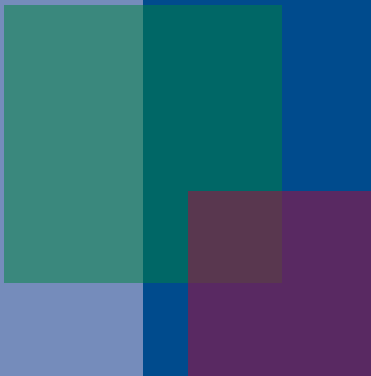


International IDEA

The International Institute for Democracy
and Electoral Assistance

Financial Statements for the year ended 31 December 2006



www.idea.int

Auditor's Report


To the Council of the International Institute for Democracy and Electoral Assistance

We have audited the accompanying balance sheet of the International Institute for Democracy and Electoral Assistance as of December 31, 2006, and the related statement of income for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute as of December 31, 2006, and of the results of its operations for the year then ended and comply with the Institute's Finance Regulations.

Deloitte AB



Stockholm, April 26, 2007

THE INTERNATIONAL INSTITUTE FOR DEMOCRACY AND ELECTORAL ASSISTANCE

STATEMENT OF ACTIVITIES AND ACCOUNTING POLICIES

For the year ended December 31, 2006

1. STATEMENT OF ACTIVITIES

Created in 1995, the International Institute for Democracy and Electoral Assistance (IDEA) is an intergovernmental organisation with 24 member states from six continents. It has a mandate to support sustainable democracy worldwide. IDEA brings together those who analyse and monitor trends in democracy and those who engage directly in political reform or act in support of democracy at home and abroad. IDEA works with new and long-established democracies, helping to develop and strengthen the institutions and culture of democracy. It operates at international, regional and national levels, working in partnership with a range of institutions.

The work of the Institute in 2006 was divided into three thematic areas – Electoral Processes, Political Parties, and Democracy and Conflict Management (DCM). The Institute's activities in these three areas are directed from its Stockholm Headquarters in liaison with its field offices. This work is funded both by way of core contributions mostly from member states and by way of project funding from various donors. During the year the Institute developed a new strategy the result of which is that the thematic areas will be integrated into a new unit from 2007, with DCM being redesigned to focus on Constitution Building, while conflict management has been mainstreamed along with gender into the Institute's horizontal work in a new Democracy Analysis and Assessment Unit which will build a renewed emphasis on the Institute's State of Democracy methodology. The new strategy also streamlines the publication and communications activities within operations; creates new focus on the Institute's catalytic role in influencing policy, including the South-South dimension, amongst democracy actors including donors; and will support democracy reform in selected countries.

2. PRINCIPAL ACCOUNTING POLICIES

The accounts are prepared on a historical cost basis and incorporate the following principal accounting policies:

2.1 *Depreciation*

All Fixed Assets are written off in full at the time of acquisition.

2.2 *Foreign Currencies*

The accounts are expressed in Euro. Assets and Liabilities in other currencies are translated to Euro at rates of exchange ruling at the end of the financial year as published by the Swedish Central Bank.

Transactions in other currencies are translated to Euro at the average rate of exchange as published by the Swedish Central Bank for the month in which the transaction took place.

Significant exchange gains and losses are transferred to or from the Currency Fund.

2.3 *Income*

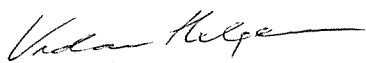
Income from core contributions is recognised either on receipt or where there is a clear commitment that a specific amount will be paid in respect of the financial year in question. Sums received by way of project contributions are carried as liabilities on the Balance Sheet and are only recognised as income to the extent that corresponding expenditure is incurred.

2.4 *Expenditure*

All expenditures are recorded on an accruals basis.

**BALANCE SHEET AS AT 31 DECEMBER 2006
(EURO)**

		31 December 2006	31 December 2005
ASSETS			
Cash and Bank	Note 1	8,570,654	7,898,802
Receivables			
Contributions	Note 2	76,125	103,535
Prepaid Expenses/Accrued Income		141,801	36,729
		217,926	140,264
Other Receivables			
Value Added Tax Repayable (VAT)		92,282	33,290
Project Advances		494,291	174,559
Travel and other Personnel Advances		14,608	14,853
Claims on Suppliers		65,849	40,694
		667,030	263,396
TOTAL ASSETS		9,455,610	8,302,462
LIABILITIES AND CAPITAL			
Accounts Payable			
Trade Creditor/Accrued Liabilities		988,258	965,742
Personnel Liabilities	Note 3	707,984	655,740
Project Contributions carried forward	Note 4	2,202,552	504,472
Refundable to Donors	Note 4	27,254	14,898
		3,926,047	2,140,852
Capital			
General Reserve Fund	Note 5	836,917	836,917
Working Capital Fund	Note 6	2,098,852	1,991,817
Social Security Reserve	Note 7	935,073	1,572,044
Currency Fund	Note 8	504,590	659,657
Operating Reserve	Note 22	1,154,131	1,101,175
		5,529,563	6,161,610
TOTAL LIABILITIES AND CAPITAL		9,455,610	8,302,462


Vidar Helgesen
Secretary-General


Malcolm Turner-Kerr
Director of Finance & Administration

Our auditors report is submitted on 2007-04-26

Deloitte AB



**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR
ENDED 31 DECEMBER, 2006
(EURO)**

		2006	2005
INCOME			
Contributions	Note 9	9,816,866	9,424,222
Interest Income		133,904	100,096
Other income	Note 10	543,488	536,051
Total Income		<u>10,494,258</u>	<u>10,060,369</u>
EXPENDITURE			
Operating Expenditure			
Core Programme			
Democracy and Conflict Management	Note 11	811,861	984,184
Electoral Processes	Note 11	1,439,351	1,236,426
Political Parties	Note 11	832,741	776,216
Cross-Thematic	Note 11	1,466,782	1,160,743
Regional Programmes	Note 12	1,711,190	1,868,207
Programme Development and Follow-Up	Note 13	33,913	164,154
Total Core Programme		<u>6,295,838</u>	<u>6,189,930</u>
Earmarked Project Expenditure	Note 14	<u>1,624,544</u>	<u>1,414,371</u>
Total Operations		<u>7,920,382</u>	<u>7,604,301</u>
Administration Expenditure			
Governing Bodies	Note 24	170,423	272,246
Personnel Costs	Note 15/16	1,121,903	1,149,194
Management	Note 17	124,745	142,901
Human Resources	Note 18	244,523	294,122
Audit and Accounting	Note 19	77,525	139,020
Office Expenditures	Note 20	804,167	847,985
Total Administration		<u>2,543,286</u>	<u>2,845,468</u>
Financing costs			
Exchange (gains) and losses	Note 21	155,067	(300,758)
Overhead Recovered		(129,401)	(69,113)
Total Financing		<u>25,666</u>	<u>(369,871)</u>
Total Expenditure		<u>10,489,334</u>	<u>10,079,898</u>
EXCESS/(SHORTFALL) OF INCOME OVER EXPENDITURE		<u>4,924</u>	<u>(19,529)</u>

STATEMENT OF ACCUMULATED OPERATING RESERVE AS AT 31 DECEMBER, 2006

		2006	2005
Balance brought forward 1 January	Note 22	1,101,175	1,586,912
Excess/(Shortfall) of Income over Expenditures		4,924	(19,529)
Transfer (to)/from Currency Fund	Note 8	155,067	(300,758)
Transfer to Working Capital Fund	Note 6	(107,035)	(165,450)
ACCUMULATED OPERATING RESERVE		<u>1,154,131</u>	<u>1,101,175</u>

Notes to the Financial Statements

Balance Sheet

1. Cash and Bank

The Institute operates bank accounts in Australian Dollars, British Pounds, Canadian Dollars, US Dollars, Euros, South African Rand, Swiss Francs and Swedish Kronor.
The balances on the accounts as at 31 December 2006 are as follows:

	2,006	2005
Cash	800	1,186
SEK	21	1,562
USD	0	65
Euro	822	2,813
Total Cash		
Bank	456,422	19,057
CHF	225,707	993,647
USD	6,583,557	4,508,844
EURO	1,126,200	1,666,609
SEK	111,413	209,602
AUD	7,318	497,072
CAD	59,138	1,058
GBP	78	100
ZAR	8,569,833	7,895,989
Total Bank Deposit		
	8,570,654	7,898,802
Total Cash & Bank Deposits		
Represented by:	0	3,475
Working Capital Fund in USD	1,991,817	1,366,557
Working Capital Fund in EUR	0	283,223
General Reserve Fund USD	836,917	612,337
General Reserve Fund EUR	0	303,878
Currency Fund in USD	659,657	-
Currency Fund in EUR	2,229,806	504,472
Complementary Funds carried forward	935,073	1,572,044
Social Security Reserve	1,917,384	3,252,816
Operating Funds	8,570,654	7,898,802

2. Contributions Receivable

These receivables from Member States and others represent contributions committed but not yet received at 31 December, 2006.

Mexico core contribution		35,080
Spain core contribution	1,519	-
Namibia core contribution	10,629	7,438
CIDA Canada - earmarked project contribution	3,779	-
Costa Rica core contribution		7,312
Switzerland, Bundeskanzlei - earmarked project contribution		26,125
Sweden - additional contribution for 10th Anniversary event		10,595
UNU Japan earmarked project contribution		8,554
World Bank earmarked project contribution		8,431
Barbados core contribution	13,741	
EU Commission earmarked project contribution	5,000	
Netherlands Institute for Multi-Party Democracy earmarked project contribution	4,328	
Cataluna Regional Government earmarked project contribution	37,129	
UNDP Zambia earmarked project contribution	76,125	103,535
Total		

3. Liabilities Personnel

Accrued Vacation Salary	303,322	270,957
Accrued Pension Benefits	156,068	95,122
Accrued Separation	96,842	74,504
Accrued Parental Leave	73,494	130,659
Accrued Social Charges for Resident Staff	20,230	28,568
Employee Withholding Taxes	58,028	55,930
	707,984	655,740

Notes to the Financial Statements (continued)

4. Project Contributions carried forward

Earmarked project contributions received or receivable but not used in current year:

	2,006	2005	
Electoral Management Training	-	3,200	
UN & Democracy	-	2,938	
Gaccacca Process Rwanda	111,339	126,698	
Arab World Fund	-	3,914	
Electoral Management Training Pretoria	-	93	
Regional Parliament in Indonesia	-	72,142	
Democratic Dialogue Handbook (CIDA)	-	27,794	
Strengthening Local Democracy in Haiti	59,211	63,266	
DCHS FA	-	32,180	
Arab World Study	-	2,477	
Direct Democracy Feasibility Study	-	4,278	
Research and Dialogue in the Andean Region (IMD)	-	12,800	
Seminar in Political Parties and Promotion of Poverty Reduction - Bolivia (DFID)	-	1,170	
Bridge Mozambique	-	1,485	
Political Parties West Africa	-	119,935	
Indonesia Regional Parliament	-	3,365	
Agora Support to the Political Parties System in Ecuador (IMD)	56,648	-	
Andean Region Gender (CIDA)	11,555	-	
Arab World	1,614,896	-	
Bridge East & South Africa	38,540	-	
Constitution Building Process in Nepal	108,779	-	
Con Caucuses in Peru, Colombia and Ecuador (IADB)	5,490	-	
Developing a Reconciliation Resource Network	10,360	-	
Forum Latin America (IADB)	12,000	-	
Governance Profile (IADB)	1,510	-	
Nepal Project	1,812	-	
Political Systems, Governance and Developm in Andean Countries (DFID)	24,100	-	
Strengthening political Parties in Sudan (FCO)	7,060	-	
World of Direct Democracy Conference "WOOD 08"	84,783	-	
Total contributions carried forward	2,148,083	477,735	
Interest income on project contributions	54,469	26,737	
Total	2,202,552	504,472	
Contributions Refundable/(Repaid):			
UN & Democracy	Norway	17,835	14,898
Arab World Dialogue	Germany	6,942	-
Arab World	Denmark	2,477	-
Total		27,254	14,898

5. General Reserve Fund

The purpose of the Fund is to provide long-term protection for the Institute by safeguarding it from unforeseen developments that could seriously affect its stability and effectiveness. Appropriations may only be made in extreme circumstances. No appropriations were made from the Fund during the year.

6. Working Capital Fund

Balance at 1 January	1,991,817	1,826,367
Transfer from Operating Reserve	107,035	165,450
Balance at 31 December	<u>2,098,852</u>	<u>1,991,817</u>

The purpose of the Fund is to provide liquidity when contributions from member states are received at a slower rate than approved operational expenditure. The Fund is to be maintained at 20% of the previous year's total income. No appropriations were made from the Fund during the year.

7. Social Security Reserve

Balance at 1 January	1,572,044	-
Received during the year	179,230	1,572,044
Paid out during the year	(816,201)	-
Balance at 31 December	<u>935,073</u>	<u>1,572,044</u>

This reserve represents amounts set aside from refunds of social charges by the Swedish Tax Authority to meet possible future commitments to staff and former staff in respect of possible loss of state pension rights (see note 16). The first payments amounting to Euro 816,201 were made from this reserve during the year.

8. Currency Fund

Balance at 1 January	659,657	358,899
Exchange rate gains/(losses) generated during the year	(155,067)	300,758
Balance at 31 December	<u>504,590</u>	<u>659,657</u>

The purpose of the Exchange Rate Adjustment Fund is to provide a facility to overcome distortions caused by fluctuations in the exchange rate between the Euro and other currencies.

Notes to the Financial Statements (continued)

Income Statement

9. Contributions

	Non Earmarked Core		Earmarked Project Contributions					Total Contributions	
	2006	2005	2,006		2006	2,005	2006	2,005	
			Knowledge Resources	Policy Development	Democratic Reform	Earmarked Total	Earmarked Total		
Member States									
Australia	-	-			163,365	163,365	249,223	163,365	249,223
Barbados	7,766	8,431						7,766	8,431
Belgium	-	-			48,101	48,101		48,101	-
Botswana	15,608	15,766						15,608	15,766
Canada	364,150	418,694	73,912	71,940	31,649	177,501	70,080	541,651	488,774
Cape Verde	-	-						-	-
Chile	47,280	47,298			74,975	74,975	37,679	122,255	84,977
Costa Rica	3,864	4,139						3,864	4,139
Denmark	402,565	402,516					8,281	402,565	410,797
Finland	345,000	340,000			119,935	119,935	229,750	464,935	569,750
Germany	400,000	400,000					127,724	400,000	527,724
India	46,581	-						46,581	-
Mauritius	7,898	8,303						7,898	8,303
Mexico*	39,250	42,380						39,250	42,380
Namibia	1,519	1,643						1,519	1,643
Netherlands	700,000	700,000			210,602	210,602	133,386	910,602	833,386
Norway	566,584	431,468			49,896	49,896	4,581	616,480	436,049
Peru	7,765	8,476						7,765	8,476
Portugal	59,445	62,267						59,445	62,267
South Africa	13,300	12,770						13,300	12,770
Spain	101,247	35,080			4,328	4,328		105,575	35,080
Sweden**	4,425,000	4,425,000						4,425,000	4,425,000
Switzerland***	637,500	645,620	16,446			16,446	3,034	653,946	648,654
Uruguay	-	-						-	-
Others									
DFID, UK					110,955	110,955		110,955	-
EU Commission			13,741			13,741		13,741	-
FCO, UK					76,602	76,602		76,602	-
IADB					1,485	1,485	33,515	1,485	33,515
Ireland					385,104	385,104	500,000	385,104	500,000
Italy					91,654	91,654		91,654	-
UNDP					3,365	3,365	17,118	3,365	17,118
Others									
Total Contributions	8,192,322	8,009,851	104,099	71,940	1,448,505	1,624,544	1,414,371	9,816,866	9,424,222

* Mexico provided office facilities and seconded an individual from its Ministry of Foreign Affairs in support of the Institute's work in Mexico and Central America.

** In addition to the contribution from the Government of Sweden a further contribution was made under the terms of the Headquarters' Agreement of Euro 458,460 (see note 10) and the City of Stockholm provides office facilities free of charge at an approximate value of Euro 300,000 per year.

*** Assumed membership on January 24, 2006

10. Other Income

Book Sales*	8,719	11,587
Personnel contribution from the Government of Finland	-	17,458
Additional Swedish Contribution**	458,460	454,891
Other Income	76,309	52,115
	543,488	536,051

* Represents net sales after deduction of distribution costs.

**Under the terms of the Headquarters' Agreement between the Government of Sweden and IDEA, the equivalent value of income taxes deducted from the salaries of certain of those staff who were citizens or residents of Sweden prior to taking up appointment with IDEA, and remitted on their behalf, is paid to IDEA as an additional contribution.

Individuals were also sponsored as secondees or interns by institutions of several member states. In addition IDEA supported work experience for several Swedish students.

Notes to the Financial Statements (continued)
11 Headquarters' Programmes

	2006					2005				
	Democracy and Conflict Mngmnt	Electoral Processes	Political Parties	Cross Thematic	Total	Democracy and Conflict Mngmnt	Electoral Processes	Political Parties	Cross Thematic	Total
Personnel Costs	503 780	763 018	526 519	864 277	2 657 594	576 930	756 649	514 763	585 952	2 434 294
Programme costs	308 081	676 333	306 222	602 505	1 893 141	407 254	479 777	261 453	574 791	1 723 275
Total	811 861	1 439 351	832 741	1 466 782	4 550 735	984 184	1 236 426	776 216	1 160 743	4 157 569

12 Field Programmes*

Latin America	18 021	24 479	347 945	237 591	628 036	9 327	38 007	196 349	348 131	591 814
Africa	74 999	116 031	226 586	290 478	708 094	82 329	117 475	243 929	161 496	605 229
Asia	247 902	19 932	70 887	36 339	375 060	383 333	11 937	38 430	47 480	481 180
Europe/South Caucasus**	-	-	-	-	-	122 928	23 938	43 118	-	189 984
Total	340 922	160 442	645 418	564 408	1 711 190	597 917	191 357	521 826	557 107	1 868 207

* Includes Field Personnel costs - see note 15.

** The core activity in the South Caucasus has been re classified under 'Electoral Processes' and now supports a project in Armenia referred to in Note 14.

13. Programme Development and Follow-Up

	-	25 000	-	8 913	33 913	27 021	42 081	74 793	20 259	164 154
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14. Earmarked Project Expenditure

	2006					2005				
	Democracy and Conflict Mngmnt	Electoral Processes	Political Parties	Cross Thematic	Total	Democracy and Conflict Mngmnt	Electoral Processes	Political Parties	Cross Thematic	Total
UN & Democracy (Norway and Japan)						4 581				4 581
Arab World (Italy, Germany, Denmark)		39 345	200 000	145 759	385 104	127 724	508 281			636 005
Electoral Management Training (Australia, Ireland, Netherlands, Finland and Norway)		240 537			240 537		157 115			157 115
Community of Democracy (Chile)								29 997		29 997
Effective Electoral Assistance (CIDA Canada, EC)		85 681			85 681					85 681
Andean Region (CIDA Canada, IMD Netherlands, DFID UK, IADB)			150 605	17 800	168 405		11 929		99 737	111 666
Political Party Strengthening (Finland, FCO UK, UNDP)			251 062		251 062			229 750		229 750
Regional Parliament DPD (AusAID, IALDF and Worldbank)	82 128				82 128	231 999				231 999
Constitution Process in Nepal (Norway)	49 896				49 896					49 896
Traditional Justice (Belgium)	48 101				48 101					48 101
Country Governance Profiles (IADB)	75 191				75 191					75 191
Political Representation of Women (CIDA Canada)			31 649		31 649					31 649
Other (Chile, CIDA Canada, EC, Spain, Switzerland, UNDP and African Development Bank)	87 607	43 935		75 248	206 790	10 224	3 034			13 258
Total	342 923	409 498	633 316	238 807	1 624 544	374 528	680 359	259 747	99 737	1 414 371

15. Personnel Costs

	HQ Operations	Field Operations	Mngmt & Admin	Total	HQ Operations	Field Operations	Mngmt & Admin	Total
	Salaries and Entitlements	1 969 201	757 032	841 726	3 567 959	1 852 099	900 950	931 366
Pensions (see note 16)	474 741	126 379	209 362	810 482	408 331	127 510	154 605	690 446
Installation and Separation Allowances	107 262	9 837	27 393	144 492	88 995	6 582	27 418	122 995
Other	106 390	63 501	43 422	213 313	84 869	69 248	35 805	189 922
Total Personnel costs	2 657 594	956 749	1 121 903	4 736 246	2 434 294	1 104 290	1 149 194	4 687 778

16. Pensions

IDEA has three separate pension arrangements. International staff receive an annual payment in lieu of pension. For Swedish staff on international contracts monthly contributions are made into Swedish registered pension funds. For full time staff on local Swedish contracts, IDEA contributes monthly to the Swedish State pension scheme and to a Swedish registered pension fund. In all cases IDEA plays no role in the management of the pension funds or in any investment decisions. Towards the end of the 2004 and in early 2005 the Swedish Tax Authority (Skatteverket) wrote to staff, including former staff, who are or were amongst the third category indicating that their pension credits have been adjusted retrospectively to zero in respect of those years from 1998 to 2003 that the individual had worked for IDEA in that staff category. The Authority's decision is based on an interpretation of the Headquarters' Agreement between Sweden and IDEA which alters the practice since IDEA's foundation. Similar action ensued with respect to the 2004 and 2005 tax years. Some sixty individuals proved to be affected to the Institute's best knowledge. In parallel the Skatteverket refunded to the Institute the employer's portion of social charges paid for the years 1998 to November 30 2005 by the Institute in respect of staff on local Swedish contracts. These represent the employer's contribution towards pension and other state benefits up to that date. Moneys repaid including interest at year end amounted to € 1,751,274. These funds have been set aside in a 'Social Security Reserve' in these financial statements (see note 7) to meet its commitment to keep these employees and former employees whole as if they had continued to earn pension cover under the Swedish pension provisions. Offers of compensation amounting to SEK 9,114,067 (€ 970,648) were issued to meet this commitment up to and including the year 2005 and € 816,201 of this had been paid out by the Balance Sheet date. As of 1 December, 2005 new employment contracts were entered into to bring the Institute's arrangements into line with Skatteverket's new practice, thereby preventing an ongoing recurrence of the matter. The final level of obligation assumed by the Institute as a result of the actions of the Skatteverket has not yet been fully determined although there is every indication that this can be met from the funds received from Skatteverket. In the meantime, remaining funds will be held in the reserve until the Institute is satisfied that its commitment in this respect has been fully met.

Notes to the Financial Statements (continued)

17. Management

	2,006	2005
Legal and Professional Fees	15,894	94,866
Travel	66,132	33,792
Other	42,719	14,243
Total	124,745	142,901

18. Human Resources

Consulting fees	78,815	111,538
Training and Development	90,068	101,508
Recruitment	23,552	18,298
Other	52,088	62,778
Total	244,523	294,122

19. Audit and Accounting

Accounting Services	17,017	100,672
Audit Fee	34,400	15,627
Other	26,108	22,721
Total	77,525	139,020

20. Office Expenditures

	2,006			2005		
	HQ	Regions	Total	HQ	Regions	Total
Fixed Assets	101287	16,301	117,588	23,320	29,421	52,741
Travel/Ext Entertainment	1787	19,764	21,551		33,344	33,344
Information Technology	94109	8,315	102,424	85,134	13,856	98,990
Telecommunications	48195	42,681	90,876	59,304	56,988	116,292
Postage/Courier	19725	12,760	32,485	31,223	21,053	52,276
Transport		10,324	10,324		18,762	18,762
Office Running Costs	124154	98,719	222,873	128,125	94,717	222,842
Consultancy		87,064	87,064		122,598	122,598
Other	71622	47,360	118,982	66,913	63,227	130,140
Total Office Expenditures	460879	343,288	804,167	394,019	453,966	847,985

21. Exchange Gains and Losses

	2,006	2005
Exchange (gain)/loss realized	73,083	12,949
Exchange (gain)/loss unrealized	81,984	(313,707)
Total Exchange (gains)/losses	155,067	(300,758)

22. Operating Reserve and Excess (Shortfall) of Income over Expenditures

During the year € 4,924 was expended less than the income received. Over-expenditure had been planned, given the intention to use under-expenditures carried forward from previous years. However, income slightly exceeded planned levels and expenditure fell below plan mostly as a result of focus to adopt the new strategy for the Institute approved by Council in June 2006. This results in a cumulated Operating Reserve to carry forward to 2007 of € 1,154,131 which together with the Currency Reserve of € 504,590 brings operating funds available and planned for use in ensuing financial periods of the current programming cycle to € 1,658,721.

23. Headquarters' Agreement

The relationship between the Institute and the host country, Sweden, is governed by a Headquarters' Agreement which, inter alia, defines the immunities and privileges of IDEA, its officials and its staff. Given issues arising from the uncertainties referred to in Note 16 above, the Institute commenced discussions with Sweden in 2005 with a view to re-negotiating parts of the agreement so as to definitively clarify the immunities and privileges of its staff, particularly those of Swedish nationality or resident in Sweden at the time of their employment by IDEA. The Government of Sweden, in response to such discussions and other representations, appointed a Commission to look into Sweden's Host Country agreements with international organisations. The Commission issued its report on 28 February 2006. (SOU 2006:26; ISBN 91-38-22543-3). An electronic version is available on www.regeringen.se. The Institute has responded to the report and has requested a resumption of discussions both on amending the Agreement and to explore other avenues for improving the position of its staff.

24. Governing Bodies

The Institute's governing bodies - the Council, the Board and joint subcommittees thereof - met less frequently than in 2005 when an unusually high level of meetings was necessitated, inter alia, by the recruitment process for a new Secretary General and amendments to the Institute's governance. Mr Vidar Helgesen took up office as Secretary General on January 17, 2006. At an extraordinary Council meeting on 24 January 2006 the Council adopted new Statutes which will enter into force thirty days after ratification by two thirds of the members. At the date of these financial statements the new Statutes have not yet entered into force.