



INTER-PARLIAMENTARY UNION
114th Assembly and related meetings
Nairobi, 4 to 12 May 2006



Executive Committee
Item 6(a)
Governing Council
Item 10

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Financial Report and Audited Financial Statements

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Introduction

Effective and responsible financial management is expected by the Members of the Union and is reflected in the financial statements for 2005. For the fourth consecutive year the Union is reporting a small operating surplus. In 2005, operating revenues exceeded expenditures by CHF 218,845. The Working Capital Fund grew by an additional CHF 275,214 as a result of contributions from new and reaffiliated members and interest payments.

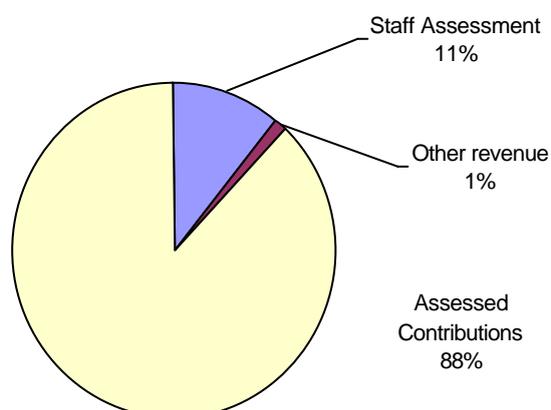
The following pages explain in detail the revenues and expenses of the Union during 2005, in particular where these amounts have varied from the budget.

Table 1 - Revenue and Expenses versus Budget for 2005 (in CHF)

Item	Budget	Actual	%	Over/ (Under)
Revenues				
1 Assessed Contributions	10,156,910	10,156,910	100%	0
2 Staff Assessment	-	1,243,291	-	-
3 Sales of Publications	15,000	16,567	110%	1,567
4 Administrative Fees	85,000	135,949	160%	50,949
5 Other Income	0	6,504	-	6,504
Total Revenues	10,256,910	11,559,221		
Expenses				
1 Executive Office	859,000	934,358	109%	75,358
2 Assembly Affairs and Member Relations	3,006,810	2,843,134	95%	(163,676)
3 Promotion of Democracy	2,553,100	2,436,840	95%	(116,260)
4 External Relations	1,609,900	1,687,177	105%	77,277
5 Support Services	2,066,100	2,110,990	102%	44,890
6 Unallocated staff expense	-	1,243,291	-	-
7 Allowance for Doubtful Accounts	112,000	27,518	25%	(84,482)
8 Grants	100,000	57,068	57%	(42,932)
Total Operating Expenses	10,306,910	11,340,376		
Contribution to Working Capital Fund	(50,000)	218,845		268,845

Revenue in 2005

Revenue increased marginally in 2005 by 3.5 % to CHF 11,559,221. The primary sources of revenue are the assessed contributions of members and the staff assessment. Smaller amounts come from administration fees for extra-budgetary projects, sales of publications, and other miscellaneous sources.



1. Contributions from Member Parliaments

In 2005, 147 Members and Associate Members were assessed CHF 10,156,910. By the end of 2005, all but CHF 906,413 of the current year assessment had been collected. On a percentage basis, 8.9 per cent

of the current year assessment was outstanding, which is a little more than the amount outstanding at the end of 2004 (7.2%).

At the end of the year, there were 40 Members and Associate Members with contributions outstanding. Of the Members in arrears, five would be deprived of voting rights under Article 5.2 of the Statutes, if a vote were held, and one was liable for suspension under Article 4.2. This is an improvement over the situation at the end of 2004 when four members were liable for suspension.

In addition to the assessed contributions included in the budget, the Union invoiced CHF 235,873 to the Parliaments of Dominican Republic, Georgia, Madagascar and the Maldives, which affiliated or re-affiliated to the Union during the year. In accordance with the Financial Regulations, these contributions and special debt went directly to the Working Capital Fund. At the end of the year, the total amount of special debt that was outstanding was CHF 178,482.

2. Staff Assessment

This is the first time that the Union has reported staff assessment as revenue. In previous years, the revenue from staff assessment was used to reduce expenses. However, reporting staff assessment as revenue is consistent with good accounting practice and follows the same reporting standard as used in national public accounts where national revenue includes the income taxes paid by civil servants and members of parliament.

The effective tax rate for IPU staff varies from 22% for the lowest paid staff member to 32% for the Secretary General. These rates have been established by the United Nations Common System based upon the average tax rates of seven capitals -- Geneva, London, Montreal, New York, Paris, Rome and Vienna. (Until 2005, the Union used the tax rates of Geneva alone as the basis for the assessment on staff salaries.)

3. Administration Fees

In 2005, the Union collected administration fees of CHF 135,949. This amount was both more than budgeted and greater than the revenue in the prior year. These fees are the amounts charged for the administration of technical cooperation projects receiving extra budgetary funding from external sources that are described in more detail later.

Expenses in 2005

In Geneva in 2004, the Governing Council approved gross expenditures of CHF 10,316,910 for 2005, but urged the Secretary General to find economies. Notwithstanding some unforeseen expenses for expansion of the New York office and for the meeting of Speakers of Parliament, actual expenditures for the year were CHF 209,825 under the budget. There were three significant factors contributing to these savings: (1) Vacant staff positions; (2) Reduced provision for doubtful accounts; (3) Reduced net expenditures by the ASGP.

- Vacant positions -- Two funded positions, Programme Officer for the Partnership between Men and Women and Bilingual Secretary for Assembly Affairs and Member Relations, were each vacant for a substantial part of the year producing savings in staff costs.
- Doubtful Accounts -- Much former debt was collected during the year, and as a result a much smaller provision for doubtful accounts was required than had been budgeted. The required provision in 2005 was only 0.3 per cent of contributions.

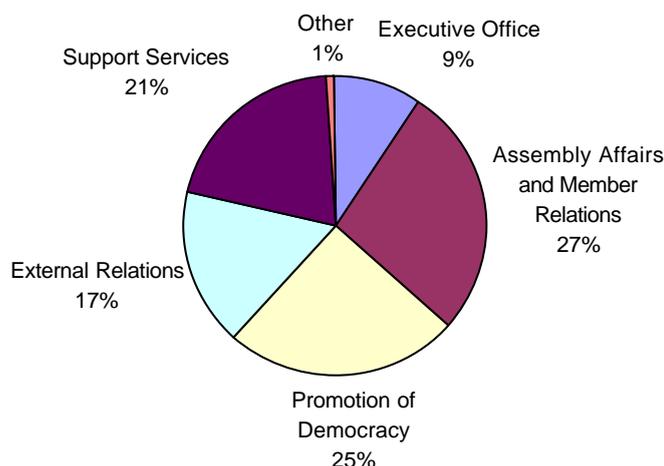
- Grants -- The grant requested by the Association of Secretaries General of Parliaments (ASGP) for 2005 was less than sixty per cent of the amount budgeted.

As mentioned above, there were two items that placed additional strain on the budget:

- In May, the Governing Council approved the lease of expanded office space in New York for the Permanent Observer Office.
- The Governing Council also agreed to hold the Second World Conference of Speakers of Parliaments in New York rather than in Geneva.

Both of these expenditure items were accommodated within the total approved spending limit.

Most of the expenditures are directed towards three divisions managing the substantive programmes -- organizing meetings of parliamentarians, supporting gender partnership, human rights and technical cooperation, and information services and external relations. The Executive Office and Support Services, including office accommodation and supplies for the Secretariat, use 30 per cent of the resources.



1. Executive Office

The operating costs of the Executive Office were CHF 934,358 which was 9 per cent over budget due to expenditures on travel.

2. Assembly Affairs and Member Relations

The total expenditure on the Assemblies and other meetings of the Union, and for the staff assigned to their organization, was CHF 2,843,134.

Specialized meetings held by the Union are included in the division totals. In 2005, these specialized meetings included the Second World Conference of Speakers of Parliaments held in New York, the annual parliamentary conference on the WTO, two meetings of the Steering Committee of the Parliamentary Conference on the WTO, a final meeting of the CSCM and the annual information seminar.

The following tables provide comparative costs for the last six assemblies. Manila was an expensive venue for the first Assembly because of the long distance travelled by temporary staff, who were granted an additional period of travel and rest. The second Assembly in Geneva also cost more than the previous year despite being held over a shorter period because of the larger number of concurrent meetings.

Table 2 - Comparative Costs of the First Assembly (in CHF)

Item	Manila 2005	Mexico 2004	Santiago 2003
Permanent staff overtime	36,524	16,968	13,208
Temp.staff/contractual services	548,857	428,628	455,557
Travel & related expenses	203,387	139,491	162,541
Freight/communication	31,803	42,712	45,468
Supplies/equipment/services	2,668	3,008	2,522
Publications	48,659	69,010	59,047
Gifts/hospitality	1,588	5,852	150
Total Expense	873,486	705,669	738,493

Table 3 - Comparative Costs of the Second Assembly (in CHF)

Item	Geneva 2005 (3 days)	Geneva 2004 (4 days)	Geneva 2003 (3 days)
Permanent staff overtime	24,891	20,776	24,569
Temp.staff/contractual services	279,500	275,203	253,593
Travel & related expenses	18,742	17,376	28,150
Supplies/equipment/services	56,672	49,955	50,825
Publications	29,684	43,122	35,283
Gifts/hospitality	6,486	1,679	36,614
Total Expense	415,975	408,111	429,034

3. Promotion of Democracy

The Division for the Promotion of Democracy had total expenditures of CHF 2,436,840. The expenditures of the Division were 5 per cent under budget mostly because of savings in staff costs from a vacant position.

The Promotion of Democracy encompasses four programme units: Technical Cooperation, the Resource Centre, Human Rights and Partnership between Men and Women.

The expenditures of the Human Rights Programme were CHF 865,484 which were 2 per cent under budget and 2 per cent over the previous year. Savings were realized in transportation costs to and from meetings and missions.

The Programme for Partnership between Men and Women had expenditures of CHF 429,834 which were 21 per cent under budget and 18 per cent less than the prior year. Expenditures were lower because of delay in recruiting a programme officer; however this was offset in part by higher expenditures for consultants and temporary staff. All programmed activities were completed.

4. External Relations

The cost of the Division for External Relations was CHF 1,687,177, which was 5 per cent over the budget and 11 per cent more than the previous year. The expenditures of this Division include the cost of information and communications emanating from Geneva, as well as the cost of operating the Office of the Permanent Observer in New York and the annual parliamentary hearing at the United Nations. The increase in expenditure was the result of the decision approved by the Governing Council to lease a larger office space in New York.

5. Support Services

The expenditures on support services, including finance, administration and accommodation, were CHF 2,110,990 in 2005, which was 2 per cent over budget but 18 per cent less than the previous year. The budgeted savings came from reduced staff costs, lower costs for IT maintenance and connectivity, and lower pension costs.

6. Allowance for Doubtful Accounts

For 2005, CHF 27,518 was contributed to the allowance for doubtful accounts versus a budget of CHF 112,000.

The allowance for doubtful accounts is an amount set aside to cover the write-off of outstanding contributions when a membership is suspended. The required amount of the reserve is calculated based upon the age of the outstanding contributions at the end of the year because the longer that an account has been outstanding, the more probable is the eventual write-off. An annual contribution to the allowance ensures that the reserve is fully funded to cover the probable default of some Members. At the end of 2004 the reserve was CHF 235,803. With the addition of the 2005 contribution and the write-off of the debt of Mauritania, where the parliament was dissolved unconstitutionally, the reserve is now CHF 197,221, which is 13 per cent of the total amount receivable from Members.

7. Grants

The annual grant to the Association of Secretaries General of Parliaments was CHF 57,068 as compared to a budget of CHF 100,000. The Union benefited from operational cost savings made by the ASGP.

Gender analysis of expenditures

Women are involved in all of the activities of the Union. However some of the annual operating expenditures are directed specifically towards raising the profile of women in politics and promoting gender partnership. The following tables provide an indication of the representation of women in the Secretariat and of the gender specific programme expenditures in absolute, relative and comparative terms. The results section of the Financial Report (p. 21) provides guidance on how mainstream activities have affected gender equality.

Representation in the Secretariat	2005		2004	
	No.	%	No.	per cent
Women on Staff - General Services	13	87%	16	94%
Women on Staff - Professional	10	48%	8	42%
Women on Staff - Total	23	64%	24	67%
Women recruited during year	2	67%	2	33%
Women promoted during year	5	83%	0	-

Gender Specific Allocations	2005		2004	
	CHF	%	CHF	per cent
Personnel	351,800	4%	450,636	7%
Goods and Services	78,034	3%	73,350	2%
Extra-budgetary funds	93,491	4%	53,091	6%

Capital Expenditures

In 2005, CHF 91,178 was spent on furniture and equipment, including the routine replacement of information technology. Much of this expenditure was related to the expansion of the office accommodation in New York.

Extra-budgetary Items

During 2005, the Union implemented several projects with extra-budgetary funding. These projects included the provision of technical assistance in developing countries and the production of parliamentary handbooks. Total extra-budgetary expenditures in 2005 were the equivalent of CHF 2,321,124.

The Union received new funding commitments for technical cooperation totalling CHF 1.0 million, each of which is subject to a grant agreement with the funder. The largest new commitments came from the Government of Equatorial Guinea and from the Swedish International Development Agency.

A detailed list of extra-budgetary expenditures and commitments is provided in the notes to the financial statements (Note 5).

Staff Pension Fund

At the end of 2004, the Pension Fund of the Inter-Parliamentary Union was terminated in respect to active employees. Effective 1 January 2005 the Union became a member of the United Nations Joint Staff Pension Fund (UNJSPF), and the liability for pensions of active staff members was transferred to the UNJSPF along with a cash payment.

There remains a legacy fund to cover the pension commitments made to former employees of the Union who have already retired. The legacy Pension Fund of the Inter-Parliamentary Union, guaranteed by the Inter-Parliamentary Union, is committed to pay a specified pension to each retiree or their survivors based on various factors, including the number of years of service and salary at retirement. There is also a commitment to some active staff members to pay a pension for up to two years from the age of retirement until the commencement of a pension from the UNJSPF.

At 31 December 2005, the assets of the Pension Fund at market value were CHF 14.9 million. The assets of the Pension Fund will be applied towards two sets of liabilities:

(1) Current Pensioners

There are twelve current pensioners of the Pension Fund, ranging in age from 58 to 84 years. The annual cost of their pensions is CHF 1.0 million and the youngest pensioner has 24 years of life expectancy. Based upon 2001 life tables, and a 3 per cent discount rate, the total present value of the pensions of the current pensioners and their survivors is CHF 13.0 million.

(2) Acquired Rights

Eleven active staff members have a normal retirement age of 60 but will not receive a pension from the UNJSPF until the age of 62. The present value of the partial pensions payable to these staff members from the age of 60 until the age of 62 is CHF 0.9 million.

The current reserves of the Pension Fund are sufficient to meet the estimated future liabilities. Whereas these estimates are sensitive to the longevity of retirees, returns on investments of the Fund, the rate of inflation, and individual retirement plans, it will be necessary to review the estimates annually.

Recommendations

(1) Under Rule 4.5 of the Financial Regulations, any balance of the budgetary appropriations at the close of the financial year shall be submitted by the Secretary General, through the Executive Committee, to the Governing Council for decision concerning its use. The Secretary General recommends that the operating surplus from 2005 be transferred to the Working Capital Fund.

(2) In accordance with Rule 13.3, it is recommended that the Governing Council approve the financial administration of the Inter-Parliamentary Union and the financial results for 2005.

Management's Responsibility for Financial Reporting

The management of the Inter-Parliamentary Union is responsible for the reliability, integrity and objectivity of the accompanying financial statements and annual financial report. The financial statements have been prepared in accordance with International Public Sector Accounting Standards. Where necessary, the statements include amounts that are based on judgements and estimates by management. To assist management in fulfilling its responsibilities, a system of internal accounting controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The Governing Council is responsible for approving the Annual Financial Statements. The Governing Council has delegated certain responsibilities to the Internal Auditors, including the responsibility for reviewing the annual financial statements and meeting with management and the external auditor, as necessary, on matters relating to the financial reporting process.

These financial statements have been audited by the external auditor appointed by the Executive Committee.



Anders B. Johnsson
Secretary General



John Piper
Director, Support Services

External Auditor's Opinion

In execution of the mandate granted to me, I have audited the accounts of the Inter-Parliamentary Union for the year ending 31 December 2005.

The book-keeping was duly made available to me at the Union's headquarters. The audit consisted of verifying the income and expenditure operations of the financial year and the content of the balance sheet. My examination included a general review of the accounting records by spot checks and other supporting evidence as I considered necessary in the circumstances. Furthermore, the audit consisted of checking administrative practices and procedures where they could have economic implications.

I certify that the accounts and financial statement present fairly the financial operations of the Organization during 2005 and its financial situation at the end of 2005.



Lars Christian Møller
Deputy Director General
Riksrevisjonen, Norway

INTER-PARLIAMENTARY UNION
Statement of Financial Position

at 31 December 2005

In CHF (Swiss francs)

	2005	2004
ASSETS		
Cash on Hand	32,274	23,447
Cash on Deposit	1,464,485	2,238,713
Term Deposits	3,658,822	3,493,259
	<u>5,155,581</u>	<u>5,755,419</u>
Accounts Receivable		
from Members (Notes 3 & 4)	1,339,368	1,011,259
from Staff	76,927	67,865
from Funders (Note 5)	1,254,133	62,784
from Tax Reimbursements	19,084	26,498
Others	36,003	90,360
	<u>2,725,515</u>	<u>1,258,766</u>
Prepaid Expenses (Note 6)	159,739	69,168
Inventories of Official Gifts	16,570	15,473
Fixed Assets (Note 7)		
Building and Grounds	9'356'495	9,356,495
Furnishings	738,030	683,718
IT Equipment	287,504	390,061
Vehicles	42,053	42,053
less Accumulated Depreciation	(1,077,694)	(824,076)
	<u>9,346,388</u>	<u>9,648,251</u>
Total Assets	<u>17,403,793</u>	<u>16,747,077</u>
LIABILITIES AND RESERVES		
Accounts Payable and Accrued Payables	538,661	613,891
Advances for Technical Cooperation (Note 5)	1,294,929	486,248
Advances from Members	155,466	555,730
	<u>1,989,056</u>	<u>1,655,869</u>
Trust Funds (Note 8)	18,270	0
Loans (Note 9)		
Current Portion	189,600	190,000
Long Term	8,721,600	8,910,000
Deferred Liabilities (Note 10)	1,438,313	1,438,313
	<u>12,356,839</u>	<u>12,194,182</u>
Total Liabilities	<u>12,356,839</u>	<u>12,194,182</u>
Working Capital Fund (after contribution)	5,046,954	4,552,895
Total Liabilities and Reserves	<u>17,403,793</u>	<u>16,747,077</u>

INTER-PARLIAMENTARY UNION

Statement of Financial Performance

for the year ended 31 December 2005

In CHF (Swiss francs)

	2005	2004
Operating Income		
1 Assessed Contributions	10,156,910	9,815,530
2 Staff Assessment (Note 2(i))	1,243,291	1,194,861
3 Sales of Publications	16,567	19,012
4 Administrative Fees (Note 12)	135,949	66,847
5 Other income (Note 13)	6,504	66,158
Total Operating Income	<u>11,559,221</u>	<u>11,162,408</u>
Operating Expenses		
1 Executive Office	934,358	875,429
2 Assembly Affairs and Relations with Member Parliaments	2,843,134	2,395,385
3 Promotion of Democracy	2,436,840	2,271,079
4 External Relations	1,687,177	1,525,044
5 Support Services	2,110,990	2,567,762
6 Unallocated Staff Costs (Note 2(i))	1,243,291	1,194,861
7 Allowance for Doubtful Accounts	27,518	50,127
8 Grants	57,068	93,583
Total Operating Expenses	<u>11,340,376</u>	<u>10,973,270</u>
Operating Surplus/(Deficit)	<u>218,845</u>	<u>189,138</u>
Working Capital Fund, Beginning of Year	4,552,895	4,221,599
Operating Surplus	218,845	189,138
Interest earned (Note 14)	39,341	38,699
Other Contributions (Note 14)	235,873	103,459
Working Capital Fund, End of Year	<u>5,046,954</u>	<u>4,552,895</u>

INTER-PARLIAMENTARY UNION

Statement of Cashflows

for the year ended 31 December 2005

In CHF (Swiss francs)

	2005	2004
Opening Cash Balance	5,755,418	5,487,101
Cash provided by (used in) Operations		
Operating Surplus	218,845	189,138
plus non-cash expenditures	393,040	565,328
Changes in Receivables	(1,466,749)	(211,567)
Changes in inventories and prepaid expenses	(91,667)	119,523
Changes in Payables	333,188	(252,553)
Total cash from operations	<u>(613,343)</u>	<u>409,869</u>
Cash provided by the Working Capital Fund		
Other Contributions	235,873	103,459
Interest	39,341	38,699
Total cash from Working Capital Fund	<u>275,214</u>	<u>142,158</u>
Cash used in Financing Activities		
Loan from (Repayment to) Swiss Federal Government	(188,800)	(190,000)
Change in Trust Fund Balance (Note 8)	18,270	0
Total cash from Financing	<u>(170,530)</u>	<u>(190,000)</u>
Cash used in Investing Activities		
Other Assets	(91,178)	(93,710)
Total cash used in investments	<u>(91,178)</u>	<u>(93,710)</u>
Closing Cash Balance	<u>5,155,581</u>	<u>5,755,418</u>

Notes to the Financial Statements

1. Nature of the Organization

The Inter-Parliamentary Union is the international organization of the Parliaments of sovereign states and has a unique inter-state character. It is the focal point for world-wide parliamentary dialogue. Since 1889, the IPU has worked for peace and cooperation among peoples and for the firm establishment of representative institutions. The Union shares the objectives of, and works in close cooperation with, the United Nations where it is an official observer. It also cooperates with regional inter-parliamentary organizations, as well as with international, intergovernmental and non-governmental organizations which are motivated by the same ideals.

The IPU is an international parliamentary political organization and possesses international legal personality. The IPU is representative in character and organization, subject to the rule of law, and governed by its constitution. States and international organizations dealing with the IPU have recognized its standing, authority and capacity to act on the international plane, within the area of its functional responsibilities, as the international organization of parliaments.

Since 1 January 2005, the IPU is affiliated with the United Nations Joint Staff Pension Fund.

The "Financial Regulations of the Inter-Parliamentary Union" is the overall governing instrument of the Union's financial administration.

2. Accounting Policies and Basis of Presentation

The financial statements have been prepared in accordance with the requirements of International Public Sector Accounting Standards applicable to a going-concern, which assume that the organization will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

(a) Revenue Recognition

Assessed contributions are recognized as revenue when they come due. Other revenues are recognized when services are performed or when products are shipped. Reimbursements for disbursements made under grant agreements are not recognized as revenue.

(b) Inventories

Stocks of publications for future distribution are written down to a net realizable value of nil in each reporting period. Official gifts are valued at cost.

(c) Property, Plant, Equipment and Depreciation

The value of the headquarters building and office equipment are recorded at cost, which includes interest costs and project management costs incurred during the construction or acquisition. Capital costs are reduced by the amounts of any capital grants received. The Union reviews the value of its property, plant and equipment at the end of each reporting period to determine whether carrying values are recoverable with any resulting write downs charged as an expense.

Buildings and each class of equipment are depreciated on a straight-line basis over their useful estimated lives which are as follows:

Category	Useful Life
Buildings	50 years
Furnishings	6 years
Vehicles	5 years
IT hardware and software	3 years

(d) Taxes

The IPU has been expressly recognized by the two countries in which it is physically located, Switzerland and the USA, as an international organization entitled to the appropriate privileges and immunities. It enjoys a special international organization tax-exempt status in both countries. In Switzerland, under the terms of a 1971 Accord, the IPU is exempt from direct and indirect federal, cantonal, and community taxes and is subject to the same duties as other international organizations. In the United States, the IPU is exempted from direct federal taxes and duties

under the terms of the International Organizations Immunities Act and is exempted from the payment of New York State and local sales and use taxes. The wages of non-US employees are likewise exempted from direct taxation in both countries.

Any recoverable taxes paid in either jurisdiction are recorded as Accounts Receivable.

(e) Pension and Retirement Allowance Expenses

The Union has a pension fund for past retirees which is operated as a separate entity and which is governed by its own Pension Board. The Union's representative on the Pension Board provides an oral report to the Executive Committee each year on the activities of the pension fund.

Active employees participate in the United Nations Joint Staff Pension Fund. The liability of the Union in respect to the pensions of active employees is limited to the annual contributions and any deficiency payment determined by the Fund.

Other retirement allowances earned by employees are reported as expenses in the year they are earned (Note 10).

(f) Foreign Currency Translations

The Union uses Swiss Francs as its functional currency. Revenue and expense items arising from transactions in US Dollars are converted into Swiss Francs at the UN exchange rate for the month. Transactions in Euros are converted into Swiss Francs at the rate posted by the European Central Bank. Transactions in other currencies are converted into Swiss Francs at the spot rate quoted on the internet at the time of posting. Monetary assets and liabilities are translated into Swiss Francs at the exchange rate in effect at the balance sheet date. Exchange gains or losses from translations of monetary items are recognized as expenses.

(g) Use of estimates

The preparation of financial statements in conformity with IFAC International Public Sector Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on management's best knowledge of current events and actions that the Union may undertake in the future. Actual results could differ from these estimates.

(h) Consolidation

The consolidated financial statements include the accounts of the Union and the accounts of technical cooperation projects carried out with third party funding. All inter-company transactions and balances are eliminated on consolidation.

(i) Changes in accounting policies

The gross amount of staff salaries has been reported as an expense, while the internal staff assessment has been reported as revenue. The amount of staff assessment is determined in accordance with the United Nations common system of salaries, allowances and benefits based upon the average tax rates of Geneva, London, Montreal, New York, Paris, Rome and Vienna.

6. Prepaid Expenses

The Union has already paid some expenses that relate to 2006 including rents, postage meter deposits and grants. These disbursements have been reported as current assets.

7. Property, Plant and Equipment

- (a) The Union owns a headquarters building and annex in Grand-Saconnex, Switzerland. The building is located on land owned by the Canton of Geneva, which has been set aside for the use of the Union for the next 47 years. The Union has agreed to purchase the existing building and annex on the site for CHF 1'205'000. Including registration fees the purchase will cost CHF 1,253,450.
- (b) The Union has undertaken new construction and renovations of the property at a net cost of CHF 9,356,495 after deducting grants received.
- (c) Depreciation is recorded in accordance with the policy described in note 2(c). A detailed inventory is kept for all computer related hardware and software as this is routinely replaced and upgraded and represents a significant investment.

Year	Buildings and Grounds		Furnishings		Information, Technology and Communications Equipment		Vehicles	
	2005	2004	2005	2004	2005	2004	2005	2004
Opening Balance	8,982,235	9,217,011	494,044	620,955	139,530	279,502	32,442	2,400
Additions	0	0	54,313	20,869	36,865	33,789	0	39,053
Depreciation	(187,130)	(187,130)	(113,953)	(110,475)	(83,546)	(118,757)	(8,411)	(8,411)
Revaluations	0	(47,646)	0	(37,305)	0	(55,004)	0	(600)
Closing Balance	8,795,105	8,982,235	434,404	494,044	92,848	139,530	24,031	32,442
Gross Carrying Amount	9,356,495	9,356,495	738,030	683,718	287,504	390,061	42,053	42,053
Accumulated Depreciation	(561,390)	(374,260)	(303,626)	(189,673)	(194,656)	(250,532)	(18,022)	(9,611)
Net Carrying Amount	8,795,105	8,982,235	434,404	494,044	92,848	139,529	24,031	32,442

8. Trust Funds

The Inter-Parliamentary Union is holding funds in trust for the main participants in the Conference on Security and Cooperation in the Mediterranean. Ten participating parliaments made contributions towards the process. After disbursements, the balance held in trust was CHF 18,270.

Receipts	
- Voluntary Contributions	89,600
Total Receipts	89,600
Disbursements	
- Transportation	3,584
- Interpreters	17,250
- Other meeting costs	496
- Staff support	50,000
Total	71,330
Balance of Trust Fund	18,270

9. Long term debt

The Inter-Parliamentary Union has a CHF 9,480,000 loan from the Federal Government of Switzerland for the construction and renovation of the headquarters premises, of which CHF 8,911,200 is outstanding. The loan has a fifty-year term maturing in 2052 and is interest free.

The principal amounts payable in each of the next five years are:

Year	CHF
2006	189,600
2007	189,600
2008	189,600
2009	189,600
2010	189,600

10. Other long term liabilities

The Union has contracts with employees that require the payment of certain benefits upon retirement or separation. These benefits include grants for removal expenses and a reinstallation premium as well as allowing employees to carry forward and eventually cash out up to 60 days of annual leave credits. At 31 December 2005, the total liability of benefits payable to staff was:

Amount in CHF	2005	2004
Grants for Removal Expenses	466,745	324'000
Reinstallation Premiums	571,927	634,428
Unused Leave Entitlements	360,000	479,885
Provision for Unforeseen	39,641	0
Total	1,438,313	1'438,313

11. Commitments and Contingencies

(a) The Union has undertaken to purchase the building that houses the new headquarters from the Canton of Geneva for an amount of CHF 1'205'000. The vendor has offered to take back a 100 per cent mortgage on the property repayable over 25 years with no interest. The principal amounts payable in each of the next five years will be:

Year	CHF
2006	48,200
2007	48'200
2008	48'200
2009	48,200
2010	48'200

(b) The Union has a nine-year lease expiring in 2012 for office accommodation at 220 East 42nd Street in New York, USA. Projected future lease payments are as follows:

Year	Agreement amount	Equivalent
2006	USD 112,745	CHF 146,696
2007	USD 115,342	CHF 151,098
2008	USD 120,444	CHF 157,782
2009	USD 124,968	CHF 163,708
2010	USD 127,852	CHF 167,486

12. Contingent Liabilities

Several staff members have received notices of tax assessment from the Ministry of Economy, Finance and Industry of France relating to income earned from the Union in 2001, 2002, 2003 and 2004. The Union is contractually obligated to reimburse to staff members any national taxes paid in respect to income earned from the Union.

13. Administrative Fees

The Union charges administrative fees for the projects it implements with funding from other agencies. In 2005, the Union collected fees in the amount of CHF 135,949.

14. Other Income

Other income of CHF 6,504 includes room rentals and other charges.

15. Other contributions

According to the financial regulations, the Working Capital Fund receives:

- (a) Corresponding appropriations included in the annual budget as its replenishment and/or its increase;
- (b) Contributions from newly affiliated or re-affiliated Parliaments for the current year;
- (c) Income derived from its investments;
- (d) Any other amount as decided by the Council.

During 2005, the Union assessed contributions to the Working Capital Fund of CHF 235,873 for the affiliation of the Maldives and for the re-affiliations of Dominican Republic, Georgia and Madagascar. Interest earnings on the Working Capital Fund were CHF 39,341.

16. Comparative amounts

Certain comparative amounts have been reclassified to conform with the financial statement presentation adopted in the current year.

Schedule 1 - Expenditure by Programme and Category of Expense

	Programme	Permanent Staff	Temporary Staff	Travel Costs	Supplies and Services	Grants ¹ and Honorariums	Other ²	Total
1	Executive Office	689,483	1,843	183,360	29,672	30,000	-	934,358
2	Assembly Affairs and Relations with Member Parliaments	1,162,952	940,037	302,136	438,009	-	-	2,843,134
3	Promotion of Democracy	1,897,211	99,993	120,265	319,371	-	-	2,436,840
4	External Relations	1,180,857	54,285	47,627	404,408	-	-	1,687,177
5	Support Services	1,059,746	26,777	3,133	628,294	-	393,040	2,110,990
6	Unallocated Staff Costs	1,243,291	-	-	-	-	-	1,243,291
7	Transfer of Funds	-	-	-	-	57,068	27,518	84,586
	TOTAL	7,233,540	1,122,935	656,521	1,819,754	87,068	420,558	11,340,376

¹ Grants include ASGP.

² Other includes depreciation, allowance for doubtful accounts.

Schedule 2 - Programme Results for 2005

Assembly Affairs and Relations with Member Parliaments

Objective 1: *The IPU is the focal point for worldwide parliamentary dialogue. It considers questions of international interest and expresses its views on such issues with the aim of bringing about action by parliaments and their members. It fosters contacts, coordination and exchange of experience among members of parliament and offers them opportunities to engage in parliamentary diplomacy.*

Expected accomplishments	Indicators of achievement	Results achieved
<p>The Union will hold two Assemblies, each with debates in three Standing Committees, panel discussions and several other parallel events.</p> <p>The Union will organise several other events in the course of the year, including several meetings on international trade</p>	<p>The number of parliaments attending the Assemblies and the overall number of delegates.</p>	<p>At the 112th Assembly of the IPU (Manila - April), 116 Member Parliaments were in attendance and 601 MPs. At the 113th Assembly (Geneva - October), 130 Member Parliaments were present with a total of 530 MPs. In accordance with Article 10 of the Statutes, more MPs from each parliament are allowed to attend the first Assembly than the second Assembly.</p>
	<p>The level of satisfaction of the participants.</p>	<p>The usual services available for delegates at IPU Assemblies were provided at the two Assemblies in 2005 to the satisfaction of all participants.</p>
	<p>Provision of supporting documents in a timely fashion.</p>	<p>All statutory deadlines, such as the date by which the Assembly Convocation and related documents should be sent to IPU Member Parliaments, were respected. There was a slight delay in the transmission of documents of the Standing Committees due to the preparation time required by the co-Rapporteurs. The subsequent deadlines for Member Parliaments to submit comments, suggestions and/or amendments were extended to avoid any inconvenience to Members.</p>
	<p>Number and quality of facilities placed at the disposal of members to carry out parliamentary diplomacy.</p>	<p>As per the Agreement and its Protocol, a sufficient number of rooms were provided for bilateral meetings, as well as rooms for informal meetings of geopolitical groups and others meeting on the fringes of the Assembly.</p>
	<p>Circulation of reports and summary records within the stipulated deadlines.</p>	<p>The Results brochures of the two Assemblies were circulated within two weeks after the close of the events. The summary records of the 2005 Assemblies were sent to all IPU Member Parliaments within the statutory deadlines.</p>

Objective 2: *The IPU promotes peace and security in several ways, including through the convening of special mechanisms for dialogue on security and cooperation.*

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
One meeting of the Committee on Middle East Questions	The number of Israeli and Palestinian members of parliament and the level of their satisfaction.	The Committee on Middle East Questions met at the 112 th Assembly. The hearing with the Knesset and the Palestinian National Council was attended by 2 Israeli MPs and 3 Palestinian MPs.
One meeting of the CSCM and two meetings of its coordinating committee	The number of participants, the extent to which all parties to the CSCM process are represented and the level of their satisfaction. Advancement of the CSCM agenda.	The Fourth Inter-Parliamentary Conference on Security and Cooperation in the Mediterranean (CSCM) took place in Nafplion in February at the invitation of the Greek Parliament. The main participants agreed to transform the CSCM process into a Parliamentary Assembly of the Mediterranean (PAM) and to adopt the Statutes for this new assembly. 23 of the 24 main participants attended the Conference. A Preparatory Meeting for the PAM took place at <i>La Maison de la Méditerranée</i> in Naples (Italy) on 26 June 2005. The meeting was hosted by the Italian Parliament and was attended by 58 delegates from the main and associate participants in the CSCM process.
One meeting of the Group of Facilitators for Cyprus	The number of participants from both parties.	A dialogue was arranged between the delegates of the House of Representatives of Cyprus and representatives of the Turkish Cypriot political parties under the auspices of the Group of Facilitators at the 112 th Assembly.

Promotion of Democracy

Objective 1: *To strengthen the capacity of parliaments to perform their constitutional functions.*

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Identify needs for technical assistance in three countries, design technical assistance projects and obtain funding for them	Agreements concluded to provide the required development assistance	<p>A Memorandum of Understanding (MoU) was concluded with UNDP Afghanistan for implementation of a jointly designed project following a needs assessment mission to Kabul in October 2004.</p> <p>A MoU was signed between the IPU and the Parliament of Pakistan for implementation of specific activities supported by the UNDP.</p> <p>An agreement was signed between the IPU, UNDP, OHCHR and the Parliament of Uruguay to assist that parliament.</p>
Strengthened capacity in parliaments	Projects, including consultancy missions, training seminars, staff attachments, study tours, etc., carried out in six countries.	The IPU implemented or contributed to projects for the Parliaments of Afghanistan, Algeria, Equatorial Guinea, Nigeria, Vietnam, Comoros and Rwanda. Consultancy and advisory services were provided in all cases. Specific project activities included training seminars, attachments and study visits for parliamentary staff and MPs.
	Three regional seminars organised on issues of relevance to parliaments	<p>Three regional seminars attended by a total of over 200 MPs were organized on different themes:</p> <ul style="list-style-type: none"> • Parliamentary oversight of the security sector (Uruguay - July) • Role of parliaments in national reconciliation (Burundi - November) • Sustainable development (Lebanon - November) <p>Also an inaugural conference was organized for the global capacity-building initiative for parliaments on sustainable development (France - April), attended by more than 160 MPs from 74 countries</p>
	Agreements by member parliaments to provide intellectual and material assistance in the context of technical cooperation	The Parliaments of Australia, Belgium, Morocco, Indonesia, Lebanon, France, South Africa, Kenya, Belgium, Philippines, Thailand and Zambia provided assistance to IPU-sponsored technical assistance projects in 2005.
	Requests for the handbook on reconciliation	Additional copies of <i>Making Reconciliation Work: The Role of Parliaments</i> were requested by the parliaments of Togo and Ghana.

Objective 1 (Continued): To strengthen the capacity of parliaments to perform their constitutional functions (Cont.).

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Additional funding for democracy-related activities	Agreements concluded with donors to fund seven projects for democracy	Funding was obtained for country-specific projects in Equatorial Guinea, Nigeria and Pakistan. Eleven donors made new commitments for global democracy projects implemented by the IPU.
More awareness of the role of the IPU in promoting-democracy and strengthening parliaments	IPU representation in at least 2 democracy related meetings	The IPU participated in <ul style="list-style-type: none"> • the conference on preparatory assistance for the use of ICTs to empower parliaments (Belgium - July) • the inaugural conference of the Global Centre for IT in Parliament (Tunis - November) • a regional meeting on developing guidelines for provision of assistance to post conflict parliaments (Nairobi - June) and a subsequent meeting organized with UNDP to develop the guidelines (Geneva - July).

Objective 2: To promote better understanding of parliaments and to make information available to them to strengthen their means of action.

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Provision of information about democracy to parliaments and other interested parties	<i>Chronicle of Elections</i> and <i>World Directory of Parliaments</i> issued on schedule	The <i>World Directory of Parliaments</i> was published one month earlier than previous years. The <i>Chronicle of Parliamentary Elections</i> was published one month behind schedule due to difficulties in obtaining and verifying data. Work began on a new publication <i>Panorama of Parliamentary Elections</i> that will complement the <i>Chronicle</i> with more detailed political analysis of elections.
	Number of hits on PARLINE database	PARLINE was updated regularly. Entries were introduced for 16 new parliamentary chambers in 11 countries. More detailed information was provided in terms of seat breakdown and data was harmonised with that of the women's database. The PARLINE database is among the top 5 most used pages on the IPU web site.

Objective 2 (Continued): To promote better understanding of parliaments and to make information available to them to strengthen their means of action (Cont.).

Expected accomplishments	Indicators of achievement	Results achieved
Provision of information about democracy to parliaments and other interested parties	Publication of a revised version of <i>Free and Fair Elections</i>	A collection of papers from the 2004 International Round Table on Electoral Standards was published in November 2005 under the title <i>Revisiting Free and Fair Elections</i> . These papers were also published in <i>Representation</i> , a widely read journal about elections, voting systems and their place in democracy. The new, expanded version of <i>Free and Fair Elections</i> is ready for publication pending translation.
	Publication of a study on executive-legislative relations	Data on parliamentary oversight was finalized, translated, verified and entered into the PARLINE database. Analysis of this data, which will form the basis of the revised version of the study on executive-legislative relations, was begun.
	Publication of a draft report on a framework for parliamentary good practices in democracy	The panel to provide guidance on the framework met twice and a draft report <i>Parliament and Democracy in the Twenty-First Century</i> was submitted to the Second World Conference of Speakers of Parliaments. By the end of the year, all 8 chapters of the guide had been drafted for publication in 2006.
	Roadmap for transformation of the Resource Centre	A roadmap was adopted by the Executive Committee in April. The IPU will use its comparative advantage as the international organization of parliaments, with access to senior members of most parliaments of the world, to offer a global perspective on issues pertaining to democracy. The Resource Centre aims to be a proactive provider of information and research to key target audiences, and an information hub, offering pointers to online resources and access to networks of parliamentary expertise.
	Number of requests filled for parliament-related information	More than 200 queries from different sources - parliaments, international organizations, students - were handled by the Resource Centre. Queries covered a wide range of subjects from the effects of parliamentary structures on the quality of democracy to the role of IPU founders Frédéric Passy and Randall Cremer in bringing about international peace. Research was published regularly in the IPU <i>World of Parliaments</i> quarterly.

Objective 3: To manage the increasing case load of the Committee on the Human Rights of Parliamentarians

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Regular functioning of the Committee	Four meetings of the Committee Reports and decisions adopted by Committee and Governing Council	The Committee on the Human Rights of Parliamentarians held four sessions at which they examined 54, 57, 55 and 61 cases respectively and adopted decisions on them. In April and October, it submitted 26 and 31, respectively of these cases to the Governing Council in a public report. They were supported by resolutions of the Council.
	Two on-site missions	One mission in a confidential case took place in June 2005. The second mission, scheduled for late 2005, did not take place for lack of approval of the authorities.
	Observers at two trials	Observations took place in the trial of Mr. Hussam Khader (Palestine/Israel) and in the trial of Mr. Javed Hashmi (Pakistan).
	Updated manual on committee jurisprudence	Deferred
Proper follow-up to decisions and satisfactory settlement of cases	Number of cases which are closed due to satisfactory settlement	Seven cases were closed following their satisfactory settlement.

Objective 4: To raise awareness within parliaments of their role as guardians of human rights

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Greater capacity in parliaments with respect to the protection of human rights	Successful seminars/satisfied participants	A seminar was held for members of parliamentary human rights bodies on "Freedom of expression, parliament and the promotion of tolerance" (Geneva - May). A seminar was held for members of parliament and others on issues relating to indigenous populations (Geneva - July). In evaluation forms, participants expressed their satisfaction at the presentations, debate and outcome of both seminars.
	More parliamentary human rights bodies established and more human rights activities in parliaments	The IPU was informed of the establishment of human rights bodies in the Parliaments of Congo, Egypt, Serbia and Montenegro and Togo.
	Updated database of parliamentary human rights bodies	The database is updated on a continuing basis. In 2005, the entries for 26 parliamentary human rights bodies were updated.

Objective 5: To raise awareness outside parliaments of their importance as guardians of human rights and to raise awareness also of the human rights activities of the IPU

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
<p>More information made available to external parties</p>	<p>Increasing reference to parliaments and the IPU in relevant United Nations documents and documents of other organizations</p>	<p>The number of occurrences of 'parliament' in United Nations documents on the subject of human rights rose from 184 in 2004 to 212 in 2005 (Source: United Nations Official Document System). This increase confirms the trend observed since 1999.</p> <p>The IPU and the OHCHR published Human Rights: Handbook for Parliamentarians which was widely distributed.</p>
	<p>Involvement of parliaments and the IPU in international/regional human rights events</p>	<p>The IPU participated through written and oral contributions in the 61st session of the UN Commission on Human Rights and contributed to UN human rights training sessions. It cooperated with the Parliamentary Assembly of the Council of Europe, the African Commission on Human and People's Rights and the European Parliament on individual human rights cases. In October 2005, at the recommendation of the Governing Council and the Committee on the Human Rights of Parliamentarians, a third-party intervention was submitted to the European Court of Human Rights in the case of Ms. Merve Safa Kavakçı.</p>

Objective 6: *To raise the profile of women in politics.*

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
More balanced participation of men and women and mainstreaming of gender in all IPU activities	Total number of women parliamentarians attending IPU Assemblies and other meetings Elected positions held by women	A record-breaking 165 women parliamentarians attended the 112 th Assembly and 179 attended the 113 th Assembly accounting for 32.5% of all participants. Two women were elected to the Executive Committee bringing the total number of women members to 7 (41% of the members). Ms Margaret Mensah Williams (Namibia) was elected Vice-President of the Executive Committee.
Substantive input by women parliamentarians in the work of the IPU	Participation in the Meeting of Women Parliamentarians, the Coordinating Committee of Women Parliamentarians and the Gender Partnership Group at IPU Assemblies	120 women parliamentarians took part in the annual meeting of Women Parliamentarians (Manila - April). They proposed amendments to the draft resolution on HIV/AIDS to ensure that gender issues were mainstreamed. The Coordinating Committee of Women Parliamentarians met twice at the 112 th and 113 th Assemblies. It submitted amendments to the draft resolution on "Migration and Development" to ensure that gender issues and concerns were included in the final text. The Gender Partnership Group held two sessions at the 112 th and 113 th Assemblies and a hearing was organised with the delegation of Kuwait.
Public access to bibliographic data on women in politics	Number of bibliographic references Number of hits on the web site	There are now more than 2200 references (an increase of 6%) in the database. Contacts with libraries and universities have been made in order to give wider visibility to this research tool.
Public access to current data on the presence of women in national parliaments	Updated information on the web site Number of hits on the web site	The statistical information on women in parliament was updated each month. Text was added on recent developments, results of seminars and projects, and other information. A general review of the women's web pages was carried out in preparation for a comprehensive update in 2006.

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Documentation of the status of women in national parliaments	Map on women's representation in parliament and the executive branch Other reports and analysis Number of requests for publications	<p>The IPU and the United Nations Division for the Advancement for Women jointly produced a Map "Women in Politics: 2005", which presents information and statistics on women in Parliament, women in Government and women at the highest positions of State.</p> <p>An information kit on "Women in politics: 1945- 2005", composed of six data sheets on women's participation in politics over the past 60 years, was produced on the occasion of the 49th session of the UN Commission on the Status of Women.</p> <p>An analytical research paper was written on progress made by women in Parliament over the past 10 years.</p> <p>The IPU contributed chapters to three publications:</p> <ul style="list-style-type: none"> • IDEA, Women in Parliament: Beyond Numbers; • D. Dalherup (Ed.), Women, Politics and Quotas; • C. Ockrent and S. Treiner (Eds.), Le Livre noir des femmes.

Objective 7: *To promote gender partnership in national parliaments, sensitise parliamentarians to gender issues and strengthen the capacity of women parliamentarians*

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Greater capacity among women to influence parliamentary outcomes	Two seminars for women parliamentarians	<p>A regional seminar on "Parliament, Budget and Gender" was organized for Latin American MPs (San Salvador - September). A national seminar on the role and functioning of parliament was organised for women running for election in Bahrain (September).</p> <p>A parliamentary day on women in parliament, entitled Beyond Beijing: Towards Gender Equality in Politics, was held on the occasion of the 49th session of the UN CSW. It brought together 250 participants from 68 countries.</p>
	One seminar on CEDAW	The third IPU information seminar on CEDAW (New York - October) brought together 61 MPs from 34 countries.

Objective 8: To promote respect for international humanitarian law and promote volunteer work

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Greater awareness by parliamentarians of their role in promoting IHL and volunteerism	Participation in meetings of the Committee to Promote Respect for International Humanitarian Law (IHL)	A meeting of the Committee to Promote Respect for International Humanitarian Law (IHL) took place on the occasion of the 112 th Assembly. The Committee discussed the question of missing persons with the ICRC and proposed this topic for debate at a Standing Committee.
	Survey and report on missing persons legislation	<i>Nationality and Statelessness: A Handbook for Parliamentarians</i> was produced with the UNHCR. The handbook was launched during the 113 th Assembly, in English and French.
	Requests for the <i>Handbook for Parliamentarians on Refugee Protection, Handbook on Statelessness, and Guidelines on Enabling Volunteer Legislation</i>	The handbook <i>Refugee Protection: A Guide to International Refugee Law</i> now exists in 34 languages. <i>Guidelines on Enabling Volunteer Legislation</i> was published in Russian and now exists in 5 languages. 4,000 copies of these handbooks have been distributed.

Objective 9: To raise awareness in parliaments of the need to strengthen their action in the promotion and respect of child rights

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Parliamentary action to improve understanding of child rights and the obstacles to their enjoyment	Panel discussion on child protection issues	A panel discussion on Violence against Women and Children during armed conflict was organised at the 112 th IPU Assembly, in cooperation with UNICEF.
	Seminar on child protection issues	A regional seminar on Violence Against Women, Abandoning Female Genital Mutilation: <i>The Role of National Parliaments</i> was organised by the African Parliamentary Union and the National Assembly of Senegal, in cooperation with IPU and UNICEF, in December 2005.
	Requests for the <i>Handbook for Parliamentarians on Child Protection</i> Publication of guidelines	A IPU/UNICEF handbook <i>Combating Child Trafficking</i> was launched at the 112 th IPU Assembly. The IPU distributed approximately 1000 copies each of the handbook on child protection and the handbook on child trafficking.

External Relations

Objective 1: *Consolidating relations with the United Nations and developing new cooperation opportunities*

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Identify new areas of cooperation and define projects accordingly.	New cooperation projects that have become operational	The Second World Conference of Speakers of Parliaments became the highest level parliamentary process taking place at the United Nations. Planning started on joint activities with the UN in the areas of: <ul style="list-style-type: none"> • New and Restored Democracies (2006 Qatar Conference), • HIV-AIDS (parliamentary panel discussion at the UN), and • Least Developed Countries (2006 Mid-term Review). IPU and national parliaments were involved in the LDC Mid-term Review process.
Assist in developing a regular pattern of consultation and coordination between the IPU and the United Nations	A revised cooperation agreement between IPU and the United Nations	More direct involvement and visibility of parliamentary leaders at the UN: <ul style="list-style-type: none"> • UN briefing organized with a group of Speakers for the World Conference; • Meeting of Women Speakers in September with the participation of the UN Deputy Secretary General
Enhance role and outcome of the annual Parliamentary Hearing at the United Nations	Good participation and outcome of the 2005 Parliamentary Hearing at the United Nations	The annual Parliamentary Hearing galvanized attention on the role of parliaments in the UN reform process. The conclusions and recommendations of the Parliamentary Hearing were distributed as an official UN document in all six languages to the General Assembly.

Objective 2 *Identifying and applying new modalities of work as an observer entity vis-à-vis the United Nations, and enhancing the voice of the IPU at the United Nations*

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Participate in United Nations meetings - identify issues where the IPU has a comparative advantage and expertise and facilitate appropriate IPU representation at United Nations meetings where such issues are discussed	Regular interventions at United Nations meetings by representatives of the IPU	Number of IPU statements before UN bodies exceeded expectations (12 Statements): IPU was invited to speak, for the first time, before the UN Security Council (on the issue of women, peace and security)
	Number of IPU positions reflected in official United Nations resolutions and reports	IPU work was well reflected in SG Report on New or Restored Democracies, as well as in the SG Report for the 2006 Commission on the Status of Women. IPU received a politically significant recognition in the outcome document of the UN 2005 World Summit.
	Organise at least two panel discussions for parliamentarians in conjunction with United Nations meetings	IPU was invited to sit on three UN panels during the year: <ul style="list-style-type: none"> • Election Observation; • Least Developed Countries; • Women and Elections. IPU rapporteurs followed directly the work of the UN and held meetings with relevant officials as a new modality of substantive interaction with the UN Parliamentary panel discussions organized jointly with: <ul style="list-style-type: none"> • UN-DESA on financing for development; • UNAIDS and UNDP on HIV-AIDS.

Objective 3: Create new and steady channels of communication with members of the United States Congress

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Bring about renewed interest and participation of the United States Congress in the work of the IPU	Two events organized by the IPU at the United States Capitol in Washington DC (including a hearing on women in politics).	A parliamentary panel discussion was organized on Capitol Hill in cooperation with the Congressional Women's Caucus; talks for an event in 2006 on post-conflict institution building got under way.
	Increasing the number of United States senators and representatives who have a direct knowledge and understanding of the IPU	The Speaker of the House nominated two representatives from the Republican Leadership to follow closely the work of the IPU and issue recommendations on possible further involvement of the US Congress in the Union. A bill on renewed membership in the IPU was tabled in the House International Relations Committee in June 2005 and was narrowly defeated by two votes. Regular mailing of the new electronic newsletter of the IPU (5 issues in 2005) reached an expanding list of contacts in Congress. Overall, the IPU has gained easier access to Congressional offices and more name recognition at the highest level. The US Speaker met twice in 2005 with the IPU Presidents (Senator Páez in July, Speaker Casini in November).
	Involvement and contribution by United States Congress members in IPU events or publications	The US Congress was represented at the highest level of both House and Senate at the Speakers' Conference; leading member of Congress addressed the Annual Parliamentary Hearing at the UN

Objective 4: Establish active linkages with foundations and think-tanks with a view to supporting and setting up extrabudgetary projects

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Identify cooperation opportunities with outside partners to support new IPU activities	Develop specific project proposals in cooperation with outside partners in various areas, including sustainable development, migration and intellectual property	IFES, in partnership with the IPU and others, was awarded a USAID contract under the Elections and Political Process solicitation. This award provides IFES and its partners the opportunity to compete for task orders from USAID over the next five years.

Objective 5: Enhance the visibility of the IPU in parliaments, governments and the public at large. Disseminate accurate and topical information about parliaments and parliamentary processes

Expected accomplishments	Indicators of achievement	Results achieved
Communications strategy	Communications objectives, multi-year work programme, indicators of success	A new electronic bi-monthly newsletter was produced by the IPU Office in New York, reaching a growing list of Congressional contacts, NGOs, think tanks, and relevant international organizations.
Produce and distribute IPU publications	Regular publication of <i>The World of Parliaments</i> on schedule	Three editions of the quarterly <i>The World of Parliaments</i> were published in March, July and November, respectively.
	Enhanced distribution of publications, press releases, press kits and video material, to an updated and expanded mailing list	<p>A systematic effort began to collect email addresses of members of parliaments attending IPU events in New York, to be added to the database of contacts for the IPU newsletter and other information materials. For the first time, the final report of the Parliamentary Hearing was sent by email to individual participants in addition to all IPU member parliaments.</p> <p>Database of contacts in the IPU New York office grew around 25%, accompanied by a corresponding improvement in the management of data</p> <p>More systematic forwarding of IPU publications to UN missions in New York and to other contacts</p>
Maintain and develop the bilingual IPU web site	<p>Proactive pattern of communication and cooperation between the web-site manager and the rest of the IPU team, providing regular updating of the web site</p> <p>New web-site modules on the IPU at the United Nations, parliamentary oversight, role of parliaments in an era of globalisation, and an online chronicle of parliamentary elections</p>	Module on Cooperation with the UN put in place on IPU website. The module was also made accessible from the UN website (from the main page, under Partners of the UN) and from another specialized web portal of the UN that caters to missions and observer organizations.
	More hits on the IPU web site	The number of visitors to the IPU web site continued to grow. An average of 600,000 hits per month were recorded on the web site by the end of 2005.

Expected accomplishments	Indicators of achievement	Results achieved
Ensure press coverage of IPU events and activities	Number of press conferences, briefings and interviews. Run a press centre at major IPU events	<p>Forty press releases were issued during the year.</p> <p>Press conferences were held at:</p> <ul style="list-style-type: none"> • 112th IPU Assembly in Manila • IPU/UNITAR joint press conference on the global capacity-building initiative for parliaments on sustainable development • IPU/EP joint press conference at Parliamentary Conference on WTO. <p>Exhibits were organized for:</p> <ul style="list-style-type: none"> • 20th Anniversary of the IPU Meeting of Women Parliamentarians. • Ferme Sarasin - Geneva <p>TV interviews were broadcast during the 112th and 113th Assemblies and at other times by EBU-Eurovision on Iraq and women in parliaments. A B-roll on the launch of IPU/UN world map on women in parliaments was broadcast by EBU-Eurovision, Euronews and Swiss television.</p>
	Increase in the number of references to the IPU in leading newspapers, radio and TV	<p>IPU mentioned in 30 newspapers</p> <p>Radio interviews with Swiss radio, VOA, BBC French Service, RFI French Service, Mexican and African radios</p>
Identify and organise a new series of public relations events, particularly in the context of the Second World Conference of Speakers of Parliaments	Video material on the IPU made available to major radio and television networks	Webcasting utilized for the first time to broadcast parts of the Speakers Conference
	At least two articles/interviews to be published in leading international newspapers	IPU feature article published in UN monthly magazine, <i>UN Chronicle</i>
Highlight contribution of IPU in enhancing the presence and role of women in politics	Event hosted by the IPU on International Women's Day	Meetings on gender equality were held at the US Congress in Washington DC, as well as in New York on the occasion of the UN Commission on the Status of Women. A meeting of Women Speakers of Parliaments addressed the role of women in the decision-making process.
	Press releases on women in parliaments and gender issues	Large scale dissemination of IPU statistics and publications on women (including the 2005 map on women) to parliaments, UN community, IGOs and NGOs.

Common Services

Objective 1: *To secure the highest standards of efficiency, competency and integrity in the Secretariat*

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
All positions classified and filled with qualified staff	Number of positions permanently staffed	By mid year all permanent positions had been reclassified according to UN standards based upon up-to-date job descriptions. One appeal resulted and was referred to the ILO but was unsuccessful. During 2005, 3 staff members (2 women) were recruited and at the end of the year, only one post was vacant.
Effective reporting relations established	Performance appraisals for all staff	Ten staff members completed performance appraisals. Six staff members (5 women) received promotions following reclassification of their posts or competition.

Objective 2: *To facilitate deliberations and decision-making on Union financial issues*

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Increased understanding of budgetary processes	Greater involvement by other divisions in the planning and execution of the annual operating budget	All operational divisions are involved in the budgetary and spending process, but the participation is difficult to quantify.
Clear, concise, and accurate budget document and financial statements	Positive feedback from Members on the quality of presentation of budget and financial statements	The Governing Council was fully satisfied with the presentation of the 2004 financial statements. The 2006 budget was received by the Governing Council without comment. Four members (one woman) of the Governing Council were nominated to serve as Internal auditors.

Objective 3: *Effective financial management of the Union and the staff pension fund*

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Effective budget execution	No significant unexplained variances in expenditures from budget estimates	All significant variances were examined by the auditor and explained.
Accurate and timely financial reporting and full compliance with financial regulations	Positive audit opinion from the internal and external auditors on the IPU's financial statements and procedures	The auditor's opinion on the 2004 accounts was unreserved.
Efficient and cost-effective operations	Savings opportunities identified	The Union realized significant savings in relation to pension costs and translation work. Efficiencies in other areas are hard to identify because of shifts in resource allocations.
Membership in the United Nations Joint Staff Pension Fund (UNJSPF)	Smooth transition to the United Nations Common System and the UNJSPF Satisfaction of staff and retirees	The IPU became a member of the United Nations Joint Staff Pension Fund (UNJSPF) on 1 January 2005. The affiliation had no negative impact on staff salaries and reduced pension costs for the Union. Two staff members retired in 2005 with UNJSPF pensions that exceeded expectations.

Objective 4: *To procure goods and services for the Union through a fair and competitive process that will result in best value for money*

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Implement public sector procurement standards	Proportion of contracts awarded through competitive bidding Satisfaction of purchasers and vendors Reduced cost of goods and services	Metrics are being developed to enable the evaluation of procurement services. Starting in 2006 compliance with the purchasing regulations and complaints from vendors and purchasers will be systematically monitored.

Objective 5: *To have effective human resource management policies that increase employee productivity and contribute to the long-term career development of Union employees*

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>	<i>Results achieved</i>
Development of a training plan to meet the needs of staff for appropriate education and skills development	Number of staff participating in job or career-related training, and women participating in supervisory and management training	During 2005, 11 staff members (8 women) participated in sponsored work-related training activities, mostly language training. A training policy was introduced to provide various forms of assistance to staff for job- and career-related training.