (EUR 18.1million), and other receivables (EUR 0.7 million).

18. The decrease experienced in net assessed contributions receivable in 2024 was mainly driven by a decrease in Regular Budget assessed contributions receivable by almost 7.2% over 2023. Total outstanding Regular Budget contributions from 2024 and prior years, which amounted to EUR 48.8 million, represented 11.6% of the total Regular Budget Operational Portion assessment for 2024.

Property, Plant and Equipment

19. Buildings and Leasehold Improvements continue to account for the largest component of the net book value of PP&E.

20. In 2024, the total net book value of PP&E increased by EUR 15.7 million (5.3%). This was mainly due to additions to PP&E by EUR 43.2 million, partially offset by depreciation expense and impairment of EUR 27.5 million.

Intangible Assets

21. The net carrying amount of Intangible Assets, essentially software purchased or internally developed, on 31 December 2024 was EUR 40.0 million, down from EUR 43.0 million as at 31 December 2023. The principal driver for the decrease in the carrying value of Intangible Assets is the high level of amortization expense of EUR 117.7 million which more than offsets additions during the year. In 2024, the amount of Intangible Assets internally developed decreased by EUR 3.6 million in comparison to the previous year, while the amount of intangible assets still under development increased by EUR 2.0 million.

Risk Management

22. The financial statements prepared under IPSAS provide details of how the Agency manages its financial risk, including credit risk, market risk (foreign currency exchange and interest rate) and liquidity risk. From an overall perspective, the Agency's investment management prioritizes capital preservation as its primary objective, ensuring sufficient liquidity to meet cash operating requirements, and then earning a competitive rate of return on its portfolio within these constraints.

Financial Ratios

23. We analysed the liquidity position of IAEA to assess its ability to meet its short-term commitments, long term obligations and operating needs. The results of analysis are discussed in succeeding paragraphs.

Short Term Solvency

24. The short-term solvency can be determined from the current ratio, quick ratio and cash ratio which are detailed below:

Table 1: Financial Ratios

Ratio	2024	2023	2022
Current Ratio[a] (Current Assets/ Current Liabilities)	5.03	5.40	6.50
Quick Ratio[b] (Quick Assets/Current Liabilities)	4.52	4.78	5.70
Cash Ratio[c] (Cash and current investments/ Current liabilities)	4.29	4.51	5.19
Total Assets to Total Liabilities Ratio[d]	1.77	1.74	1.83

Source: IAEA 2024, 2023, 2022 financial statements

[a] A high ratio indicates an entity's ability to pay off its short-term liabilities.
[b] Quick Ratio is more conservative than the current ratio because it excludes inventory and other current assets, which are more difficult to turn into cash. A higher ratio means a more liquid current position.
[c] Cash Ratio is an indicator of an entity's liquidity by measuring the amount of cash, cash equivalents or invested funds in current assets to cover current liabilities.
[d] A high ratio is a good indicator of solvency.

25. The current ratio and cash ratio of the Agency remained more than four in last three years and the quick ratio in the last two year was slightly less than five (4.52 in 2024), which are largely indicative of high liquidity and solvency of the Agency to meet its short-term liabilities. A high liquidity ratio (above 2) is generally a positive and healthy sign. However, excessively high liquidity (with a current ratio, quick ratio, and cash ratio exceeding 4) may indicate that a significant portion of funds is tied up in short-term assets, which could otherwise be utilized more efficiently for long-term growth and investment opportunities.

Long Term Solvency

26. We assessed the ability of IAEA to meet its total liabilities using the Total Liabilities to Net Assets ratio. The following table shows the total liabilities, net assets and Total Liabilities to Net Assets Ratios of the IAEA for the last three years.

Table 2: Total Liabilities to Net Assets Trend

Description and Ratio	2024	2023	2022
Total Liabilities (million €)	821.8	823.4	730.8
Net Assets (million €))	633.9	610.5	605.7
Total Liability to Net Assets Ratio[e]	1.30	1.35	1.21

Source: IAEA 2024, 2023, 2022 financial statements
[e] A low ratio is a good indicator of solvency

27. The above table shows that the total liabilities to net assets of the Agency were 1.21 times in the year 2022 which increased to 1.35 times in the year 2023. However, it reduced to 1.30 during the year 2024.

Liability Trend:

- Total liabilities increased significantly from 2022 to 2023 (from EUR 730.8 million to EUR 823.4 million).
- In 2024, total liabilities slightly decreased but remained high (EUR 821.8 million).

Net Asset Trend:

- Net assets have shown a consistent upward trend over the three years, which is a positive sign.

Total Liability to Net Assets Ratio:

- A ratio of over 1 indicates that the Agency has more liabilities than net assets. This indicates that a relatively large portion of the Agency's assets are financed by debt.

28. We reviewed comparative financial position of year 2024 with respect to the year 2023. The items indicating significant variation [1] along with reasons are detailed as under:

Table 3: Assets

Item	2024	2023	Difference	Variation (in %)
Cash and Cash Equivalents (million €)	385.6	509.3	(123.7)	(24.3)
Investment [*current*] (million €)	545.7	392.9	152.8	38.9
Accounts Receivables from Exchange transactions (million €)	11.3	12.6	(1.3)	(10.3)
Advances and Prepayments [*current & non-current*] (million €)	37.3	43.9	(6.6)	(15.0)

[1] More than 10% variation considered as significant

Reasons for variations:

(i) Cash and cash equivalent decreased during 2024 mainly due to a decrease in Term deposit with original maturities of 3 months or less from EUR 466.6 million to EUR 336.3 million.

(ii) Investment increased during 2024 mainly due to switching investment for less than three months into term deposit with other discounted notes and original maturities of 3 months or more.

(iii) Accounts receivables from Exchange transaction during 2024 decreased from EUR 12.6 million to EUR 11.3 million mainly due to decrease in VAT refundable.

(iv) Advances and prepayment decreased during 2024 to EUR 37.4 million from EUR 43.9 million in 2023 due to decrease in advances and prepayments to staff and others.

Table 4: Revenue

Item	2024	2023	Difference	Variation (in %)
Assessed contribution (million €)	423.3	414.9	8.4	2.0
Voluntary contribution (million €)	258.6	292.9	(34.3)	(11.7)
Other Contribution (million €)	6.1	1.8	4.3	238.9
Investment Revenue (million €)	33.6	25.9	7.7	29.7

Reasons for variations:

(i) Increase in assessed contribution is mainly due to operational assessment.

(ii) Decrease in voluntary contributions is mainly due to the decrease in extra-budgetary programme fund.

(iii) Investment Revenue increased from EUR 25.9 million in 2023 to EUR 33.6 million in 2024 mainly due to increase in investment in Treasury bills and Discounted notes.

Table 5: Expenses

Item	2024	2023	Difference	Variation (in %)
Travel (million €)	49.0	47.1	1.9	4.0
Training (million €)	54.4	51.3	3.1	6.0
Contractual And Other Services (million €)	32.6	29.5	3.1	10.5

Reasons for variance:

(i) The increase in travel expenses was due to increase in number of duty travels as well as higher cost.

(ii) The increase in training cost is mainly due to increase in the number of training events and training activities in the new Nuclear Security Training and Demonstration Centre in Seibersdorf.

(iii) The increase in Contractual and Other Expenses was primarily due to increase in equipment and software maintenance and Information technology contractual services.

AUDIT FINDINGS AND RECOMMENDATIONS

I. FINANCIAL MANAGEMENT

Disclosure on Fully depreciated Intangible Assets

29. Rule 110.66 of the Financial Rule (IAEA) states "equipment or inventories which have reached the end of their assigned life, or which are deemed to be impaired as defined under Financial Rule 110.65 and 110.65 and the conditions of which warrants their sale, may be sold".

30. As of December 31, 2024, the Agency's financial statements include fully depreciated assets comprising 421 intangible assets and 34,125 items of Property, Plant & Equipment (PP&E), with a total value of EUR 176.62 million.

31. These assets are deemed to be active or in use until retirement/disposal is requested by custodian/unit. These are continually assessed as part of physical verification until disposal. The Safeguards (SG) assets are monitored annually and progressively throughout the year, with the assistance of the Asset Information Focal Points, a list of obsolete assets for write-off is shared and the asset team collaborates with custodians to proactively dispose them off whenever these assets are no longer required for Safeguards operations.

32. As per Note 12 of the Financial Statements, the gross value of fully depreciated items of property, plant and equipment which remain in use as of 31 December 2024, including components of the Vienna International Centre (VIC) building, amounted to EUR 116.009 million (EUR 111.595 million in 2023). We noticed that there is no corresponding disclosure Note in the financial statements regarding items of intangible assets with gross value of EUR 71.48 million which are fully depreciated but continue to appear in the books of accounts.

Recommendation 1

Audit recommends that a note be included in the financial statements disclosing the existence of fully depreciated intangible assets that remain in the books of accounts.

The Agency agreed with the recommendation.

Disclosure on Low Enriched Uranium (LEU) Cylinder

33. According to Financial Statements 2024, the LEU inventory is EUR 55 million. The LEU inventory refers to the stock of Low Enriched Uranium of the International Atomic Energy Agency (IAEA) in the IAEA LEU Storage Facility which is located at the Ulba Metallurgical Plant in Oskemen, Kazakhstan which is stored in sixty cylinders and are accounted as inventory.

34. The purpose of the IAEA LEU bank is to serve as a mechanism of last resort to back up the commercial market without distorting it, in the event that a Member State's supply of LEU is disrupted and cannot be restored by commercial means and that such Member State fulfills the eligibility criteria.

35. We noted that the results of the NDT (Non-Destructive Test) examinations carried out in June 2023 revealed a weld fusion defect in one of the welds of the valve retaining part of one cylinder, rendering this cylinder not compliant for transport. The Agency stated that the impact of this non-

compliance on the availability of LEU to fulfil the mandate of the IAEA LEU Bank is however negligible. As such, this cylinder is fit for storage but not fit for transportation without complementary protective measures to meet the ISO7195:2020(E) Standard. The Agency mentioned that it has engaged in discussions with the supplier of this cylinder to resolve the issue in 2025.

36. We opine that the fact that one cylinder is not fit for transportation as per the ISO 7195:2005(E) since June 2023, may be disclosed in the Notes to the Financial Statements.

Recommendation 2 Audit recommends that the Agency disclose the fact of one cylinder not fit for transportation in the Notes to the financial statements, until further safety assessment is made by a competent inspector to determine whether this cylinder is unsafe or unserviceable in the existing conditions.
The Agency agreed with the recommendation.

Provision for Decommissioning Costs

37. As per the Note 19, Financial Statement 2024, the Provision for assets disposal and site restoration is EUR 1.8 million. We noted that these Provisions relate to the estimated costs for disposal of laboratory glove boxes in the new Nuclear Material Laboratory (NML) in Seibersdorf at the end of the useful life of the glove boxes and not for site restoration.

38. Further analysis revealed that the Agency had prepared an Initial decommissioning plan for Nuclear Material Laboratory building' which detailed the estimation cost of NML decommissioning based on the approach applied for decommissioning of Safeguards Analytical Laboratory (SAL) lab in the past. The NML's decommissioning plan (2025) estimates total costs of EUR 11.28 million, which comprises EUR 9.25 million for building demolition and EUR 2.03 million for site restoration.

39. However, provisions were not made for these asset retirement obligations. The Agency has made a disclosure in Note 43-'Contingent liabilities and contingent assets', which reads "the Agency has a potential liability related to the decommissioning and decontamination of the NML facilities in Seibersdorf. While the Agency believes it continues to have a constructive obligation for such decommissioning and decontamination, the estimate of the amounts that the Agency would ultimately incur in satisfaction of these obligations cannot be reliably measured or estimated at this time".

40. The Agency also mentioned that the decommissioning plan includes initial estimates of the human resources and time required for decommissioning, and the volumes of waste which will be produced, and financial estimates for the decommissioning costs. As this is an outline plan, it does not include sufficient detail to serve as a final plan for decommissioning the NML.

41. The Agency also responded that, in nominal terms, the 2025 Plan estimates costs of EUR 13.1 million. These estimates have significant variability and depend on future technological and regulatory changes making them difficult to reliably estimate at present. Additionally, assumptions about inflation, discount rates, and future regulatory changes could further affect the reliability of these estimates.

42. We note that since the reversal of provision (2015), ten years have elapsed, and important events have happened in between. We are of the opinion that in line with the best practices, and informed by the 2018 SAL lab decommissioning, the Agency should establish a provision for the NML Building

decommissioning based on reliable estimates, with a process for periodic revisions as new information becomes available.

Recommendation 3 Audit recommends that drawing upon the experience from the 2018 SAL lab decommissioning, the Agency recognizes a provision for the NML Building decommissioning.
The Agency agreed with the recommendation.

Employee Benefit Liability - Annual Leave

43. Rule 4.06.2 of the Staff Rules of the Agency provides, ‘If at the time of separation, a staff member has accrued annual leave, he/she shall be paid in lieu thereof a sum of money equivalent to the separation pay, as defined in Staff Rule 4.06.5 for the period of such accrued leave up to a maximum of sixty working days’.

44. The Agency has created a liability for annual leave salary for 2567 staff members, based on the Payroll data for the month of December 2024. We noted that in 519 cases, the liability has been calculated based on the actual number of leave to the credit of the staff members, without a cap of 60 days resulting in an accrued liability higher by EUR 1.74 million on account of annual leave salary.

45. The Agency responded that Annual leave is a short-term employee benefit (IPSAS 39.9). At the Agency, annual leave accumulated as of 31 December are carried forward to the next year. They are therefore accumulating paid absences. In addition, the annual leave at the Agency consists of one part which is vesting (60 days) and another which is non-vesting (days in excess of the 60 days). In accordance with the standard (IPSAS 39.15), the Agency recognizes a liability for both components, the vesting and the non-vesting portion. An obligation arises as employees render service that increases their entitlement to future paid absences. The obligation exists, and is recognized, even if the paid absences are non-vesting.

46. We note that as per IPSAS 39, Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. In this case, annual leave liability is not due to be settled wholly before twelve months after the end of the reporting period, hence, it cannot be categorized as a short-term employee benefit.

47. Further, as per Note 16: Employee benefit liabilities, the liability has been treated as a long-term employee benefit and only the portion likely to be settled within the next 12 months has been reflected as a current liability. Additionally, the Accounting Decision (2017-01 (EB)) shared by the Agency also refers to Annual Leave liability as other long-term employee benefits. Thus, Annual Leave salary is a long-term employee benefit.

48. We further noted that as per Para 52, Note 3 of Financial Statements 2024, other long-term employee benefits are benefits that are due to be settled beyond 12 months such as annual leave and home leave. Annual leave and home leave benefits are calculated without the use of actuaries and are not discounted as the effect of discounting is not material.

49. We opine that, it is appropriate that the valuation of Annual Leave Liability, being a long-term employment benefit may be done by the Agency through an actuary like the valuation of other post-

employment benefits like After Service Health Insurance (ASHI), Repatriation Grant and End of Service Allowance (EOSA).

Recommendation 4 Audit recommends that the Agency revises the liability on account of annual leave in line with the provision stated in the Agency's staff Regulations and Rules, keeping a cap of 60 days.
The Agency agreed with the recommendation.

Recommendation 5 Audit recommends that the Agency consider getting the valuation of annual leave salary liability through an actuary.
The Agency agreed with the recommendation.

Irrelevant Data Shared with the Actuary

50. We reviewed the payroll data which was shared by the Agency with the actuary for valuation of post-retirement obligations and noted the following:

a) In 49 cases, although retirement happened before 1-2-2002, the default date showed a date other than 1-2-2002.

b) In 9 cases, the ASHI coverage start date was earlier than the separation date.

c) In 651 cases where retirements happened after 1-2-2002, the coverage start date was not the date immediately following the date of separation.

d) In 3 cases, the date of separation and the coverage start date were the same.

e) In 49 cases, although the separation date was mentioned, the coverage start date column was left blank.

f) The end coverage date was shown as 31 December 4712 in 48 cases, 31 December 2100 in 1 case and 1/0/1900 in 1608 cases.

g) The maximum annual leave days allowed have been shown as 60. In the data, there were 248 cases where the column was left blank, the figures were in negative or zero in 40 cases, and the figure was more than the maximum allowed 60 days in 408 cases.

51. The Agency responded that the end date field is a mandatory field, and the years used were to reflect no end date. The Agency further stated that for the purposes of calculating the ASHI defined benefit obligations the annual leave days are not relevant. A separate analysis was prepared for the annual leave accrual. Further, the Agency maintained that the data fields 'Coverage Start date' and 'Coverage End date' are irrelevant and provided confirmation from the actuary these data fields have not been used for the valuation in 2024.

52. We are of the opinion that providing the actuary with only relevant and necessary data minimizes the risk of valuation inaccuracies.

Recommendation 6 Audit recommends restricting data provided to the actuary to only relevant and necessary information to ensure the accuracy of the valuation.
The Agency agreed with the recommendation.

Accounting treatment of 'Interest' earned on Extra-budgetary Contributions

53. As per the Significant accounting policies of the Agency (Note 3), voluntary contributions that include conditions on their use are initially treated as deferred revenue and recognized as revenue when the conditions are satisfied. Generally, the conditions are deemed satisfied upon approval of progress or final reports. Interest on such awards (voluntary contribution) is recognized as it is earned, unless the terms of the contribution would also require the return of such interest to the donor if the conditions are not met.

54. As of December 31, 2024, there were 58 active awards. We reviewed the donor agreements and the relevant expenditure statements of 19 active awards, pertaining to Donor T (8), Donor U (1), Donor V (9) and Donor W (1). We noted that the agreements clearly indicated that the interest shall be used for the same purpose as the principal and shall form part of the Contribution.

55. Thus, as per the terms of the donor agreements, the interest accrued on the Contribution is considered as part of the Contribution. We also noted that the Agency spends the interest earned from the Contribution on the specified projects, as stipulated in the donor agreements. Thus, the interest accrued on the Contribution is to also be treated as Deferred Revenue until the conditions are satisfied upon approval of progress or final reports.

56. The Agency responded that the treatment of interest revenue as miscellaneous income rather than deferred revenue is consistent with EC (European Commission) contribution policy, compliant with IPSAS 23, ensuring that only enforceable conditions result in revenue deferral, aligned with the UN-wide approach to EC contributions, and reflective of our revised internal policy, which has been updated (March 2025) to clarify this treatment.

57. Given the condition that the interest on the Contribution should be utilised for the same purposes of the award, the interest earned on the contribution is also a part of the Contribution and is subject to the same conditions as the original contribution shown as deferred revenue of EUR 69.316 million (Financial Statement 2024). The treatment of interest earned as revenue while the original contribution is treated as deferred revenue leads to a dichotomous situation while dealing with similarly placed items. Hence, we are of the opinion that the same accounting treatment is to be applied to both Contribution and its interest, for a more accurate presentation of financial performance of the entity.

Recommendation 7 Audit recommends that in terms of Accounting Policies and also in view of the requirements of the donors' agreements, the Agency considers treating interest income on the same lines as that of the Contribution Principal.
The Agency agreed with the recommendation.

FAO Imprest

58. The 'Guidance note on Joint Food and Agriculture Organisation (FAO) and IAEA Division' describes the process for allocating expenses between FAO and IAEA, as part of which, the IAEA prepares a statement detailing FAO disbursements which is forwarded to FAO on a quarterly basis. This reimbursement represents the full liability of FAO for the activities of the Joint Division.

59. The arrangement was such that the Agency maintained an FAO Imprest account from which the expenditure of the joint activities are carried out followed by recoupment of the same. We noted that periodically, the Agency reviewed this Imprest amount and requested FAO for increasing the same on 29 April 1968, 31 October 1979, 29 April 1986 and 28 May 1999, based on quarterly expenditure. This arrangement was made to avoid the Agency from using its cash resources to finance the expenditure of the joint division over an extended period.

60. The present Imprest fund amount of EUR 304,000 has not been reviewed since 1999, which in turn has resulted in the Agency using its own resources for the joint activities first and getting it reimbursed from FAO, later. We noted that as of December 31, 2024, FAO has to reimburse the agency EUR 2.5 million over and above the imprest amount of EUR 304,000. This is contrary to the arrangements made with FAO vide agency letter dated 29 April 1968 and FAO letter dated May 21, 1968.

Recommendation 8 Audit recommends that to optimize financial efficiency the Agency may request the FAO to consider increasing the imprest amount.
The Agency agreed with the recommendation.

II. PERFORMANCE AUDIT OF MANAGEMENT OF CONSTRUCTION PROJECTS OF IAEA

Introduction

61. IAEA is popularly known as the world's "Atoms for Peace and Development" organization within the United Nations family. The Agency works with its Member States and multiple partners worldwide to promote the safe, secure and peaceful use of nuclear technologies. Six Deputy Director Generals (DDGs) head a department each. Three out the six departments are concerned with IAEA's construction activities. These departments are Department of nuclear sciences and applications managing construction projects ReNuAL, ReNuAL+ and ReNuAL2; Department of Safeguards managing Project (J-MOX); and Department of Management managing two construction projects (Multi-Purpose Building and Energy Centre). IAEA has twelve laboratories, of which eight Nuclear Application (NA) laboratories are situated in Seibersdorf, Austria. The NA laboratories in Seibersdorf focus on food and agriculture, human health, environmental monitoring and assessment and the use of nuclear analytical instrumentation.

62. Brief description of these construction projects are presented in the table below:

Table 6: Construction Projects

Project Name	Project Scope	Year of Initiation	Status (as of December 2023)	Financial position (EUR million)
ReNuAL/ ReNuAL+	To modernize the NA laboratories in Seibersdorf.	2014	Completed in 2022	44.532 capitalized
Energy Centre	To provide the heating and cooling for the newly constructed NA labs buildings.	2018	Completed in 2022	5.531 capitalized
Multipurpose Building (MPB)	A training centre, a new cafeteria and a visitor's welcome point at Seibersdorf.	2016	Completed in 2023	9.682 capitalized
ReNuAL2	Continuation of the ReNuAL programme.	2020	Construction is in Progress	44.9 (Cost Estimate)
J-MOX	To develop and Implement a Safeguards Approach for J- MOX.	2010	Construction is in progress.	0.934 million CIP (December 2023)

Audit Objectives

63. Audit objectives were to assess (a) the project planning and implementation, including contract management, (b) compliance with applicable financial regulations, (c) the effectiveness of management oversight and internal controls over project governance.

Scope of Audit

64. The audit focused on the examination and review of construction projects undertaken by IAEA during the last three years. The scope of the audit included an assessment of project commencement, completion, costs, and compliance with IAEA's policies and regulations during the period 2021 to 2023. We have examined all five construction projects undertaken by the Agency in the last three years, as detailed in Table 1. The Agency has been apprised of our findings regarding all five projects through Management Letter. However, for the purpose of this report, we have focused on three projects—Multipurpose Building (MPB), ReNuAL2, and Energy Centre.

AUDIT FINDINGS

Construction of Multipurpose Building (MPB)

65. A project on construction of "Multipurpose Building" (MPB) at the IAEA Laboratories in Seibersdorf, was approved in February 2020. The project included construction of a Nuclear Security Training and Demonstration Centre (NSTDC), a new cafeteria with kitchen, and a Visitors' Welcome Centre in a total area of 2,129.24 Sqm. Construction of the project started in December 2020 and the building was completed in March 2023 at a total cost of EUR 9.7 million.

66. Construction of the project started in December 2020. The Project Management Group (PMG) developed a Project Initiation Document (PID) that provided a framework for the governance of the project, defined the project scope, outlined the project structure, roles and responsibilities and detailed the core elements of project management and implementation, including schedule, budget, change, and risk management.

67. The final completion certificate for the building was issued to the contractor on 31 March 2023 and the building was formally handed over to Division of General Services (MTGS) for operation on 13 April 2023.

68. We observed the following issues in the MPB project's planning, contract management, financial management, project monitoring, and post-implementation processes:

Delay in MPB Project

69. MPB project at the IAEA Laboratories in Seibersdorf was initiated in 2016. Despite the availability of seed funding for the Cafeteria and NSTDC in 2018, the project experienced significant delays in resource mobilization. The feasibility study and conceptual design by AECOM[2] were completed in 2018, yet the project received approval in February 2020. It was handed over to the Project Management Group (PMG) constituted for this project in late 2020 after several years of fragmented

[2] Advisory Group on Education, Competence, and Outreach in Nuclear Safety (AECOM)

management by various departments (MTGS[3]/SLSS[4], MT[5] and PMG).

70. This delay, despite the availability of initial resources, reflects prolonged resource mobilization. The PID could only be finalized in October 2021, five years from the initiation of the project.

71. The Agency replied that the first extra-budgetary contribution from Kingdom of Saudi Arabia (EUR 1.7 million) was received at the beginning of 2018 and the remaining amount (EUR 7.3 million) was received in of 2020. And, while the project was conceptualized in 2016, the first seed money was received in 2018, which was utilized for the feasibility study and the initial conceptual design. The Agency further stated that only in February 2020 did the full funding become available, at which point the project received approval to proceed. At that time a PID was created, and implementation began. As per IAEA rules and regulations and as a matter of financial prudence, all funding needs to be available in order to commit to a project.

72. In our opinion, given that the Agency received the initial extra-budgetary contribution from Kingdom of Saudi Arabia in 2018, they could have proceeded with the preparation of the PID and Statement of Works (SOW) potentially further enhancing project execution.

Recommendation 9 Audit recommends that for future projects, the Agency prioritizes the development of PIDs and SOWs at the outset of each project, aligning these activities with the receipt of initial funding. This will enhance project execution, ensure timely completion by clearly defining roles, responsibilities, and timelines.
The Agency agreed with the recommendation.

Contract Management in MPB

73. The construction project of MPB involved six different contractors for different works, namely, architectural planning and design, feasibility report, construction of building structures, supply and installation of kitchen equipment and, carpentry work for cafeteria and refreshment island.

74. Firm A served as the main building contractor for construction works under the Construction Purchase Agreement (CPA) 202105528, dated 25 June 2021. Firm C, provided architectural planning, design, and renovation consultancy under CPA 202004629 dated 7 May 2020. Firm D. was responsible for preparing the feasibility report under CPA 201611760, dated 7 December 2016. Firm E which merged with Firm F, supplied and installed canteen equipment, including planning and training, under CPA 202211104, dated 15 December 2022. Firm G, executed carpentry works for the cafeteria's serving line and Refreshment Island under PO 202302795-PH, dated 29 March 2023.

75. The analysis of the tender documents for selecting the above contractors/consultants revealed the following observations.:

[3] MTGS-(MT) Division of General Service

[4] Seibersdorf Laboratories Services Section

[5] Department of Management

Reliance on Single Tender for Construction Works of MPB:

76. Competitive procurement practices promote fairness, transparency, and value for money while minimizing operational and reputational risks associated with single tendering. The Agency's Financial Rules have detailed principles and processes to be followed to ensure best value for money, fairness, integrity, effective competition and transparency in the procurement process. Robust planning and leveraging e-procurement platforms such as the United Nations Global Market (UNGM) system are critical to mitigate risks and ensure the above principles of procurement are achieved.

77. Financial Rule 110.38 of the Agency provides certain exceptions to the competitive tendering viz. when the proposed value is less than EUR 40,000, non-existence of competitive marketplace, exigency, and procurement is the result of cooperation pursuant to Rule 110.396, etc. However, all exceptions must be justified in writing, recorded, and approved as part of the procurement plan under Rule 110.40 of Financial Rules of the Agency.

78. We observed that the contract for construction of the MPB at Seibersdorf with an estimated contract value of EUR 7.7 million (including contingency) was directly awarded (25 June 2021) to Firm A, deviating from competitive bidding procedures, citing reasons of contractor's familiarity with the IAEA site and processes from prior engagements, ongoing disruptions in the construction market due to COVID-19 and expected time and cost efficiency by retaining the existing contractor. Firm A was also the main contractor for ReNUAL/ReNUAL+ projects, which started in the year 2016.

79. We are of the view that considering the nature (construction) and value of the project, the award of the contract without competitive bidding by resorting to the exception clause of Rule 110.38 and direct negotiations with the existing contractor may have resulted in a non-market-determined tender price for the project.

80. In response, the Agency explained that it did apply the Financial Rules consistently to achieve best value for money. The "Exception to a Formal Competitive Process" for the MPB (approved on 22 December 2020) clearly justified the exceptional circumstances due to COVID. The pandemic impacted markets, supply chains and availability of resources and physical access to countries due to travel restrictions. In this regard, Firm A's on-site presence with the ability to utilize existing equipment and staff, as well as their reliable performance during the pandemic was also considered as relevant to mitigate the risk of project failure.

81. It is noted that the project was conceptualized in 2016, it took the Agency a period of four years to secure necessary funding. Further, the Agency did not resort to the bidding process in UNGM in line with rule 110.40 and rule 110.41 of the financial rules of the Agency. Agency's response that the bidding process would only prolong the whole projects time schedule seems to be an assumption as it is not supported by documented reasons for resorting to the exception clause. We further observed that Firm A, the main contractor for this project, also served as the main building works contractor for ReNuAL/ReNuAL+ projects initiated in 2016. Additionally, Firm A was again selected as the main contractor for the ReNuAL2 project, which commenced in 2022, without competitive bidding.

82. The Agency responded that only in February 2020 did the full funding become available, at which point the project received approval to proceed, as per IAEA rules and regulations and as a matter of financial prudence. The Agency's view is also that, given the approved "Exception to a Formal Competitive Process", it was under no obligation to advertise this opportunity on UNGM in line with

[6] Competitive bidding process

financial rule 110.40 and rule 110.41. And regarding ReNuAL2, the Agency mentioned that there was a full competitive tender in 2021 that was advertised on UNGM, with only one bid received. The Agency further stated that given the uncertainties, constraints and risks caused by the pandemic, it did pursue the best possible solutions at the time in terms of risk mitigation, compliance with the regulatory framework and project success within available budget and timelines. In the case of the MPB, the use of exception to competitive bidding was decided upon during prolonged state-imposed lockdown in late 2020 with no end or improvement in sight.

83. We maintain that the Agency's explanation does not align with the documented timeline of the project. Despite the project conceptualization in 2016, this prolonged gap in obtaining funding and final approval, raises concerns about the overall project management approach adopted by the Agency. The reliance on single tendering for the MPB construction project indicates issues in procurement processes. While acknowledging the challenges posed by COVID-19, we believe that more effective utilization of existing systems and financial regulations could have facilitated a competitive bidding process. Adherence to such practices may have better served the Agency's objectives of fairness, value for money, and transparency.

Procurement Process for the Kitchen Equipment for the MPB

84. In July 2022 a tender for a competitive bidding solicitation under RFP 578567-2 was published on UNGM and a shortlist of nine possible suppliers, identified through a market scan, were directly invited to bid. Only one bidder, Firm E, provided a bid. The Contracting Officer followed up with the other directly invited bidders regarding their reasons for not attending the site visit. Most responded that they lacked the capacity to provide an offer and execute the construction.

85. The procurement process for the project was significantly constrained as only one bidder, Firm E, qualified, limiting competition that is essential for ensuring the best value for money. We noted that during the bid evaluation process, Firm E merged with Firm F. The technical and commercial evaluations, originally conducted for Firm E, were evidently not revisited to assess the merged entity’s qualifications. In our opinion, this represents a potential procedural lapse, as Firm F was not an original participant in the bidding process. However, the Contract Purchase Agreement was signed between Firm F and the Agency. Additionally, the project cost escalated by over EUR 61,000 (23 *percent)* after final negotiations, raising the total project amount to EUR 335,000 compared to the initial estimate of EUR 274,000. Furthermore, the Contracting Officer did not consider re-bidding or inviting fresh proposals through UNGM or other platforms following the vendor’s take over or the cost escalation, which would have been in compliance with Financial Rule 110.41.

86. The Agency responded that under tight time constraints and a lack of in-house expertise for various construction tasks, a consultant was hired to address these specific needs. The procurement officer pre-notified all directly invited bidders about the upcoming tender, and their initial responses indicated an interest in participating. However, no response was received from these bidders for the tender published on UNGM. The Agency further stated that Firm E was taken over by Firm F, however Firm E kept its status as a standalone company. The technical and commercial evaluations, originally conducted for Firm E, did not need to be revisited. Even though not necessary, additional due diligence was done for Firm E. In the end the Contract Purchase Agreement was signed between Firm E (after the change of ownership) and the Agency, as originally foreseen. Regarding the costs, the Agency noted that there was no ‘cost escalation’ and that the initial estimate is an internal ballpark figure that is not shared with the suppliers. The original offer by the supplier was even negotiated down.

87. The Agency, during discussion mentioned that they had an international competitive tender advertised on UNGM and shared with the Austrian Chamber of Commerce to maximize the competition directly reflective of the market situation at that point in time. In light of receipt of a compliant offer, the contract was awarded to that bidder following cost negotiations. It was further mentioned that there was no requirement in accordance with the FRR for a minimum number of bids in response to a tender and to re-tender. Further, this will be addressed as part of the overall explanation of the use of exceptions.

88. The Agency's response did not adequately address the concern regarding the vendor's take over and the subsequent lack of technical and commercial evaluation of the merged entity. We continue to have reservations regarding both the procedural handling of the vendor's take over and the treatment of project costs. While the Agency asserts that Firm E remained a standalone entity following its takeover by Firm F, it is important to underscore that the contractual agreement was ultimately signed with Firm F, as per records made available to audit. In such circumstances, it would have been prudent to revisit the technical and commercial evaluations of the merged entity, instead of mere additional due diligence of Firm E (stated to be a standalone entity) to ensure that the merged entity met all the qualification criteria initially applied to Firm E. Proceeding without such reassessment presents a potential procedural lapse, particularly since Firm F was not an original bidder. Furthermore, the Agency's assertion that there was no cost escalation appears to be at odds with the facts. Regardless of whether the original cost estimate was an internal figure, the final negotiated amount exceeded that estimate by over 23 percent. This deviation is material and, in our view, warranted a reassessment of market options—particularly through re-bidding or seeking additional proposals in accordance with the applicable Financial Rules. The absence of such a step raises questions about the competitiveness of the procurement process.

Recommendation 10 Audit recommends that the Agency considers incorporating provisions in the Procurement Guidelines which require comprehensive review and documentation when a bidder undergoes a takeover or any structural change, to gain assurance that the merged entity meets all original bid requirements and that the cost adjustments are justified.
The Agency agreed with the recommendation.

89. The Agency stated that the IAEA shall be happy to take this advice on board and consider it in cases where only one bid is received for similar requirements in the future and wherever it makes sense, striving to continually improve its procurement practice and maximize competition.

Project Monitoring and Post Implementation Review:

90. A total of eleven Project Board meetings were held throughout the MPB project, providing consistent, detailed reporting in both monthly summaries and quarterly reports. Regular operational meetings were conducted weekly with the Contractor, while monthly progress reviews took place with the Department of Nuclear Safety and Security (NS) and the Department of Management (MT). Additional management meetings were held as needed. The project's overall timeline was largely adhered to, except for a one-quarter delay in construction.

91. We are of the view that project monitoring and post implementation review was appropriate.

Planning and Execution of the Construction Works for the Energy Centre

92. The ReNuAL Project Board approved the Integrated Energy Centre on 9 February 2018, with a total cost of EUR 3 million. Stage 1 (EUR 2.25 million) was funded by ReNuAL, and Stage 2 (EUR 0.75 million) was planned for separate funding. However, we observed that cost estimates for Energy Centre to service the environmental needs (heating and cooling) for newly constructed laboratory buildings under ReNuAL project were not identified in cost estimates during ReNuAL planning[7].

93. We further observed that the contract was awarded to Firm A without competitive bidding which is an exception raising concern about overreliance on few agencies.

94. The Agency responded that in order to provide for the necessary heating of the new facility, it treated the Energy Center as a variation to the existing contract for ReNuAL and ReNuAL+ and the cost was within the permitted 20% tolerance of an increase to award value of the initial contract. Further, it explained that the Austrian Institute of Technology (AIT), the representatives of the government of Austria, co-located at Seibersdorf laboratories was the supplier of heating utilities on the Seibersdorf site. Only during ReNuAL and ReNuAL+ implementation, AIT clarified that its infrastructure was at its limit and there was no plan to upgrade their capacity of the heating services. The Agency, therefore, had to make a decision to create a solution for the Energy Centre in order to provide for the necessary heating of the new facility.

95. While we note the Agency's view that the Energy Center was treated as a variation to the existing contract, and that the associated cost increase remained within the 20% tolerance allowed under the Financial Rules, we find it difficult to fully accept this justification in the present context. As outlined in the Agency's Financial Rules, exceptions to competitive tendering are permitted only under specific circumstances—such as when the proposed value is below EUR 40,000, in cases of non-existence of a competitive marketplace, urgent exigencies, or procurements resulting from cooperation agreements under Rule 110.38. However, these exceptions must be properly justified in writing, documented, and approved as part of the procurement plan in accordance with Rule 110.39.

96. In this instance, the additional work related to the Energy Center was awarded at a total cost of EUR 3 million, a figure that far exceeds the thresholds of EUR 40,000. In our view, the magnitude of this amount calls for greater scrutiny and more robust justification, including clear documentation of the rationale for not pursuing competitive procurement. We are of the opinion that the treatment of this addition as a simple contract variation may not be fully aligned with the intent and procedural safeguards of the Financial Rules.

97. Besides, had the Agency engaged the Austrian Institute of Technology (AIT) during the initial planning phase[8], they would have known that AIT was already at capacity and unable to provide the necessary services. The Energy Centre's requirements were not properly assessed during the ReNuAL planning phase, even though EUR 2.74 million was spent on planning, design, and project management. As a result, delay[9] in completion of the Energy Centre caused delays in the operation of the new lab buildings (IPCL and FML (YAL)).

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[7] Renovation of the Nuclear Applications Laboratories project (ReNuAL) was established and officially began on 1 January 2014

[8] ReNuAL Project Board approved on 9 February 2018 need for Integrated Energy Centre

[9] Delay of phase 2 from August 2019 to April 2022.

Planning and Contract Management of ReNuAL 2 Project

98. The Director General (DG), IAEA briefed Member States on 03 September 2020 on plans for upgrading the Nuclear Applications Laboratories in Seibersdorf not yet modernized under the ReNuAL/ReNuAL+ project. DG presented ReNuAL2 as the final phase of the project, to modernize the remaining laboratories in Seibersdorf to meet current and emerging needs.

99. ReNuAL2 project consists of three elements:

(i) Construction of a new building, Flexible Modular Laboratory-2 (FML2) to house three laboratories (Nuclear Sciences and Instrumentation Laboratory - NSIL, Plant Breeding and Genetics Laboratory - PBGL and Terrestrial Environment Radio-Chemistry - TERC).

(ii) Replacement of ageing greenhouses, on which the work of three laboratories (Food and Environmental Protection Laboratory – FEPL, Plant Breeding and Genetics Laboratory - PBGL and Soil and Water Management Crop Nutrition Laboratory – SWMCNL) heavily depend upon and

(iii) Refurbishment of the Dosimetry Laboratory.

100. The project was scheduled to be completed by 2023 with the baseline budget of EUR 34.5 million. Over 77 percent of the project's funding is sourced from extra budgetary contributions, with less than 23 percent from the regular budget and MCIF.

101. The following issues were noticed in project planning, contract management, financial management, project monitoring and post implementation issues involved in the ReNUAL2 project of the IAEA:

102. The scope of work for ReNuAL2 project was divided in three Work Packages.

- Work Package I: Construction of a second Flexible Modular Laboratory (FML-2) to house three laboratories and the final negotiated price for the package was EUR 21.5 million
- Work Package II: Refurbishment of the existing Dosimetry Laboratory (DOL), adjacent to the accelerator bunker with the final negotiated price of EUR 2.96 million.
- Work Package III: Construction of foundations, installations, and infrastructure elements for greenhouses with the final negotiated price of EUR 1.5 million.

(i) Contract Management in ReNuAl2

103. Firm C, the consultant employed for MPB project continued to be the consultant for ReNuAL2 project also for provision of Project Advisors and Principal Experts in the Field of architectural planning, design, renovation and construction. For construction work, Firm A was selected after negotiations. Contracts for refurbishment of Dosimetry Laboratory and furnishing of FML 2 building were awarded to Firm J directly based on compatibility and cost-efficiency with previous contracts. Contract for construction works for a Greenhouse was awarded to Firm K after competitive bidding.

(ii) Procurement Process for Selection of Contractor for ReNuAL2 Facilities

104. A competitive bidding process was initiated in November 2021, but only one bid was received from Firm L (a consortium). Firm A, the only other company to attend the site visit, chose not to bid due to capacity limitations and challenges with subcontractors. Firm L's offer of EUR 29.31 million

exceeded the available budget, and attempts to raise additional funds were not successful, leading to the closure of the procurement process without awarding the contract.

105. To manage costs, Work Package II was deferred, and the Agency approached Firm A for further negotiations. However, there was no documentation of negotiations, if any, held with Firm L. We noticed that after discussions, Firm A reduced their offer from EUR 30.61 million to EUR 26.43 million for Work Packages I and III. However, a review of the minutes of the Project Board Meeting 39 of May 2024 showed that the costs for these two packages was revised to EUR 22.66 million[10] and EUR 1.5 million, respectively, bringing the total to EUR 24.16 million. If the negotiated cost of work package II EUR 2.48 million, cost of refurbishment of FML2 EUR 2.78 million[11] and DOL EUR0.14 million, is included, then the overall cost of construction and refurbishment works for laboratory buildings including all three work packages (I, II, III) as initially planned works out to EUR 29.56 million[12].

106. The award of the EUR 26.43 million (project cost EUR 44.9 million) ReNuAL2 contract to Firm A without competitive bidding raises serious concerns of non-competitive price and a lack of diversity in vendor selection for big construction works in the Agency. While Firm A's price was higher than Firm L's, there was no clear explanation as to why the contract wasn't awarded to Firm L, especially since their offer was more aligned with budget constraints. This points to potential issues with pricing competitiveness and vendor selection.

107. The Agency explained that an exception to competition was applied after a failed international tender. Despite lengthy negotiations, Firm L (the only bidder) could not offer a fixed price, which was a tender requirement. Their best and final offer was EUR 29.31 million (to be indexed). Subsequently, the Agency asked an existing contractor, Firm A, to provide a bid as a possible alternative. Upon receipt and evaluation of bid, review and negotiations, the best and final offer was EUR 25.96 million for all three Work Packages, which was EUR 3.83 million lower than Firm L's final offer. Firm A, based on exception to competition (ref. Financial Rule 110.38 (a) (vii)) was awarded the contract. It should be noted that during implementation, further negotiations brought down the final contract costs to EUR 25.48 million.

108. While noting the response of the Agency, we are of the opinion that in situations where an international tender results in only one bidder, and the contract cannot be finalized with that bidder due to non-compliance with tender requirements, reverting to an existing contractor under an exception to competition, while technically permissible is raising concern about over-reliance on few agencies This approach becomes particularly sensitive when the same contractor has been repeatedly awarded contracts under similar exception clauses. While we acknowledge the Agency's efforts to secure more favorable financial terms through subsequent negotiations with Firm A, we feel that greater consideration be given to reinforcing the principles of openness and competitive procurement wherever feasible. We also hold a view that the Agency should, where circumstances allow, make a renewed effort to explore alternative competitive avenues, such as re-tendering, before relying on exceptions. Doing so would help further demonstrate a continued commitment to competition

[10] Construction contract EUR 21.5 million + Construction change orders EUR 1.16 = EUR 22. 66 million

[11] Furnishing contract EUR 2.67 million + Furnishing change orders EUR 0.11 million= EUR 2.78 million

[12] EUR 22.66 million + EUR 1.5 million + EUR 2.48 million + EUR 2.78 million + EUR 0.14 million = EUR 29.56 million

Recommendation 11
Audit recommends IAEA to follow competitive tender process, invoke Financial Rule 110.38 as an exception and avoid over-reliance on vendors with whom they have ongoing contract, to ensure greater transparency in contract award process.
The Agency agreed with the recommendation.

(iii) Award of Consultancy Contracts for ReNuAL2 Project

109. The IAEA issued a Request for Proposal (RFP No. 315344) on 13 November 2019 for the provision of project advisers and principal experts in the fields of strategic planning, estimating, architectural planning and design, and project management of large projects related to laboratories. The estimated project amount was initially set at EUR 2 million but was later revised to EUR 3.1 million on the basis of the value of the award for the project. The process concluded with the selection of three vendors—Firm M, Firm C, and Firm I—based on technical and commercial evaluations. Based on the cost and quality evaluation and considering the off-site and on-site rates applied, the ranking for the bidders, provide for the Proposal of Firm - M to be the first best value for money proposal, Firm C second best value for money proposal and Firm I the third one. Awarding contracts to all the bidders who were technically qualified was approved.

110. However, we observed that no Purchase Order (PO) was issued to Firm M who stood first in ranking. Firm C, which was ranked second, was issued POs for EUR 4.61 million and Firm I was issued POs for EUR 33,500.

111. In response, the Agency stated that a competitive bidding was undertaken for the award of Long-Term Agreements (LTAs). A secondary bidding within the parameters of the established LTAs was undertaken amongst these three LTA suppliers for the specific requirement of the MPB and ReNuAL 2 consultancy Work. This approach aligns with the application of IAEA's financial Rules. The ranking results of any secondary bidding are independent of the initial LTA tender results.

112. The Agency's response mentions that the secondary bidding was done as per IAEA's financial rules, but there are concerns about fairness. While we note the Agency's response that a competitive process was followed for the establishment of Long-Term Agreements (LTAs), and that a secondary bidding was conducted among the three selected LTA vendors, we believe some concerns remain regarding the fairness and transparency of the process. Specifically, it is unclear why a secondary bidding exercise was deemed necessary after the initial LTA process had already concluded with the selection of three vendors—Firm M, Firm C, and Firm I—through comprehensive technical and commercial evaluations. Even though Firm M was ranked first in terms of best value for money, no Purchase Order (PO) was given to them. Instead, POs were issued to Firm C and Firm I, despite their lower rankings. This raises questions about why the highest-ranked bidder was overlooked and whether the selection process was truly followed in line with the stated criteria. Rationale for initiating a secondary bidding, including how it aligns with the original scope and intent of the LTAs, would help provide greater transparency and assurance that the process remained equitable and in full compliance with the principles of fair competition.

Project Status

113. The ReNuAL 2 project was scheduled to be completed by December 2023. However, there were significant delays in the project completion for all the components of the ReNUAL2 project. Further, till the time of Audit, (November 2024) construction work for installation of Green House and final finishes for FML-2 building was still ongoing. As of September 2024, the estimated cost was EUR 44.96 million compared to the baseline estimate of EUR 34.5 million, and the project was yet to be completed. The Agency mentioned (13/03/2025) that the baseline cost and schedule for major construction activities under the ReNuAL 2 project were established in September 2020 with an estimated project cost of EUR 34.5 million and expected completion date of Q4 2023. However, rapidly escalating prices, supply chain challenges, and overheated competition in the construction market related to the COVID pandemic and geopolitical events led to significant delays in contracting for construction and sharply higher contract costs than reflected in baseline estimates. Once the initial contract for ReNuAL2 was signed in 2022, the project remained on budget and closely aligned with the schedule**.** It was further stated that the project cost and timeline were regularly revised, approved by the Project Board and communicated to Member States**.**

Good Practices observed in Project monitoring and handover in MPB and ReNUAL2

Identification of Project Risks during the execution of the Project

114. The PMG maintained a project risk register throughout project implementation which was consistently reviewed and updated at regular PMG meetings which assisted in the early identification and mitigation of risks enabling effective project management and timely mitigation measures.

Independent Readiness Review

115. The Independent Readiness Review (IRR) by a team consisting of four staff members that were not directly involved in the project was done to ensure that the required project deliverables and standards are attained prior to project completion and to assess the progress made by Users towards the operational readiness.

Financial Management in the MPB Project:

116. The entire MPB project was funded by the Extra Budgetary Resources of the Agency, with the resources tied up by the different member States. The baseline budget estimate of the project was EUR 9.45 million (updated to EUR 9.36 million at a contract award), with the final project cost totaling EUR 9.74 million. During the review of the project closure report, we observed that as per Clause 4.3.3 of the Project Initiation Document (PID), a contingency budget of 15 percent was to be maintained throughout the project duration following UN best management practices. Any depletion of the contingency fund was expected to trigger a proposal for replenishment to ensure sufficient availability of funds for unforeseen expenses.

117. In the MPB project budget, the contingency fund initially planned as 15 percent was reduced to 7 percent at contract award stage. Out of the reduced contingency fund of EUR 545,070, an amount of EUR 467,408 was utilized and at the end of the project, there was EUR 77,662 left in the contingency, which ensured that the project was successfully delivered within budget, without having to replenish any additional contingency amount**.**

Conclusion:

118. The MPB, Energy Centre, and ReNuAL2 projects faced common issues of delay in planning processes and cost management. We noted that all three project contracts were awarded not following competitive bidding process, by resorting to Rule 110.38(a), as an exception to competition, raising concern about over reliance on few agencies. In future projects, it is important that the Agency follows competitive bidding rules to ensure fairness and better outcomes.

III. PERFORMANCE AUDIT OF MAJOR PROGRAMME 2 - NUCLEAR TECHNIQUES FOR DEVELOPMENT AND ENVIRONMENTAL PROTECTION WITH SPECIAL FOCUS ON SDGs

Introduction

119. The IAEA (the Agency) carries out its activities through specialised Programmes. These focus on cancer therapy, nuclear safety and security, and innovative nuclear reactors and fuel cycles, among others. Major Programme 2 (MP2)- Nuclear Techniques for Development and Environmental Protection supports the peaceful use of nuclear science and applications that can support Sustainable Development Goals (SDGs), providing Member States with science-based advice, educational materials, standards, guidance on best practices, reference materials, and technical documents. MP2 encompasses activities in five thematic areas: food and agriculture; human health; water resources; the marine environment; and radiochemistry and radiation technology.

120. The status of the regular budget and expenditure under MP2 activities are as under (in Euro million)

Table 7: MP2 Activities Budget and Expenditure

Programme	2021 Budget	2021 Expenditure	2022 Budget	2022 Expenditure	2023 Budget	2023 Expenditure
Food and Agriculture	12.14	12.14	12.09	12.09	12.93	12.93
Human Health	8.77	8.76	8.94	8.93	9.50	9.49
Water Resources	4.09	4.09	3.86	3.80	4.10	4.10
Marine Environment	6.52	6.51	4.84	4.76	5.14	5.14
Radiochemistry and Radiation Technology	1.86	1.85	4.54	4.41	4.77	4.77
Total	33.38	33.35	34.27	33.99	36.44	36.43

Source: - IAEA Finance and Accounting Section (MTBF) Response to AR_19

Audit Objectives

121. The performance audit was aimed at assessment of financial and operational efficiency of activities under MP2, efficiency of resource utilisation and effectiveness of monitoring and evaluation of the programme.

Scope of Audit

122. The audit covered activities of sub-Programmes of Major Programme 2 - Nuclear Techniques for Development and Environmental Protection carried out during a three-year period of January 2021 to December 2023.

Audit Methodology

123. The audit methodology included discussions with key managerial and operational functionaries of concerned Divisions and the Division of Budget and Finance, and review and analysis of documents, data and records provided by the Agency and information available in public domain.

124. An entry meeting was held with the Deputy Director General, Department of Nuclear Sciences and Applications and other officials on 11 November 2024. An exit meeting was held on 6 December 2024 with the Deputy Director General, Department of Nuclear Sciences and Applications and other officials from the Department and Department of Budget and Finance to discuss the audit observations and audit recommendations.

AUDIT FINDINGS

Coordinated Research Project (CRP) Activities

125. One of the primary activities of the Agency is to assist research on development and practical use of atomic energy for peaceful purposes through Coordinated Research Activities (CRA). CRAs are normally implemented through Coordinated Research Projects (CRPs), which bring together research institutes in both developing and developed member states to collaborate on research topics of common interest. CRAs have been designed to stimulate and coordinate the undertaking of research in selected nuclear fields by scientists in Member States.

126. MP2 had 66 CRPs active or completed between January 2021 and December 2023. The division-wise distribution of these CRPs is presented in the table below:

Table 8: Division -wise Distribution of CRPs

Division	Total CRPs	Completed CRPs	Closed CRPs	Presently Active CRPs
Division of Health (NAHU)	32	12	7	20
Marine Environment Laboratories (NAML)	5	1	1	4
Division of Physical and Chemical Sciences (NAPC)	28	8	5	20
Division of Physical and Chemical Sciences-NSW (NAPC, NSW)	1	0	0	1

Comparison of Expenditure Estimates and Actual Expenditure

127. Management of the Agency’s Coordinated Research Activities (MACRA) provides for guidelines to manage CRPs. Article 2.2 of MACRA contains provisions regarding the award or research

contract and research agreement to developing and developed countries. Article 2.3 provides for Programme Managers' responsibility for ensuring adequacy of budget estimates for planned CRPs.

128. Comparative analysis of the estimated expenditure and actual expenditure for completed CRPs is tabulated below:

Table 9: Comparative Expenditure Analysis of Completed CRPs

Division	No. of Completed CRPs	Total Estimated Expenditure (EUR Million)	Total Actual Expenditure (EUR Million)	Percentage of Actual Expenditure
Division of Health (NAHU)	12	4.245	3.808	89.70
Marine Environment Laboratories (NAML)	1	0.169	0.09456	55.95
Division of Physical and Chemical Sciences (NAPC)	8	2.239	2.1625	96.58
Grand Total	**21**	**6.653**	**6.065**	**91.16**

129. Of the 21 completed projects, 11 were selected for further examination. Of these, seven exhibited under-spending, with actual expenditures ranging from 43.15% to 98.80% of the initial estimates. Conversely, three projects exceeded their estimated budgets, with overspending ranging from 115.42% to 181.37%.

130. Explaining reasons for variations in actual expenditure from the estimated expenditure, the Agency stated that the initial estimation of funds needed for contracts was underestimated. In some CRPs, increasing the sample size was necessary to achieve better statistical power, requiring additional contracts, which led to expenditures exceeding the initial estimates. Furthermore, due to the COVID-19 pandemic, some Reliability-Centered Maintenance (RCM) activities related to CRPs were conducted virtually, resulting in cost savings.

Recommendation 12

Audit recommends that the mid-term progress reviews of CRPs include an analysis of variance of actual expenditures from projections to enable timely revision of estimated expenditure for better resource allocation.

The Agency agreed with the recommendation.

Project Evaluation

131. As per clause 2.6.2 of MACRA, completed CRPs are evaluated with respect to their relevance, effectiveness, and impact. In evaluating the CRP, its logical framework and information collected during the implementation and at the end of the CRP should be used'

132. Based on the above criteria, we analyzed the evaluation reports /information provided by the Agency[13] of the 11 selected CRPs in respect of achievement of specific research objectives and expected outputs and observed:

a. Six CRPs[14] achieved the stated objectives and outputs. However, four CRPs[15] were yet to achieve the objectives/outputs. In respect of one CRP (F33023) assessment of attainment of the specific objectives/outputs was not provided in the evaluation report.

b. In two CRPs (E33036, E33041), sharing the results of CRPs for dissemination of knowledge and innovative technology to the Member States through publications/Tecdocs was not done in contravention of the condition for approval of CRPs.

133. In response, the Agency stated:

a. Technical obstacles, low recruitment, the COVID-19 pandemic, pending data analysis, lack of an organized Interlaboratory Comparison (ILC), and non-responsive research agreement holders contributed to the non-achievement of objectives and outputs in four CRPs.

b. Publications/ TECDOCs were carried out by the relevant divisions and sections and not by NACA[16] as it was a scientific matter and not an administrative issue.

134. However, we believe that since CRPs are published and disseminated among member states to enhance knowledge and drive innovation, and as these publications serve as key indicators of CRP effectiveness, it is essential to monitor the timely submission of results.

Recommendation 13 Audit recommends that progress towards achievement of targeted outputs be monitored as part of the mid-term review, and timeliness of publication of results of completed projects be monitored closely by the concerned division and NACA so that CRP benefits get disseminated to all the member states.
The Agency agreed with the recommendation.

Delay in closure of project activities

135. IAEA's CRA fulfil Article III of the Agency's Statute, which mandates that the Agency encourage and assist research on and development and practical application of atomic energy for peaceful purposes throughout the world and foster the exchange of scientific and technical information and exchange of scientists for peaceful uses of atomic energy.

136. We analyzed two projects, namely CRPs F22066 and K41019 under the Programme Nuclear Techniques for Development and Environmental Protection.

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[13] Evaluation reports were analyzed for 10 CRPs and one CRP (F31006) was analyzed based on information provided by the Agency since the CRP was pending completion as of December 2024, thus the Evaluation Report was not available.

[14] E13044, E33035, E33046, F22069, E13043 and F31005

[15] E33036, E33041, F31006 and K41015

[16] Research Contracts Administration Section

Coordinated Research Project F22066

137. CRP titled "Development of Radiometric Methods and Modelling for Measurement of Sediment Transport and Dispersion of Particles and Pollutants from Outfalls" was approved on 12 May 2015 and started on 11 April 2016. The project was scheduled to be completed on 10 April 2020. We observed that the project was shown as open for proposals (November 2024). The project was approved at an estimated cost of EUR 415,000. As per the information given by the Agency, the project was completed after an expenditure of EUR 135,266.71. However, as per project report, the expenditure was EUR 56,000, which did not tally with actual expenditure intimated by Agency. We enquired about the reasons for the project being open for proposal. The Agency responded that while the final report was released in 2020 and the project was evaluated, it was not properly presented at CCRA for final evaluation, resulting in the inability to ascertain the project's actual outcome.

Coordinated Research Project K41019

138. CRP titled "Applied Radio Ecological Tracers to Assess Coastal and Marine Ecosystem Health" was approved on 21 June 2018 and started on 25 July 2019. The project was scheduled to be completed on 30 December 2023. However, the project was shown as 'Ongoing'. The project was also shown as open for proposals (November 2024).

139. We observed that the project was approved for an estimated cost of EUR 115,000 against which the actual expenditure intimated by Agency was EUR 120,953. However, the expenditure reported in the project Report was EUR 64,404, which did not tally with actual expenditure as intimated by the Agency. Regarding our inquiry into the reasons for the project remaining open for proposals and not being complete, the Agency stated that it was informally completed with the final coordination meeting held in January 2023.

140. Thus, the evaluation of the two projects could not take place though these were stated to be complete four and one year/s back respectively. The status of projects on website as 'open for proposal' has been changed as 'closed' after it was pointed out by the Audit. The data pertaining to financial parameters in the project reports was not in synchronization with the data made available to Audit. The Agency responded that the actual cost displayed on the CRP page was indeed incorrect and should not be relied upon and NACA and MTIT[17] have been diligently working to address these challenges. Thus, the project closure activities were not taken up timely and the website pertaining to CRA projects was also not reflecting correct status of projects**.**

141. Our further review of the Committee on Coordinated Research Activities (CCRA) minutes (September 8, 2023), indicated that NACA identified several long-standing, active CRPs suitable for closure. The CCRA Chair requested that all CRPs initiated over seven years ago be concluded by the end of the first quarter of 2023.

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[17] MTIT is the central IT group for the Agency. It provides IT infrastructure, help desk, training, and information security services.

142. We observed that the following projects approved during the year 2015 to 2017 were still pending for closure:

Table 10: Projects Pending for Closure

CRP Code	Approved Date	Begin Date	Expected End Date	Completed Date	Division
F33023	2015-12-09	2016-07-11	2022-12-31	2023-05-26	NAPC
E35010	2016-09-14	2017-07-10	2023-07-09		NAHU
K41017	2016-10-28	2017-04-18	2023-05-31		NAML
E33039	2015-02-06	2015-09-03	2024-03-31		NAHU
F22068	2017-04-07	2017-09-12	2021-12-31		NAPC
E41016	2017-02-13	2017-06-12	2022-12-31	2023-03-23	NAHU
E43032	2017-04-07	2017-08-16	2024-11-14		NAHU
F22069	2017-04-07	2017-11-17	2023-06-30	2024-01-24	NAPC

143. Non-closure of projects which were more than seven years old was not in consonance with the decision taken in the CCRA meeting. We noted that in some cases CRPs encountering repetitive technical issues were not referred to peer review by the appropriate technical working group, as mandated in CRP review procedure in MARCA, leading to delaying of closure of CRP and in wastage of time and efforts. Overall, our analysis showed that the project's closure activities were not taken up on time.

Recommendation 14

Audit recommends that the Agency (a) ensures the timely evaluation and closure of projects, with regular system updates to maintain accurate and up-to-date project data, (b) closes projects running for more than seven years, as decided in the CCRA meeting, and evaluates them to assess whether they have achieved their intended outcomes.

The Agency agreed with the recommendation.

Uneven Participation by Member Nations in CRPs

144. To encourage research on and promote practical use of atomic energy for peaceful uses, the IAEA brings together research institutions from its developed and developing Member States to collaborate on research projects of common interest.

145. We reviewed the data in respect of the member states that participated in CRPs, active or completed, during 2021 to 2023 and observed that:

(i) Out of 179 member states, research institutions from 122 member states had participated in various CRPs while there was no participation of the remaining 57 member states.

(ii) On further analysis of frequency of participation of members in CRPs, we noted variations in the extent of participation of member states as tabulated below:

Table 11: Frequency of Participation

Category	Number of Member States
Members who participated in more than 25 CRPs	8
Members who participated in 10-25 CRPs	38
Members who participated in 4-10 CRPs	32
Members who participated in 3 CRPs	10
Members who participated in 2 CRPs	15
Members who participated only in 1 CRP	19
Members who did not participate in CRPs	57

146. We observed that member states in West Africa, Central Africa and Central Asia are less represented in CRPs compared to other regions. Audit inquired about the mechanisms available to analyze the global and regional distribution of member states in CRPs with a view to encourage the participation of member nations that have not previously been part of CRPs.

147. The Agency stated that:

a. Only centers that can comply with the specific CRP requirements are selected. Usually, one center per country (with few exceptions related to the specific advanced technology needed) is selected. Regarding choice of the centers, geographic diversity is considered in the choice as long as the technology is available. Availability of technology can be difficult or even unavailable in lower resource settings.

b. An upcoming CRP focused on tuberculosis, specifically designed to enable participation from lower-resourced countries, is in the pipeline. This initiative involves the use of chest X-rays which are widely accessible.

c. Some member states have become members relatively recently and are beginning to engage more in the various TC and CRP activities.

148. While acknowledging the technology constraints in lower resource countries and the Agency's constraints, we believe that opportunities for wider dissemination of technologies need to be explored to make participation of member states in CRPs more broad based. The CRA Manual also emphasizes that the goal of Coordinated Research Activities is to promote the acquisition and dissemination of new knowledge and technology generated through the application of nuclear sciences among the member states. We noted that initiatives such as Rays of Hope[18] and Anchor Centers[19], have been put in place for enhancing access to technology by the lesser developed countries. Strengthening participation efforts will promote equitable participation in CRPs across all member states, contributing to a more balanced global distribution of research and capacity-building. This approach will further advance the Agency's contributions to the achievement of the Sustainable Development Goals (SDGs).

[18] Rays of Hope is an initiative by the International Atomic Energy Agency (IAEA) aimed at expanding access to radiotherapy and nuclear medicine in low- and middle-income countries. It focuses on using nuclear science and technology to diagnose and treat cancer and other non-communicable diseases.

[19] As part of Rays of Hope, Anchor Centers are designated as regional hubs for cancer care and nuclear medicine.

Recommendation 15 Audit recommends that the Agency explores additional mechanisms to make the participation in Coordinated Research Projects (CRPs) more broad based.
The Agency agreed with the recommendation.

Technical Cooperation Programmes under MP2

149. The Technical Cooperation Programme (TCP) of the Agency aims to transfer nuclear technology to the member states to help them address development priorities in areas such as health and nutrition, food and agriculture, water and environment and industrial application by supporting projects that build human and institutional capacities in the respective member states. The Agency works closely with member states and supports them in their efforts to achieve the SDGs.

150. There were 611 active TCPs pertaining to MP2 ending December 2023 as per details below:

Table 12: Active TCPs

Programme	2.2	2.3	2.4	2.5	Grand Total
Total no of TCP	353	71	70	117	**611**

151. At any given point of time, TCPs could be at one of three statuses viz. Closed, Open and Pending Closure. Status-wise breakup (December 2023) of the above TCPs is presented in the table below:

Table 13: Status-wise TCPs

Closed	Open	Pending Closure	Grand Total
44	293	274	**611**

152. We further analyzed the TCPs having "Pending Closure" status vis-à-vis their corresponding year-of-start, as shown in table below:

Table 14: TCPs Pending Closure vis-à-vis Year of Start

Year of start of TCP	2014	2016	2018	2020	2022	2023	Grand Total
No of TCPs 'Pending Closure'	7	38	79	98	51	1	**274**

153. Out of 611 TCPs, 274 (44.84 %) TCPs were having status as "Pending Closure". The corresponding start year of these TCPs ranged from 2014 to 2023. We noted that out of total 45 TCPs which started in 2014 and 2016, 12 TCPs had a scheduled completion period ranging from 2017-2021. We observed that the factors like pendency on delivery of equipment/supplies, pending training/scientific visits, purchase orders remaining open, frequent change in PMOs etc. are causing delays and impacting achievements of outputs/outcomes.

154. The Agency monitored project wise progress through Project Progress Assessment Report (PPAR). It is a detailed reporting format where progress on various outputs and outcome of the TCP is described along with corresponding rating for the sake of objectivity. We analyzed PPARs and observed that:

a. Out of 12, in 4 projects the outcome rating is shown as ‘Achieved’, in 6 projects the outcome rating is ‘Delayed’, in one project the outcome rating is shown as ‘Other’ and in one case no objective assessment on rating was provided.

b. Analysis of the 49 outputs of the 11 (out of 12) TCPs, revealed:

   i. 21 outputs (42.9 %) are “Delayed”
   ii. 13 outputs (26.5 %) are “On Schedule”
   iii. 15 outputs (30.6 %) are “Completed”.

155. TCPs are crucial instruments through which the Agency supports members in their efforts to achieve the SDGs. We observed that there is no system for real-time assessment of output and outcome ratings of TCPs. Implementing such a system is essential, as it would enable the department/agency to conduct diagnostic analyses, identify trends (if any), and take timely corrective actions as needed, ultimately leading to better fulfillment of objectives and SDGs.

156. In its reply, the Agency stated PPARs of various TCPs are under review on a case-to-case basis. It was further stated that TC Pride platform is used to track project activities in detail during implementation. However, it does not offer real-time assessments of ratings for outputs and outcomes, as this feature is not included in the current monitoring system or regulations. Additionally, Technical Cooperation Quality Assessment System (TCQAS) provides a timeline and a Power BI Dashboard, which enables Programme Management Officer (PMO) to monitor the status of PPARs and track progress on a weekly basis during the exercise. The TC Programme Cycle Management Framework (PCMF) platform is being updated to PCMF+ for assessing ratings of outputs and outcomes, mandatory justifications when results are marked as "delayed," and systematic verification to prevent incomplete submissions.

157. We feel that the Projects with outcome rating of “Delayed” needs to be reviewed promptly to identify and take corrective actions on the factors causing delay.

Recommendation 16 Audit recommends that all the TCPs with rated outcome /output as “Delayed” be reviewed for deciding the course of action. The intrinsic factors contributing to delays like pendency on delivery of equipment/supplies, pending training/scientific visits, purchase orders remaining open, frequent change in PMOs etc. may be addressed by conducting a special drive. Audit also recommends PCMF+, which has modalities for assessing ratings of outputs and outcomes to be implemented expeditiously.
The Agency agreed with the recommendation

Impact Analysis of CRP and TCP

158. MP2 contributes to SDG 2 (Zero Hunger), SDG 3 (Good Health & wellbeing), SDG 6 (Clean water & sanitation), SDG 7 (Clean energy), SDG 9 (Industry innovation & infrastructure), SDG 13 (Climate action), SDG 14 (Life below water), SDG 15 (Life on land) and SDG 17 (Partnership for the goals). The Project Proposal format for the CRPs undertaken by the Agency specifically requires input on the SDGs relevant to the proposal.

159. The Agency undertakes research and technology transfer projects useful to the member states as either CRPs or TCPs. According to paragraph 1.2 of MACRA, the CRPs supported by the Agency must be relevant and useful to member states, and they should be complementary to promote synergy with the on-going national and international activities. As per paragraph 1.5 ibid, there should be well-known links and synergies between various types of research, and between research and successful technology transfer. Therefore, it is obvious that the CRPs and TCPs aim to contribute to the achievement of SDGs and that there would be synergies between the projects under CRA and TCP.

160. The information regarding CRP taken up under MP2 and corresponding linkage with SDGs was analysed. We observed that the evaluation report used for assessing the respective projects did not include a field to capture information on the outcomes.

161. We further noted that out of 66 CRPs which were active or completed during January 2021 to December 2023, the outcomes of 28 (42.8 %) ongoing CRPs were not linked to the outcomes of TCPs. Similarly, for 21 completed CRPs, 7 (33.33 %) CRPs' outcomes were not linked to relevant TCP outcomes.

162. We noted that the Agency did not have a policy for impact analysis of research conducted by member states or a process to evaluate contribution of research projects to the SDGs. The Agency did not have a system or database to map the synergies between CRP and TC projects. Besides, we also observed that the Agency lacked details on the results of completed projects on technology transfer or technology dissemination.

163. The Agency replied that the SDGs are not directly the responsibility of MP2, and these are for implementation by member states. It was further stated that while the Agency's work touches on most of the SDGs, it has focused on areas where nuclear and isotopic techniques make a direct contribution either to the achievement of the targets, or to tracking progress by providing data and thus facilitating decision making and it is not mandatory to report against SDG Goals/Targets.

164. Regarding synergy between CRP and TCP, the Agency replied that CRP and TCP are not on the same time scale. While TCP is addressing the current needs, CRP are working on the technology of tomorrow.

165. We are of the opinion that since the Agency (Department of Nuclear Sciences and Applications) links projects to SDGs at the proposal stage, its absence of follow up at the evaluation stage limits its ability to assess the impact of its research activities and projects on SDGs and the priorities of member states. Implementing a system to track project outcomes against relevant SDGs would strengthen the Agency's evaluation process and its reporting to member states, enabling a more effective assessment of its research impact and contribution toward achieving the SDGs.

Recommendation 17
Audit recommends that the Agency explores ways to create synergies between CRP and TCP initiatives to facilitate the application of research projects towards the developmental goals of the member states.
The Agency agreed with the recommendation.

Deployment of Technical officers (TO) and Chief Scientific Inspector (CSI) in Research Projects

166. Within the TCP framework, the technical officer (TO) is responsible for ensuring the technical integrity of technical cooperation projects and is actively involved in their development and implementation. They are responsible for reviewing project concepts and providing technical input for feedback notes, in consultation with the Field of Activity (FoA) Leader.

167. For each contract or agreement, one institute staff member is designated as the Chief Scientific Investigator (CSI) responsible for the progress of the research work. Article 2.1.4 provides that only one contract/agreement per institution and per CSI can be awarded at one time in the same CRP. Thus, if more than one research proposal for a specific CRP is received from a CSI, the relevant Project Officer will choose only one and reject the others. If a CSI is already participating in a CRP and wishes to participate in another CRP, the new proposal can still be positively evaluated, but a new CSI must be nominated by the contracting institution, unless the CRP where CSI is participating is expected to complete within six months.

168. In the case of TCPs, we observed that there were 69 TO for TCPs pertaining to MP2 programmes/projects during the period covered under audit. The TOs were responsible for multiple TCPs as shown below:

Table 15 – TCPs to TO Analysis

No. of projects per Technical Officer	No. of Technical Officers
1-2	19
3-10	15
11-20	12
21-50	15
> 50	8
One TO was assigned 83 TCPs	

Source: - IAEA-Department of Nuclear Sciences and Applications (NA)

169. The distribution of work among TOs appeared uneven. The Agency stated that TCPs vary in complexity and duration, and there is variation in the number of TOs involved in the project. Projects are requested by the member states based on their priorities, and the involvement of the TOs is based on their expertise.

170. In case of CSI, we observed several instances of CSIs involved in two to three CRPs during overlapping periods. The Agency responded that in most cases, the previous CRPs were extended beyond their originally planned duration leading to overlapping with subsequent CRP. The Agency

informed that NACA is working on an IT solution to avoid human error when attempting to enter the name of a CSI who is already CSI in another CRP.

Recommendation 18 Audit recommends that the Agency ensure a balanced distribution of tasks among technical officers and also to include in internal control mechanisms an approval system to address exceptional cases where the same CSI's participation in two overlapping projects is necessary.
The Agency agreed with the recommendation.

Gender Analysis in CRPs under Framework for Foreseen Participation

171. MACRA[20], under Article 2.1.2(ii), establishes the framework for Foreseen Participation, which, among other aspects states that in cases where a female and male researcher are equally qualified, preference will be given to the female researcher to contribute to the goal of a gender balance of at least 40% of research contracts and agreements with female CSIs

172. During the period January 2021 to December 2023 there were 66 active CRPs with a total of 677 research contracts and 315 research agreements. We observed that female participation in research contracts was only 34%, while in research agreements, it was 19.3%, both falling short of the 40% target.

173. The Agency in its response stated that it has strived to reach the goal of 40% but this was not always possible since the highest priority was given to most qualified personnel. The Agency further stated that while they encourage and reach out to female researchers, the internal process within the institutions is independent.

Recommendation 19 Audit recommends the Agency to take steps to elicit nomination of female participants by the recipient institutes to achieve the prescribed goal of a gender balance of at least 40% of female participation.
The Agency agreed with the recommendation.

Other Projects

Human Milk Feeding

174. In the Agency's Annual Report 2022, the importance of human milk and its nutrition for the growth of infants is emphasized. To provide a unique and growing global collection of Human Milk Intake (DTM) data, the Agency created a database on breast milk intake by combining and harmonizing a large number of DTM studies. Aside from the obvious benefit of the larger sample size, which currently includes 3,000 mother-infant pairs from 34 countries across all regions, the database generates more robust estimates of breast milk intake during infancy and helps to answer overarching research questions. It can be used, for example, to explore how socioeconomic status, the mother's body composition or the infant's gender influence human milk intake around the world and over time. These new insights facilitate efforts to improve infant and young child feeding practices globally and help

[20] Meeting of the Advisory Committee on Coordinated Research Activities. MACRA is an advisory body that provides guidance on the IAEA's Coordinated Research Activities

decision makers to better understand potential barriers to and enablers for exclusive breastfeeding, and the importance of breast milk in the diets of infants beyond six months. The database is available for scientific purposes to both contributing researchers and those interested in accessing DTM data for secondary data analysis.

175. We noted that 2768 data points consisting of 3000 mother-child pairs were included in the database. From the data supplied by the Agency, we observed that only 34 member nations were included in the database out of 179 member nations. Thus, the database does not reflect universal representativeness and is still in the process of building up without an appropriate disclaimer. We observed that the Database is not captured uniformly across the regions as 47 % of data is from Africa region. The Agency stated that the extent to which each region is represented is outside of IAEA's control, because it depends on the MS submissions.

176. We further observed that the Agency, before launching the database and operationalization of the platform, did not specify user specification requirements which may impact informed decision making by the member countries, policymakers and other users.

177. The Agency stated that the database was developed to compile data as made available by contributors under a license agreement wherein Agency is granted a non-exclusive royalty free license to use the contribution. Studies were being conducted in the under-represented region.

178. In our opinion the database should be more representative of all regional and age groups.

Recommendation 20 While appreciating the efforts of the Agency in taking up the project of building a database on this issue, which involves the well-being of mother and child, audit recommends that the Agency expedite studies in regions that remain underrepresented (Europe, North America and Latin America) in the database.
The Agency agreed with the recommendation.

IV. PERFORMANCE AUDIT OF JOINTLY FUNDED ACTIVITIES OF IAEA AND FAO

Introduction

179. The IAEA has six major programmes. Major Programme 2 of IAEA, i.e. "Nuclear Techniques for Development and Environmental Protection," leverages nuclear and isotopic techniques to address global challenges related to sustainable development and environmental conservation. Its key objectives include improving food and agriculture, enhancing human health, managing water resources, protecting the environment, and advancing radiation technologies. By fostering the peaceful application of nuclear science, this programme plays a vital role in achieving the United Nations Sustainable Development Goals (SDGs).

180. Sub-Programme 2.1 under Major Programme 2 focuses on Food and Agriculture. It applies nuclear techniques to enhance agricultural productivity, ensure food security, and promote sustainable resource management.

181. The Joint FAO/IAEA Centre of Nuclear Techniques in Food and Agriculture (Joint Centre) plays a pivotal role in implementing Programme 2.1 by combining the expertise of the IAEA's capabilities in nuclear science with FAO capabilities. The Joint Centre conducts and facilitates research, develops innovative methodologies, and provides technology transfer and training to member states.

182. The Joint Centre was established on 1 October 1964 to address critical global challenges, such as enhancing food security, improving agricultural productivity, and ensuring sustainable resource management. In February 2021, *Revised Arrangements between the Directors-General of FAO and the IAEA for the Joint FAO/IAEA Centre of Nuclear Techniques in Food and Agriculture* were signed to upgrade the partnership between the two organizations and expand their cooperation. The Joint Centre's operations are guided by strategic priorities of both FAO and IAEA, emphasizing joint efforts in sustainable agriculture, environmental protection, food security and safety, and nuclear emergency preparedness. Funding for the Centre's activities comes from assessed budgets approved by governing bodies and extra-budgetary contributions.

183. The Joint Centre's operations are guided by strategic priorities of both FAO and IAEA, emphasizing joint efforts in sustainable agriculture, environmental protection, food security and safety, and nuclear emergency preparedness. Funding for the Centre's activities comes from assessed budgets approved by governing bodies and extra-budgetary contributions.

184. The Centre operates under the oversight of a Steering Committee comprising senior representatives from both organizations. Leadership includes a Director from FAO, supported by a joint staff team. Employees retain their employment status with their respective organizations.

185. The Joint Centre is located at the IAEA headquarters in Vienna, Austria. The work of the Joint Centre is handled by five sections broadly which are (i) Plant Breeding and Genetics Section, (ii) Animal Production and Health Section, (iii) Insect Pest Control Section, (iv) Food Safety and Control Section, and (v) Soil and Water Management and Crop Nutrition Section. Each section has its associated laboratories in Seibersdorf Austria.

186. An audit of the jointly funded activities of the Joint Centre was conducted by External Audit from November 11 to December 6, 2024.

Audit Objectives

187. The audit objective was to evaluate the effectiveness and compliance of the Joint Centre's management of CRPs, focusing on adequacy of resources made available through budgetary and extra budgetary sources, financial accountability, resource allocation, gender parity, progress monitoring, and the development of virtual collaboration and e-learning tools. The audit aimed to identify areas of improvement in budgeting, project execution, consultant management, and the consistency of project documentation, in order to enhance operational efficiency, sustainability, and compliance with established guidelines.

Audit Scope

188. The audit of jointly funded activities of IAEA/FAO covered the CRA of the Joint FAO/IAEA Centre during three-year period (2021, 2022, and 2023). We selected two sections (Animal Production and Health (APH) and Insect Pest Control (IPC) out of total five sections along with associated laboratories for detailed analysis. The selection of the sections was based on expenditure and relevance

during the audit period.

189. We selected 10 out of 21 closed CRPs and 10 out of 16 active CRPs from APH and IPC for detailed assessment. The selection of CRPs was based on stratified judgmental sampling considering the amount of expenditure on the CRPs, delay in completion of closed CRPs and adequate representation for each year.

Audit Methodology

190. The audit methodology involved review of reports, documents, contracts, and other relevant materials pertaining to Joint Centre and selected sections. This was further supported by walkthroughs and interviews.

191. An entry meeting was held with the Director of the Joint Centre, and officials and staff on 11th November 2024. The exit meeting was conducted on 5th December 2024 with the Director of the Joint Centre, along with other officials from the Joint Centre and representatives from Office of Budget and Finance (MTBF) and the Department of Nuclear Sciences and Applications. During the exit meeting, the audit observations and recommendations were presented and discussed.

AUDIT FINDINGS

Enhancing estimation and accountability in CRP Budget Management

192. The Project Officer prepares budget estimates for each CRP, covering activities such as Research Coordination Meetings (RCMs), publications, research contracts, technical contracts, and workshops, and submits them for approval.

193. We examined 10 closed CRPs including 5 each from APH and IPC sections of the Joint Centre. The estimated budget and actual expenditure incurred on the selected 10 CRPs is as given below:

Table 16: Budget Management in CRPs **(Amount in EUR)**

S.No.	CRP code	Estimated budget	Adjusted budget	Actual expenditure	No. of RCM meetings/ workshops held	Savings	Savings (+)/excess(-) in %
1	D43003	530,000	-	381552	3	148,448	28.01
2	D31029	465,000	-	488465	3 (one was virtual)	-23,465	-5.05
3	D44001	655,000	-	410100	4	244,900	37.39
4	D41025	732,000	-	390702	4	341,298	46.63
5	D41024	952,000	747,000	593762	4	153,238	20.51
6	D31028	600,000	-	569118		30,882	5.15
7	D32033	533,500	-	330757	3 (all virtual)	202,743	38.00
8	D32030	705,000	-	532954	2	172,046	24.40
9	D44002	709,000	-	435024	4 (one was virtual)	273,976	38.64
10	D32031	515,000	-	382310	3	132,690	25.76

194. We observed that 8 out of 10 closed CRPs had significant savings, ranging from 20.51 percent (D41024) to 46.63 percent (D41025) which indicated a need to review preparation of estimates for CRPs. It was noticed that the programme and budget requirements were made on biennium basis, and these were not revised during implementation.

Recommendation 21

Audit recommends that the Joint Centre considers reviewing CRP estimation processes to improve accuracy and ensure that estimates align more closely with actual expenditure.

The Agency agreed with the recommendation.

Donor base and financial sustainability

195. As per programme and budget document, the Joint Centre budgeted unfunded activities as a means of resource mobilization[21] and raising Member States' awareness. Extra-budgetary resources enhance project success by providing additional resources, enabling rapid responses to emerging needs, and supporting innovative solutions. It fosters partnerships, mitigates financial risks, and ensures expanded reach and sustainability. The data from the programme and budget was compared with the actual Extra-budgetary funding received, and the summary is as follows.

[21] This is done so that donors are aware of the actual programmatic possibility for the Joint Centre to implement.

Table 17: Unfunded Resources vs. Actual Extra-Budgetary Funding (EBF)

Year	Unfunded Budget Estimate (million €)	Actual EB Funds Received (million €)	Gap (million €)	% of short fall
2021	4.651	1.994	2.657	57.12%
2022	19.332	4.676	14.656	75.81%
2023	21.493	4.270	17.222	80.13%

196. Although the estimated unfunded budget rose significantly in 2021,2022 and 2023, the actual EBF received during these years fell short compared to the unfunded budget, resulting in funding gap to the extent of 57.12%, 75.81% and 80.13%, respectively.

197. The Agency stated that that a gap between EB funds received and EBR fund mobilization planned is always experienced

Recommendation 22

Audit recommends that the Joint Centre considers conducting awareness initiatives, such as meetings and the production and distribution of informational materials, to engage non-traditional donors and private sector partners.

The Agency agreed with the recommendation.

Compliance with Coordinated Research Activities (CRA) Manual

198. CRPs are developed to focus on well-defined research topics. Each CRP is essentially a network of 5-15 national research institutes, represented by a Chief Scientific Investigator (CSI). The management guidelines and underlying policies and procedures of the Agency's CRAs are presented in a CRA Manual. The CRA Manual provides a broad outline of policies relating to the CRA and works as a set of guiding principles for implementation of CRPs.

Approval of more than two contracts/agreements to the organizations of same member state

199. As per the CRA manual, in planning CRPs, the award of more than one contract or more than two agreements to a single member state should be avoided.

200. We examined 10 CRPs each from closed and active CRPs which were implemented during the audit period from the two sections. We observed that in respect of 3 closed CRPs and 5 active CRPs, more than 2 contracts/agreements were awarded to a single country.

201. Accepting the observation, the Joint Centre stated that stricter control has recently been implemented by the Department of Nuclear Sciences and Applications for multiple contracts/agreements per country under one CRP.

Recommendation 23 Audit recommends that the Joint Centre may take necessary steps to ensure compliance to CRA manual and avoid awarding more than one contract or more than two agreements to a single member state.
The Agency agreed with the recommendation.

Gender parity in selection of Chief Scientific Investigators

202. As per the CRA Manual, 'In cases where a female and male Chief Scientific Investigator (CSI) are equally qualified, preference will be given to the female researcher to contribute to the goal of a gender balance of at least 40% of research contracts and agreements with female CSIs and at least 40% with male CSIs'.

203. Findings from an examination of 10 closed and active CRAs are tabulated in the Tables below.

Table 18: Closed CRPs

CRP code	Total number of CSIs	Number of female CSIs	Percentage of female CSIs representation
D 43003	28	06	21.43
D 32033	12	05	41.67
D 31028	38	05	13.16
D 44002	19	05	26.32
D 31029	34	10	29.41
D 32031	15	04	26.67
D 32030	07	02	28.57
D 41025	19	03	15.79
D 44001	14	06	42.86
D 41024	21	08	38.09

Table 19: Active CRPs

CRP code	Total number of CSIs	Number of female CSIs	Percentage of female CSIs
D 32034	05	02	40
D 32032	08	02	25
D 32035	07	01	14
D 32036	11	03	27
D 32039	08	03	38
D 41027	34	17	50
D 44004	12	01	08
D 41029	29	06	21
D 41028	22	10	45
D 44003	27	04	15

204. It would be seen from the tables above that gender parity in the selection of CSIs was achieved only in respect of 2 closed and 3 active CRPs out of 10 each of the selected closed and active CRPs.

205. The Joint Centre, while accepting the facts, stated that in the context of the CRPs, contracts are established with institutions. It is the prerogative of the institution selected in the member states to nominate a female or a male as representative. It was further stated that the IAEA has no direct control to achieve compliance of the prescription to have 40% female researchers.

Recommendation 24

To promote greater participation of female CSIs, Audit recommends the Joint Centre to consider including a statement in CRP announcements similar to that used by the IAEA in vacancy announcements, such as:

"The IAEA is committed to gender equality and applications from qualified women candidates from developing countries are strongly encouraged."

The Agency agreed with the recommendation.

Delay in completion of Coordinated Research Projects. (CRPs)

206. CRPs are expected to follow a defined timeline, including milestones for execution and closure. Delays in meeting these milestones disrupt objectives and resource utilization, requiring regular monitoring and accountability from the assigned officers. We selected 10 active and closed CRPs for scrutiny. Significant delay was seen in completion of CRPs on expected end dates.

207. It was noticed that except one CRP, eight other closed CRPs were completed after the expected date. Those which had sought extension of time for completion because of COVID, also could not complete their projects within extended timelines. The CRP wise delay is as under:

Table 20: CRP-wise Delay Status-I

Sl.NO	CRP Code	Status	Begin date	Expected end date	Completion date	Delay in number of Days
1	D43003	Closed	17.03.2017	16.03.2023	12.07.2023	118
2	D32033	Closed	02.01.2017	30.06.2022	11.03.2024	620
3	D31028	Closed	31.05.2016	30.11.2021	27.04.2024	879
4	D44002	Closed	03.07.2015	31.12.2020	20.10.2021	293
5	D31029	Under evaluative by PO	11.07.2016	10.07.2021	Completed date not applicable	Completed date not applicable*

**The CRP is under evaluation by the P.O as such completion date is not applicable.*

Table 21: CRP-wise Delay Status-II

6	D32031	Completed	04.04.2014	04.04.2019	22.12.2022	1240
7	D32030	Closed	09.07.2012	09.07.2017	25.01.2019	565
8	D41025	Closed	13.02.2014	30.06.2019	27.03.2020	271
9	D44001	Closed	04.06.2013	03.06.2018	22.01.2019	233
10	D41024	Closed	10.02.2012	26.01.2018	26.01.2018	On time

208. Two active projects were still to be completed, as detailed below, even though their expected end date was over in 2021 and 2023 respectively.

Table 22: Active CRPs After Due Date

Sl.NO	CRP Code	Status	Begin date	Expected end date	Completion date	Delay in number of days
1	D32034	Active	04.12.2017	03.12.2023	Yet to be completed	364
2	D32032	Active	11.04.2016	10.04.2021	Yet to be completed	1331

209. The Joint Centre stated that the delay in active CRPs was because of COVID 19 crisis which impacted collection of samples, shipments, supplies etc. and the laboratories also remained closed.

210. We are of the view that a delay of 18-24 months could be acceptable on account of COVID-19, but delays beyond that require urgent review and intervention by the Management.

211. Furthermore, many entries related to relevant TC projects, RCM meeting discussions (including links), non-RCM meetings, project officer comments, gender details, and mid-term progress reports were either missing or incomplete. Besides, updated financial information regarding each activity was not found updated for closed CRPs. It was also found that in few cases outputs pertaining to closed CRPs were not published within 12 months, as required in CRA manual.

212. The Joint Centre accepted the observation.

Individual contracts

213. As per the CRA Manual, holders of individual contracts and individual research agreements must submit yearly progress reports and a final report at the end of the contract period. Positive evaluation by the Project Officer of progress and performance constitutes the basis for the continuation of individual contracts and the next instalment payment by the Agency. All reports need to be stored on CRA Online by the Research Contracts Administration Section (NACA).

214. We examined in detail four active CRPs.

215. We observed that these four CRPs had ten individual contract holders. Though the final evaluation reports were available, annual progress reports were not available for six individual contract holders. The absence of annual progress reports contravenes the contractual stipulations.

Recommendation 25 Audit recommends the Joint Centre to consider initiating a system of periodic review with Chief Scientific Investigators (CSIs) for timely submission of their progress and final reports.
The Agency agreed with the recommendation.

Project Management

216. As per the CRA manual, each CRP should have a designated Project Officer and Alternate Officer to ensure effective management and continuity.

217. From the list of active projects data made available to audit, we observed that CRPs such as D32036 and D32043 did not have designated Secondary Officers, which could lead to operational challenges. Further, one Project Officer was assigned multiple CRPs as Primary Officer (e.g., D32032, D32034, D32036), six others were responsible for only two CRPs each. There were 13 Project Officers who managed only one active CRP (Annex 1).

218. This uneven allocation of responsibilities heightens the risk of disruptions, particularly in unforeseen situations wherein the unavailability of a Project Officer, could lead to delay in completion of CRP.

219. The Joint Centre stated that the appointment of secondary project officers would be done along with updating of staff records as promptly as possible.

Recommendation 26 Audit recommends the Joint Centre to consider appointing Secondary Officers for all CRPs to ensure operational continuity and enhanced accountability.
The Agency agreed with the recommendation.

OTHER MATTERS

Cases of Fraud and Presumptive Fraud

220. Management reported to us that there was no case of fraud and there were two cases of presumptive fraud during 2024. Both cases have been closed as no financial losses were detected in the closed cases.

221. Status of the cases of fraud and presumptive fraud are summarized below.

Table 23: Cases of fraud or presumptive fraud reported in IAEA

Period ended	Cases of fraud			Cases of presumptive fraud		
	Number of Cases	Amounts (EUR)	Position as of 31 December 2024	Number of Cases	Amounts (EUR)	Position as of 31 December 2024
31 December 2016	0	0.00	-	3	NA	Closed
31 December 2017	0	0.00	-	0	0	-
31 December 2018	1	1941.00	Closed	2	NA	Closed
31 December 2019	0	0.00	-	0	0	-
31 December 2020	0	0.00	-	2	0	Closed
31 December 2021	0	0.00	-	0	0	-
31 December 2022	0	0.00	-	2	0	Under investigation
31 December 2023	0	0.00	-	4	0	Three closed and One under investigation
31 December 2024	0	0.00	-	2	0	Closed

Write-off

222. Losses amounting to EUR 3493.60 were written off in 2024. The write-off includes the following:

Table 24: Details of Write-Offs

No.	Types	2024 (EUR)
1	Loss	3493.60

Loss of equipment

223. According to AIPS records in 2024, there were 4 capitalized assets costing EUR 7 697.85 with a net book value of EUR 4 397.46 and 2 expensed type assets with acquisition cost EUR 2152.28 which were declared lost.

Ex-gratia payments

224. No ex-gratia payment has been made during the 2024.

STATUS OF IMPLEMENTATION OF PREVIOUS EXTERNAL AUDIT RECOMMENDATIONS

The response of Management indicating action taken on past External Auditor's recommendations is given at Annex I.

ACKNOWLEDGEMENT

We wish to express our appreciation to IAEA, its senior management and its staff for the cooperation and assistance extended to the audit team during the audit.

(signed)

K Sanjay Murthy

Comptroller and Auditor General of India

16 April 2025

ANNEX I

Status of External Audit Recommendations

External Auditors' Audit Results	2011		2014		2016		2018		2019		2020		2021		2022		2023		Total
	FA	PA	FA	PA	FA	PA	FA	PA	FA	PA	FA	PA	FA	PA	FA	PA	FA	PA	FA*& PA**
Recommendations opened as of 1 Jan 2024	3	0	1	1	0	1	1	0	0	2	1	1	1	5	2	10	10	23	62
Recommendation implemented in 2024	2	0	0	0	0	0	0	0	0	1	0	0	0	0	1	4	3	3	14
Recommendations overtaken by other events	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recommendations in progress as per 31 Dec 2024	1	0	1	1	0	1	1	0	0	1	1	1	1	5	1	6	7	20	48

* FA – Financial Audit ** PA – Performance Audit

Rec. No.	Reference to Report and Financial Period	Recommendations	Action Reported by the Management	External Auditors Remarks
1	2011 [Financial]	Introduce a Statement of Internal Control as part of the financial statements (EA report summary para. 23, detail para. 333) Supersedes recommendation 2010.33.	In working towards the issuance of a Statement of Internal Controls over Financial Reporting, the Agency successfully implemented the new software solution, documenting the process flow, key risks and controls for 13 critical financial reporting related processes, encompassing 85 sub-processes. This solution clearly establishes accountability by identifying business process owners, who are responsible for their respective processes. It also enhances their ability to efficiently update, review and monitor these processes, risks and controls. An internal audit preparedness exercise and a fraud risk management were initiated by Internal Audit. The remaining steps to be taken by the Agency are: a. Complete the internal audit preparedness exercise as well as the Fraud Risk	The Agency has reported that there are remaining steps to be taken, as of 2024. Hence the recommendation is 'Under Implementation'.

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			Management audit and implement any recommendations. b. Complete the documentation of IT Controls covering AIPS access controls, change requests and Back-up procedures. Management considers the recommendation to be in Progress.	
2	2011 [Financial]	In connection with the issuance of an annual Statement of Internal Control, ensure processes are in place to review, document and assure the effectiveness of the internal control system.	In working towards the issuance of a Statement of Internal Controls over Financial Reporting, the Agency successfully implemented the new software solution, documenting the process flow, key risks and controls for 13 critical financial reporting related processes, encompassing 85 sub-processes. This solution clearly establishes accountability by identifying business process owners, who are responsible for their respective processes. It also enhances their ability to efficiently update, review and monitor these processes, risks and controls. An internal audit preparedness exercise and a fraud risk management were initiated by Internal Audit. Management considers the recommendation implemented.	The new software solution, documenting the process flow, key risks and controls for 13 critical financial reporting related processes, encompassing 85 sub-processes, has been rolled out. The recommendation has been implemented.
3	2011 [Financial]	In connection with the issuance of an annual Statement on Internal Control, accountability on the part of individual managers should be clear – this can be achieved by clear delegation of authority throughout the organization.	In working towards the issuance of a Statement of Internal Controls over Financial Reporting, the Agency successfully implemented the new software solution, documenting the process flow, key risks and controls for 13 critical financial reporting related processes, encompassing 85 sub-processes. To achieve clear delegation of authority over internal controls over financial reporting, this solution clearly establishes accountability by identifying business process owners, who are responsible for	The new software solution, documenting the process flow, key risks and controls for 13 critical financial reporting related processes, encompassing 85 sub-processes, has been rolled out. The recommendation has been implemented.

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			their respective processes. It also enhances their ability to efficiently update, review and monitor these processes, risks and controls. An internal audit preparedness exercise and a fraud risk management were initiated by Internal Audit. Management considers the recommendation implemented.	
4	2014 [Financial]	The Agency may consider the implementation of a long-term funding strategy for meeting the employee liabilities adequately over a period of time.	The Agency has issued an ASHI report to Member States (GOV/INF/2024/2) and has assessed the savings from the cost containment measures implemented as a first step to address the increase of ASHI and its funding. A Long-term funding strategy that takes into account the impact of the cost containment measures will be prepared and will include major milestones such as funding target, funding options. Management considers the recommendation to be in progress.	A Long-term funding strategy that takes into account the impact of the cost containment measures including major milestones such as funding target, funding options, is to be prepared by the Agency and hence the recommendation is 'Under Implementation'.
5	2014 [Performance]	13a) Classification and access control procedures may be strengthened and synchronised. 13b) Remote access security plans and identity management systems may be urgently finalised in view of their Agency wide applicability.	Reviews and comments of remote access standard received. Final version delayed due to reassignment of lead resource. The remaining steps to be taken are to update and distribute final version and submit for CIO approval. Management considers the recommendation to be in progress.	The remaining steps to be taken are to update and distribute final version and submit for CIO approval. Hence, the recommendation is 'Under Implementation'.
6	2016 [Performance]	The Agency: i. maintain coordination with related parties so as to facilitate that the issues concerning the Radiation Safety Technical Service Unit (RSTSU) are acted upon and that an optimal solution is identified by considering the results of the management review conducted by	Recommendation 1: Actions would be revisited in the implementation of 2026/27 P&B. Services are maintained. Recommendation 2: Human resources component requires further discussion and review. Recommendation 6: A request for new funding model for RSTSU under "Share Services Governance" was not accepted by NS&MTBF Management. A joint effort of OIOS MS and	The Agency reported that it is taking necessary steps to implement this recommendation in and from 2026-27 P&B Biennium. Hence, the recommendation is 'Under Implementation'.

Rec. No.	Reference to Report and Financial Period	Recommendations	Action Reported by the Management	External Auditors Remarks
		the Agency's Office of Internal Oversight Services (OIOS) in a timely manner; and ii. maintain the quality of service design and delivery in the application of safety standards for the protection of health to the Agency's operations; and consider the human resource and financial implications of the forthcoming approval and entry into force of the new Radiation Safety and Security Regulations.	RSTSU allowed to put forward a model with NS MP3 securing resources for essential radiation safety and monitoring services, as well as on-demand services component to be financially supported by other MPs. The proposal is currently being discussed with MTBF. A new funding model is being reviewed and upon feasibility study and approval, the new funding model will be included in the planning of 2028/29 P&B. Currently the RSTSU is implementing Cost Recovery Policy for EB projects within NS. Recommendation 7: Several new SLA has been updated and duly signed. Those are SLA with TC, SGAS, NAHU-DMRP-DOL; NS-IEC, NSNS, NSOC. Discussion is under way to complete SLA combining several documents within SG. Recommendation 8: An e-Learning basic course on radiation protection for occupationally exposed workers has been launched and it is available in the Agency Learning Management System (LMS). The specific eLearning course for the Radiation Protection Officer is being completed in 2025. Continuing training for the RPOs is being provided through the RPO Round Tables with ad hoc support as needed. Discussion at the DDG NS Level and with OIOS and MTBF are taking place with an intension to implement this recommendation in and from 2026-27 P&B Biennium. Management considers the recommendation to be in progress.	

Rec. No.	Reference to Report and Financial Period	Recommendations	Action Reported by the Management	External Auditors Remarks
7	2018 [Financial]	The Agency: i. strengthen its efforts to ensure that receivables are collected from the Member States including the use of payment plan agreement; and ii. consider its approach to funding the regular budget fund deficit, including considering the need to change an adequate level for the WCF to meet the Agency's needs.	Extensive discussions were held with Member States in various forums and an agreement was reached that the Secretariat should come up with various options to increase the WCF possibly to one month of expenditures as initially established. The Secretariat was instructed to present, as part of the draft budget for the biennium 2026-2027, a proposal aimed at increasing the Working Capital Fund to a more adequate level for consideration by Member States (GOV/2024/25). GOV/2025/1, Paragraph 40 - The Secretariat is preparing a proposal, as requested in GOV/2024/25, aimed to increase the Working Capital Fund to a more adequate level with a view to its submission with the Budget Update for 2027, for consideration by Member States. Management considers the recommendation to be in progress.	The Agency reported that the Secretariat is preparing a proposal, as requested in GOV/2024/25, aimed to increase the Working Capital Fund to a more adequate level with a view to its submission with the Budget Update for 2027, for consideration by Member States. Hence, the recommendation is 'Under Implementation'.
8	2019 [Performance]	The Agency should further improve SPRICS by providing a dashboard feature enabling users to monitor and track the progress of MSSP's Tasks.	The JPO has worked with the developer to establish a timeline for the completion of the SPRICS dashboard. The JPO has provided updated wireframes and specifications documentation for the dashboard functionalities. Programming and design will commence in February 2025 and is planned to conclude April 2025. Management considers the recommendation to be in progress.	The Agency reported that the Programming and design will commence in February 2025 and is planned to conclude April 2025. Hence, the recommendation is 'Under Implementation'.
9	2019 [Performance]	Expedite the development of a SG internal procedure for internal rotation with a clear articulation that staff members are subject to internal rotation after a period of time.	The document "Annual Internal Rotation Activity" has been successfully published following the approvals. Management considers the recommendation implemented.	The document "Annual Internal Rotation Activity" has been published. The recommendation has been implemented.

Rec. No.	Reference to Report and Financial Period	Recommendations	Action Reported by the Management	External Auditors Remarks
10	2020 [Financial]	Enhance relevant internal controls to maintain: a. Proper classification of training and travel expenses; b. Cut-off accuracy of training and travel expenses; and c. Alignment of AM VII/5 to the actual practice of reporting of training activities and proper verification of training expenses.	The remaining steps to be taken are to finalise the AIPS Enhancement Request and for AMS to include in its Jan-April 2025 workplan. AIPS RITM0015253 has been raised and is under consideration by AMS. Management considers the recommendation to be in progress.	The AIPS request is under consideration by AMS. Hence, the recommendation is 'Under Implementation'.
11	2020 [Performance]	Consider developing the Thematic Plans for Lepidoptera and updating the existing Thematic Plans for Fruit Flies, Screwworm and Tsetse Flies by incorporating the recent research and development, and emerging major partner organizations.	The 4 Thematic Plans for Lepidoptera (new) and updating the existing Thematic Plans for Fruit Flies, Screwworm and Tsetse Flies were concluded. Documents are made available to the Member States. Management considers the recommendation implemented.	The Agency has developed and published the thematic plan on Tsetse flies. The final versions of similar plans on Lepidoptera, Fruit flies and Screwworm, are yet to be published. Hence, the recommendation is 'Under Implementation'.
12	2021 [Financial]	Consider the inclusion of the policy on the application of the ASHI EB Sub-Fund in the Administrative Manual.	The funding study is in progress. During the meeting of the UN Task Force on Accounting Standards, the Agency has consulted other UN system organizations on their ASHI Sub-Fund to find out best practice in the UN system. The remaining step to be taken is, building on the results of the funding study and consultations with other UN system organizations, the Agency to consult internally to update the Administration Manual. Management considers the recommendation to be in progress.	The Agency is yet to consult internally to update the Administration Manual. Hence, the recommendation is 'Under Implementation'.
13	2021 [Performance]	Consider enhance its existing guidelines for local purchases, by harmonizing it in the Administrative manual and including the condition in which the local purchase should	The Admin Manual changes have been cleared and published and staff training on the new modalities for purchasing from commercial suppliers up to 25k under TC projects has been scheduled for early in 2025.	The Agency has reported that remaining steps will be taken in 2025. Hence, the recommendation is 'Under Implementation'.

Rec. No.	Reference to Report and Financial Period	Recommendations	Action Reported by the Management	External Auditors Remarks
		be implemented, without compromising the effective and efficient implementation of TC activities.	Training on the new modalities for purchasing from commercial suppliers up to 25k under TC projects has been scheduled together with MTPS for early in 2025 or all TC BUYERS. Guidelines for the local purchases which were postponed until the publication of the Admin Manual changes will begin early Feb 25' and finished by end of June 25' Management considers the recommendation to be in progress.	
14	2021 [Performance]	Enhance its financial control on TC budgeting and implementation process including the harmonization of expenditure types, standardization of budget reporting, and establishment of monitoring tool for additional budget and its utilization.	The mapping of expenditure types vs. Financial Statements has been reviewed and updated. The incorporation of the harmonized expenditure types, enhanced monitoring and standardization of the budget reporting is part of the PCMF+ roll out. Detailed design and UAT have taken place for Stage 1. Stage 2 'design and development processes, which includes the incorporation of the harmonized expenditure types, enhanced monitoring and standardization of the budget reporting, will be completed with the UAT mid-2025. Hands on testing by Subject Matter Experts (SMEs) and User Acceptance Testing (UAT) planned for Q2 25' Followed by roll out in Q4 25. Management considers the recommendation to be in progress.	The Agency has reported that remaining steps will be taken in 2025. Hence, the recommendation is 'Under Implementation'.
15	2021 [Performance]	Consider introducing a procedure to monitor the validity of the AIPS generic user role by assigning an end date for the generic user role created, when the end date is known.	Finalized procedure to monitor the validity of the AIPS generic user role. Management considers the recommendation implemented.	The Agency shared a document which detailed a process of 'Annual Review' of validity of 'Generic User Roles' It has been recommended to consider Half Yearly Review to address the stated risk. Hence, the recommendation is 'Under Implementation'.

Rec. No.	Reference to Report and Financial Period	Recommendations	Action Reported by the Management	External Auditors Remarks
16	2021 [Performance]	Enhance, where appropriate, the PCMF functionality to provide the tracking functionality, repository, and capturing version control for all stages of project design review process.	Detailed design and UAT have taken place for Stage 1. Stage 2 design and development processes, which includes the versioning and control of all project stages, will be completed with the UAT mid-2025. Hands on testing by Subject Matter Experts (SMEs) and User Acceptance Testing (UAT) planned for Q2 25' Followed by roll out in Q4 25. Management considers the recommendation to be in progress.	The Agency has reported that remaining steps will be taken in 2025. Hence, the recommendation is 'Under Implementation'.
17	2021 [Performance]	Consider the need for enhanced TC project management tools which support PMOs and other relevant stakeholders in the daily management of Agency resources and relevant tasks to ensure the timeliness, relevance and quality of the IAEA inputs and more frequent monitoring of progress status at the project output level, by improving and integrating the existing IT platform.	Detailed design and UAT have taken place for Stage 1, Stage 2 design and development processes, which includes the project management tools, will be completed with the UAT mid-2025. Hands on testing by Subject Matter Experts (SMEs) and User Acceptance Testing (UAT) planned for Q2 25' Followed by roll out in Q4 25 Management considers the recommendation to be in progress.	The Agency has reported that remaining steps will be taken in 2025. Hence, the recommendation is 'Under Implementation'.
18	2022 [Financial]	Identify milestones and timelines for fully funding the post-employment benefit liabilities.	The Agency has issued an ASHI report to Member States (GOV/INF/2024/2) and has assessed the savings from the cost containment measures implemented as a first step to address the increase of ASHI and its funding. A Long-term funding strategy that takes into account the impact of the cost containment measures will be prepared and will include major milestones such as funding target, funding options. Management considers the recommendation to be in progress.	A Long-term funding strategy that takes into account the impact of the cost containment measures including major milestones such as funding target, funding options, is to be prepared by the Agency and hence the recommendation is 'Under Implementation'.
19	2022 [Financial]	To review the travel process and take appropriate measures to	The recovery process from non-staff is continuous and as mentioned the travel process	The Agency reported substantial recoveries and that it is a

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		strengthen adherence to timeliness prescribed in the Travel Procedures.	has been reviewed and measures taken to monitor pending cases. We reiterate our request to consider this recommendation as implemented. Management considers the recommendation implemented.	continuous process. Hence the recommendation is implemented.
20	2022 [Performance]	To consider inserting a disclosure in the Safeguards Implementation Report (SIR) indicating that the shipment number presented denotes only completed shipments.	The SIR has been published and it includes the correct statement: " 197. During 2023, the Agency provided approximately 7200 (7100) pieces of safeguards equipment in support of attended verification activities. Of those, about 2400 (2100) items were delivered to destination by cargo shipment to 29 (31) States4 in 353 (283) shipments..." Issuance date: 3 May 2024. Management considers the recommendation implemented.	The report indicated the shipment numbers of completed shipments. The recommendation is implemented.
21	2022 [Performance]	To amend the procedure prescribed under SG-TP-13611 by defining sensitive and non-sensitive equipment suitably as per policies of the Agency.	Version 2 of the procedure SG-TP-13611 Procedure for Handling SG Equipment to and from the SGTS Warehouse has been released on 28 March 2024. The revised version lists the types of assets not allowed to be stored in the external storage (previously generically referred to as "sensitive equipment". Management considers the recommendation implemented.	The Procedure has been amended and the recommendation is implemented.
22	2022 [Performance]	To set a time frame for derecognizing unverified assets while recording, as matter of good practice, the reasons for non-verification.	The existing procedure SG-PR-14020 SG Asset Management Procedure states in paragraph 4.2.2: *"SAMO should request the custodian to initiate a write-off process for Not Found assets in shared use in cases where the asset could not be found for more than two physical inventories."* To align with this procedure, a Note to File has been prepared, summarizing a list of SG assets that remained unverified for more than four years as of 20 March 2024. While SG-PR-14020 was previously issued in	The existing procedure has been amended and the recommendation is implemented.

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			2022, a key step was taken in 2024 when SGTS initiated a review of assets not verified for over 48 months. The 2024 review findings have been documented in a Note to File, which has been provided to support closing the recommendation. The same review will be conducted for 2025, with completion and action expected within Q3 2025. These actions confirm that the requirements outlined in the procedure are now being routinely implemented. Management considers the recommendation implemented.	
23	2022 [Performance]	To continue efforts to improve the overall availability of equipment, based on a cost-benefit analysis, by identifying and taking corrective measures to contain recurring causes of failures.	The approach to SG Asset Operations and Maintenance (O&M) Activities, considering both costs and benefits, is outlined in paragraph 4.3 of the *Department of Safeguards Asset Management Strategic Plan and Guidelines (SG-PLN-15680).* This approach is based on Asset Risk, aligned with the IAEA's Risk Management Framework, and evaluates a combination of "likelihood of failure" and "impact of failure" scores. These scores are reviewed annually by the Asset Information Focal Points, as detailed in the *Asset Information Focal Point Guidelines and Requirements (SG-PR-20485)*. Equipment incidents are systematically identified, reported, and analyzed. If multiple incidents share the same root cause, a "problem" ticket is created to address the issue. This process is further detailed in the *Reporting and Managing Safeguards Equipment-related Incidents using the Service Management Tool (SMT) SG-PR-20250)* procedure.	The procedure has been established. However evidence of implementation is yet to be received for review by the External Auditor. Hence, the recommendation is 'Under Implementation'.

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			Since the recommendation does not require additional action, the provided references should be sufficient to clarify the overall approach to equipment maintenance. Management considers the recommendation implemented.	
24	2022 [Performance]	The Agency should consider benchmarking its staffing and resources to accepted guidelines for IT security considering specifically the criticality of information the Agency holds.	Actions to further strengthen IT security continued including the launch of a 24/7 security operation centre and additional supporting capabilities and controls. However, the implementation of a benchmarking assessment was delayed to Q1 due to workload and resource limitations. Draft report to be updated and shared, target end of Q1 but subject to resource availability. Management considers the recommendation to be in Progress.	The Agency has reported that remaining steps will be taken in 2025. Hence, the recommendation is 'Under Implementation'.
25	2022 [Performance]	The Agency may develop and implement a functional disaster recovery plan for all its critical IT applications in line with the ORMS requirements.	ORMS business leads workshops underway and 50% completed by Q4. Remaining workshops scheduled in January and draft report on track for end of Q1. The remaining step to be taken is to Complete workshops and draft report. Management considers the recommendation to be in Progress.	The Agency has reported that remaining steps will be taken in 2025. Hence, the recommendation is 'Under Implementation'.
26	2022 [Performance]	A regular exercise to weed out IT applications that are no longer in use or have outlived their utility must be done by the Agency to optimize storage space and save upon costs related to storage and hosting of these applications.	Process for regular review has been implemented. Managers considers this recommendation implemented	The management has developed the process for regular review. However, one review exercise may be completed and reported. Hence, the recommendation is 'Under Implementation'.
27	2022 [Performance]	Procedures must be established for a periodic review of accounts to identify and compile a list of admin, application level and Database (DB) accounts	Due to the departure of the former AIPS Technical Lead, this initiative was put on hold and did not progress. The initiative will re-started in Q1 2025 and finalized by the end of May 2025.	The Agency has reported that remaining steps will be taken in 2025. Hence, the recommendation is

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		as well as accounts that are no longer required. A procedure of periodical supervisory review of logs of activities undertaken by such accounts should also be instituted.	Management considers the recommendation to be in progress.	'Under Implementation'.
28	2022 [Performance]	The procedure for evaluation, assessment, and prioritization of AIPS change requests in collaboration with the business owners may be strengthened. New controls should be instituted for periodic and regular weeding out of such change requests that have outlived their utility to the Agency.	The new control for automatically weeding out the old AIPS change/enhancement requests has been implemented, the enhancement/change management procedures have been updated, the changes have been communicated to the stakeholders and published. Management considers the recommendation to be implemented.	The procedure has been established and the recommendation is implemented.
29	2022 [Performance]	Division of Nuclear Security (NSNS) continue its efforts to complete implementation of the OIOS recommendations by 31 December 2023.	Division of Nuclear Security (NSNS) has completed its implementation of nine OIOS recommendations by the agreed deadline of 31 December 2023. The implementation reporting has been accepted by OIOS for these recommendations, and no further action is required outside of planned and ongoing programmatic and operational activities. The agreed deadline for the remaining three recommendations was adjusted to 31 December 2024 to better accommodate Departmental and Agency processes and needs. NSNS has completed the recommendation related to NSF. Management considers the recommendation to be implemented.	The OIOS recommendations 8, 9 are still pending to be closed. Hence, the recommendation is 'Under Implementation'.
30	2023 [Financial]	We recommend that the Agency may consider informing the Board of Governors on the result of cost efficiency measures and the achievement and further efforts in the next budget cycle.	The programme performance report for 2024-2025 will include text that provides information on achievement of cost efficiency measures for the 2024-2025 programme and budget. The new information is to be included in the programme performance report for 2024-2025.	The Agency reported that the new information is to be included in the programme performance report for 2024-2025. Hence, the recommendation is 'Under Implementation'.

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			Management considers the recommendation to be in progress.	
31	2023 [Financial]	The Agency considers aligning the expense categories in the Programme and budget document with the segmental reporting expenses in the financial statements.	The Draft Agency's Programme and Budget for 2026-2027 reflects aligned segmental reporting in line with the financial statements in GOV/2025/01. Management considers the recommendation implemented.	The Approved Budget and programme document is required to be verified by the External Auditor. Hence, the recommendation is 'Under Implementation'.
32	2023 [Financial]	i. The Agency, with the approval of the Investment Committee, to - set up a mechanism for periodic review and update of the liquidity and investment management framework by a third-party Expert or External Adviser to Investment Committee. ii. The Agency to set up a mechanism for periodic review and update of benchmarks set for performance evaluation of the Agency's investments.	i. The External Adviser to the Investment Committee prepared a report on the IAEA liquidity/ investment management framework review which was presented to the Investment Committee in January 2025. ii. The mechanism for periodic review of the benchmarks was put in place end of June 2024. Review document to be presented to the IC for its endorsement and final approval in early 2025, final implementation by Q1 2025 Management considers the recommendation to be in progress.	The Agency has reported that remaining steps will be taken in 2025. Hence, the recommendation is 'Under Implementation'.
33	2023 [Financial]	The Agency to establish and implement controls for recording and verifying potential heritage assets, those which are of cultural, environmental or historical significance.	Inventory completed Process of physical verification has been established. All gifts to the Agency recorded, including gifts to the DG. Most Items stored in secured area in B building. All gifts have been assigned a number which can be used as a unique identifier. Management considers the recommendation implemented.	The Agency completed the inventory process with all the gifts assigned a unique identifier. The recommendation is implemented.

Rec. No.	Reference to Report and Financial Period	Recommendations	Action Reported by the Management	External Auditors Remarks
34	2023 [Financial]	We recommend that the Agency: i. periodically review its accounting policy on the asset capitalization, especially of IT and communication equipment, ii. set a time frame for derecognizing unverified assets while recording, as matter of good practice, the reasons for non-verification.	(i) Review in progress together with the analysis on increasing the asset capitalization threshold to align with the Low Value Purchase limit increase (Update to AM on LVP in progress). (ii) In 2024, SAMO reviewed and actioned the 158 assets marked as NOT Found for more than two verification cycles in 2023 report. As of end of 2024, only 2 assets are yet to be verified due to limited access at the location. As per practice, Assets not found after two consecutive verification cycles may be considered for write-off with custodian initiating the write-off request through SEQUOIA for SG or IOM for other departments as reflected in respective SOPs. (i) Finalize review by end of Q1 2025 (ii) Only 2 assets from among the 158 marked as not found for more than two verification cycles remain not found in 2024 due to limited access at the location. Asset cannot be written off because it is still actual technology. Management considers the recommendation to be in progress.	The Agency has reported that remaining steps will be taken in 2025. Hence, the recommendation is ‘Under Implementation’.
35	2023 [Financial]	The Agency to explore putting in place a tracking system for VAT invoice receipt to expedite VAT refund claims.	A tracking system to expedite VAT invoice refund claims has been deployed in the ERP system (AIPS) in Dec 2024. Management considers this recommendation implemented.	The Agency reported the implementation of tracking system. The evidence of the same is yet to be received by the EA for review. Hence, the recommendation is ‘Under Implementation’.
36	2023 [Financial]	We recommend that the Agency review controls relating to Education Grants, including the completeness and	Provision of notification samples for closure of audit recommendation by the external auditors.	The Agency reported that IAEA Education Grant & Capital Assessment Extract Report is added to the

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		accuracy of information/ data reflected in the Education Grant Dashboard, to ensure timely adherence to staff regulations and rules, as well as to ensure the completeness and accuracy of information relating to Education Grants.	Management considers this recommendation implemented.	dashboard for monitoring. However the External Auditor is yet to receive the report of the review carried out. Hence, the recommendation is 'Under Implementation'.
37	2023 [Financial]	We recommend that the Agency considers issuing a communication asking staff members availing rental subsidy to inform change in rental status to the Agency in a timely manner to avoid under- or over-payment of rental subsidy.	Provision of supporting documents for closure of audit recommendation by the external auditors Management considers this recommendation implemented.	The Agency reported that the communication, as per the recommendation is issued on Insite, the IAEA portal. The recommendation is implemented.
38	2023 [Financial]	The Agency to ensure that all expenses related to staff travel are processed through TRAC so that expenses are not omitted from the original travel claim.	In June 2024, a briefing session with participation of all Administrative Assistants has been organized by MTBF, reminding on staff travel rules and procedures, emphasizing claim submission and verification process; - Additionally, INF/NOT/455 on Staff Travel Claims has been published to remind staff members and Departments/Divisions of their responsibilities and obligations relating to the finalization of travel expenses for duty travel and stressing the fact that all expenses related to staff travel are to be processed through the relevant TRAC. Management considers this recommendation implemented.	The Agency reported that staff members have been sensitised about travel rules and procedures. However, the External Auditor requires relevant evidence (facts and figures) on how processing of TRACs outside AIPS has been prevented. Hence, the recommendation is 'Under Implementation'.
39	2023 [Financial]	We recommend that the Agency include disclosures in financial statements for IPSASs issued but not yet effective, as per the requirements of IPSAS 3.	The Agency has added a note to the 2024 Financial Statements. The note discloses details on IPSAS issued but not effective yet. Management considers this recommendation implemented.	The recommendation is implemented.

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40	2023 [Performance]	The Agency to consider putting in place a system to support need analysis and demand forecasting to optimise utilisation of time and resources.	Due to workload and resource limitations, the consolidated communication was postponed to Q1 2025. Finalize the roll-out. Management considers this recommendation to be in Progress.	The Agency has reported that remaining steps will be taken in 2025. Hence, the recommendation is 'Under Implementation'.
41	2023 [Performance]	The Agency should implement measures to ensure accuracy, completeness, and currency of the vendor master database, and establish a system for periodic database clean-up.	Proposed update of SOP prepared. Draft SOP to be formally approval prior to sharing it in Q1 2025, with a target to have the 1st cleaning exercise to be conducted in 2025. Management considers this recommendation to be in Progress.	The Agency has reported that remaining steps will be taken in 2025. Hence, the recommendation is 'Under Implementation'.
42	2023 [Performance]	The Agency to evaluate and determine whether to accept the risks associated with omitting security clauses from contracts, which could result in potential delays and accompanying losses caused by such delays, or to incur the expense of implementing controls such as liquidated damages/ performance securities. This decision may also involve establishing criteria for identifying contracts that require additional controls to mitigate risks associated with vendor supplies.	Proposed update of SOP prepared. Draft SOP to be formally approval prior to sharing it in Q1 2025, with a target to have the 1st cleaning exercise to be conducted in 2025. Management considers this recommendation to be in Progress.	The Agency has reported that remaining steps will be taken in 2025. Hence, the recommendation is 'Under Implementation'.
43	2023 [Performance]	The Agency to evolve a structured system for performance evaluation of vendors and develop procedures for sanctioning a vendor whose performance was unsatisfactory.	Roll-out of AM changes on-going. The remaining steps to be taken are, Pending finalization of the UNGM solution. SOP to be drafted. Management considers this recommendation to be in Progress.	The Agency has reported that remaining steps will be taken, going forward. Hence, the recommendation is 'Under Implementation'.
44	2023 [Performance]	The Agency to finalise its own vendor sanction policy and put in place a Vendor Review Committee to add reliability to the procurement process.	Preparing roll-out of the AM changes. Vendor Review Committee to be established with the support of departments Management considers this	The Agency has reported that remaining steps will be taken, going forward. Hence, the recommendation is

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			recommendation to be in Progress.	'Under Implementation'.
45	2023 [Performance]	The Agency to develop controls to ensure that significant changes in contractual requirements or conditions of contract are made only through formal amendments in the solicitation documents, thus ensuring fairness and deriving best value from procurement processes.	On-going review from Q2. Prepare an SOP to address this recommendation. Management considers this recommendation to be in Progress.	The Agency has reported that remaining steps will be taken, going forward. Hence, the recommendation is 'Under Implementation'.
46	2023 [Performance]	We recommend the Agency to consider time bound phasing out of other channels of submission of bid offers by ensuring full utilisation of iSupplier portal for providing single window interface to commercial vendors to interact with the Agency.	On-going review from Q2. Conclude analysis and recommend whether to phase out or not Management considers this recommendation to be in Progress.	The Agency has reported that remaining steps will be taken, going forward. Hence, the recommendation is 'Under Implementation'.
47	2023 [Performance]	We recommend that the Agency should put in place standard operating procedures for further strengthening the procedure for emergency procurement and set up a mechanism for monitoring of supplies/ services planned to be procured during emergency at an appropriate level.	- Stand-by agreements are in place - An online emergency procurement training is in place - Procedure defined and understood by stakeholders involved in the emergency procurements. An SOP to formalise the use of emergency procurement will be published in Q2 2025 to close this recommendation. Management considers this recommendation to be in Progress.	The Agency has reported that remaining steps will be taken, in 2025. Hence, the recommendation is 'Under Implementation'.
48	2023 [Performance]	The Agency to conduct a comprehensive review to evaluate the need for preparedness of laboratories for nuclear and radiological emergency responses affecting food and agriculture and subsequently take	Draft of final CRP D15019 report has been prepared and will be submitted in Q1 2025. Final report of CRP D15019 will be submitted in Q1 2025. A Consultancy Meeting is being prepared for Q2 2025, to develop a new CRP proposal on emerging organic and inorganic pollutants in	The Agency has reported that remaining steps will be taken, in 2025. Hence, the recommendation is 'Under Implementation'.

Rec. No.	Reference to Report and Financial Period	Recommendations	Action Reported by the Management	External Auditors Remarks
		necessary steps based on the review including, if so required, developing a clear roadmap to build and enhance such capabilities to address identified gaps and improve preparedness.	agricultural land. NAFA through the FSC and SWMCN Subprogrammes will participate as well in nuclear emergency response exercises in Q2 2025. Management considers this recommendation to be in Progress.	
49	2023 [Performance]	i. The Agency to regularly review the feasibility, relevance and prioritisation of unfunded activities relating to the laboratories, in alignment with its programmatic objectives. ii. The Agency to consider putting in place a strengthened process for securing extra-budgetary resources against unfunded activities relating to the laboratories, aimed at reducing the resource gap and at achieving efficiencies in obtaining in-kind resources.	The Joint FAO/IAEA Centre of Nuclear Techniques in Food and Agriculture including its laboratories for Food Safety Control and Soil Water Management and Crop Nutrition has regularly reviewed the needs, and strengthened the process for securing extra-budgetary resources against unfunded activities relating to the laboratories, aimed at reducing the resource gap and at achieving efficiencies in obtaining in-kind resources, by working closely with Deputy Director General office of Nuclear Sciences and Applications and with donors. Resource mobilization efforts were undertaken in 2024 by presenting projects to traditional and non-traditional donors, in particular – but not only - under the umbrella of the Atoms4Food project and the Peaceful Uses Initiatives projects. This has led to the following extrabudgetary funding for the Food Safety and Control Laboratory and the Soil and Water Management and Crop Nutrition Laboratory: • Assessing the Fate of Polyhalite Using Isotopic Techniques (donor: Anglo American) • Further crop resilience through Peaceful Uses Initiative (donor: Belgium) • Ensuring Food Security and Safety by Future-proofing Dryland Crops under Climate Change; Microplastic in Food and Agriculture; Integrated Strategies for Managing Antimicrobial Resistance in	External Auditor requires supporting documentation. Hence, the recommendation is ‘Under Implementation’.

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			Western & Central African Aquaculture: A Cross-Disciplinary Approach to Enhancing Aquatic Animal Health, Food Security, Food Safety and Environmental Sustainability (donor: UK) • Smaller contributions from private companies for the International Symposium on Food Safety and Control and the Third Africa Food Safety Technical Meeting • Contributions from Japan and Australia for Atoms4Food also benefit the two laboratories • Further outreach to attract Cost Free Experts at P3 level for the Food Safety and Control Laboratory will be an ongoing effort, through liaising directly with donors, for example during laboratory visits, and by sending job descriptions to potentially interested donors. • Other outreach activities are ongoing and this will be a continuous process with no "end-date" as such. Given the fact that the two laboratories in the Joint FAO/IAEA Centre have invested substantial efforts in resource mobilization in 2024 with tangible results, the Centre considers that the two laboratories have now fully implemented these recommendations and have built up the experience and knowledge to continue these efforts in the future. Management considers this recommendation implemented.	
50	2023 [Performance]	The laboratories to proactively collaborate with MTIT and the Working Group on IT Issues, aiming to formulate and execute comprehensive data transfer and backup solutions within a defined timeframe,	A meeting between MTIT and FSCL took place on 19 December 2024. IT infrastructure for data transfer and back-up solutions were discussed, along with the necessary procedures for the integration of a Laboratory Management System (LIMS) with support from MTIT.	The Agency has reported that remaining steps will be taken, in 2025. Hence, the recommendation is 'Under Implementation'.

Rec. No.	Reference to Report and Financial Period	Recommendations	Action Reported by the Management	External Auditors Remarks
		ensuring alignment with Information Security Standards; while concurrently initiating training programs to enhance staff comprehension and adherence to established procedures.	Representatives of FSCL and MTIT will attend a follow-up meeting in January 2025 and will report. The SWMCNL team will also follow up on IT infrastructure for data transfer and back-up solutions with MTIT in January 2025. Management considers this recommendation to be in Progress.	
51	2023 [Performance]	The laboratories should consider developing and implementing laboratory-specific standardized procedures for documenting, maintaining, and organizing critical laboratory documents and for equipment maintenance management.	The Standard Operating Procedure on Equipment Management and Usage Logbooks have been finalized in both FSCL and SWMCNL, and are now operational. Management considers this recommendation implemented.	The Agency reported the implementation of the Standard Operating Procedure and the recommendation is implemented.
52	2023 [Performance]	The Laboratories to consider establishing laboratory-specific Standard Operating Procedures (SOPs) for tracking and handling sample processing.	The Standard Operating Procedures on Sample Management have been finalized in FSCL and SWMCNL and are now operational. Additionally, a Laboratory Information Management System (LIMS) has been donated to FSCL by a private company. The internal procedures for the acceptance of the donation by IAEA have been finalized. FSCL is currently liaising with MTIT for the installation of LIMS. Necessary procedures have been initiated to acquire ITAG approval by FSCL. Management considers this recommendation to be in Progress.	The Agency has reported that remaining steps will be taken, in 2025. Hence, the recommendation is ‘Under Implementation’.
53	2023 [Performance]	The Laboratories to consider use of additional specific performance indicators that directly assess and evaluate laboratory-specific routine tasks and functions.	This recommendation has been addressed by SWMCNL and FSCL, and can be closed for both laboratories. Participation of SWMCNL in WEPAL PT annually and participation of FSCL in 2 PT schemes annually. Programme for regular	The External Auditor requires more supporting documentation with specific explanation on the parameters, added. Hence, the recommendation is ‘Under Implementation’.

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			calibration of balances and pipettes in both labs continues. Management considers this recommendation implemented.	
54	2023 [Performance]	i. The Agency to place controls to ensure regular updating of gender related data in its CRA System. Further, Agency to strengthen its efforts to increase female CSI participation in the CRPs, aiming to achieve the desired level of gender participation in CR activities. ii. The Agency to put in place appropriate controls to ensure that concerned research partners provide required periodic reports in a timely manner. iii. The Agency to assess the necessity of establishing timelines for approval of project proposals to further align them with the CRP end date to ensure their continued relevance to the CRP's objectives.	First steps are taken by NACA team with the MTIT team to work on the possibility of retrieving the gender data for former staff members. NACA will raise a request to the authorization from the IAEA Data Privacy Officer and MTHR to access the gender information of former staff members from the CRA Online application, then the remediation on the system can be planned. Management considers this recommendation to be in Progress.	The Agency has reported that remaining steps will be taken, going forward. Hence, the recommendation is 'Under Implementation'.
55	2023 [Performance]	The Agency to implement measures to ensure periodic receipt of Project Progress Assessment Report (PPARs) for all projects and closure of projects as per stipulated timelines.	The Joint FAO/IAEA Centre of Nuclear Techniques in Food and Agriculture has quarterly followed up with the TC department to timely close the three discussed projects: GUA7004and OMA5003 GUA7004 and to ensure that progress reports would be made available. The Joint FAO/IAEA Centre therefore considers this recommendation implemented. Management considers this recommendation implemented.	The External Auditor requires supporting documentation. Hence, the recommendation is 'Under Implementation'.
56	2023 [Performance]	i. The Agency maintain a comprehensive and updated database of NKM/ NEM school (in-	Power BI to be the Platform used. Proof of concept implemented.	The Agency reported that the Final version is to be shared and rolled out. Hence, the

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		person/ hybrid/ virtual) participants accessible to officials and higher management for selection and administrative purposes. ii. For virtual schools, the Agency should establish a policy on frequency and attendance limits ensuring accurate virtual participation records.	Migration process initiated. BETA Version tested. Validation of data retrieval, and management access. Procedure to be updated with the use of the new platform. Final version to be shared and rolled out. Management considers this recommendation to be in Progress.	recommendation is 'Under Implementation'.
57	2023 [Performance]	The Agency strengthen the INMA membership process by setting realistic timelines for the Agency to review and process membership applications efficiently.	Verification of timeline effectiveness. Management considers this recommendation implemented.	The recommendation is implemented.
58	2023 [Performance]	The Agency should improve controls to ensure consistency in selection of fellows as per the established criteria and also further improve standardized selection guidelines particularly relating to the referee's acquaintance with the candidate.	The selection guidelines were revised and endorsed by the Steering Committee at its meeting of 12 June 2024. Subsequently, the application form and the applications requirements were revised and the changes were reflected on the application form before the start of the 5th application period on 12 July 2024. Management considers this recommendation implemented.	The Agency is to provide supporting documentation to the External Auditor. Hence, the recommendation is 'Under Implementation'.
59	2023 [Performance]	The Agency evaluate the need for and accordingly re-establish the Library Advisory Group to ensure thorough and well-researched selection of new information resources.	The first LAG meeting (Launch of LAG) took place on the 3rd July 2024. Regular meetings are scheduled. Management considers this recommendation implemented.	The meeting has been conducted and the recommendation is implemented.
60	2023 [Performance]	The Agency to update the IAEA Library Collection Development Policy to incorporate guidelines for conducting regular assessments to review library materials, along with establishing procedures for conducting regular	The SEC/DIR was prepared and the draft Amin Manual is in the clearance process. Completion of the clearance process. Management considers this recommendation to be in Progress.	The Agency has reported that clearance process is yet to be completed. Hence, the recommendation is 'Under Implementation'.

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		physical audits of library materials.		
61	2023 [Performance]	The Agency to implement controls to better track library resources and prevent indefinite loan periods. Additionally, controls to be established to promptly track, recover and replace lost library resources.	As part of the clearance process upon separation from the Agency, the cost to replace the missing or lost books are recorded accordingly for each staff member. Clearance is withheld. Management considers this recommendation implemented.	The newly implemented system is to be reviewed by the External Auditor. Hence, the recommendation is 'Under Implementation'.
62	2023 [Performance]	The Agency to optimally utilise the functional capabilities of the SIERRA system, especially with respect to circulation, acquisition, and reporting, as envisaged when awarding the contract. The Agency to also ensure automated generation of comprehensive consolidated reports to facilitate appropriate tracking, reporting, and management of library resources.	Full deployment of the new library system completed. The system went live on the 4th December. Management considers this recommendation implemented.	The newly implemented system is to be reviewed by the External Auditor. Hence, the recommendation is 'Under Implementation'.

LIST OF ABBREVIATIONS

AECOM	Advisory Group of Education, Competence and Outreach in Nuclear Safety
AIPS	Agency Wide Information System for Programme Support
APH	Animal Production and Health
CPA	Construction Purchase Agreement
CRAs	Coordinated Research Projects
CRPs	Coordinated Research Projects
CSI	Chief Scientific Inspector
DDG	Deputy Director General
DOL	Dosimetry Laboratory
DTM	Human Milk Intata
EBF	Extra Budgetary Funds
FEPL	Food and Environmental Protection Laboratory
FML2	Flexible Modular Laboratory-2
FoA	Field of Activity
IPC	Insect Pest Control
IRR	Independent Readiness Review
LTAs	Long Term Agreements
MACRA	Management of the Agency’s Coordinated Research Activities
MT	Department of Management
MTGS	Division of General Services
MP	Major Programme
MPB	Multi Purpose Building
NA	Nuclear Sciences and Applications
NACA	Research Contract Administration Section
NAHU	Division of Health
NAML	Marine Environmental Laboratories
NAPC	Division of Physical and Chemical Sciences
NS	Department of Nuclear Safety and Security
NSIL	Nuclear Sciences and Instrumentation Laboratory
NSW	Division of Physical and Chemical Sciences
PBGL	Plant Breeding and Genetics Laboratory
PID	Project Initiation Document
PMG	Project Management Group
ReNuAL	Renovation of the Nuclear Applications Laboratories
SDGs	Sustainable Development Goals
SLSS	Seibersdorf Laboratories Services Section
SOW	Statement of Works
SWMCL	Soil and Water Management Crop Nutrition Laboratory
TC	Technical Cooperation
TERC	Terrestrial Environmental Radio-Chemistry

TO	Technical Officers
UNGM	United Nations Global Market

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