



# AUDITED ACCOUNTS FAO

2012-2013



Food and Agriculture  
Organization of  
the United Nations



**AUDITED  
ACCOUNTS** FAO

---

2012-2013

The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations (FAO) concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The mention of specific companies or products of manufacturers, whether or not these have been patented, does not imply that these have been endorsed or recommended by FAO in preference to others of a similar nature that are not mentioned.

The views expressed in this information product are those of the author(s) and do not necessarily reflect the views or policies of FAO.

© FAO, 2014

FAO encourages the use, reproduction and dissemination of material in this information product. Except where otherwise indicated, material may be copied, downloaded and printed for private study, research and teaching purposes, or for use in non-commercial products or services, provided that appropriate acknowledgement of FAO as the source and copyright holder is given and that FAO's endorsement of users' views, products or services is not implied in any way.

All requests for translation and adaptation rights, and for resale and other commercial use rights should be made via [www.fao.org/contact-us/licence-request](http://www.fao.org/contact-us/licence-request) or addressed to [copyright@fao.org](mailto:copyright@fao.org).

FAO information products are available on the FAO website ([www.fao.org/publications](http://www.fao.org/publications)) and can be purchased through [publications-sales@fao.org](mailto:publications-sales@fao.org).

FINANCIAL STATEMENTS 2012-13

---

**Table of Contents**

---

	Page
<b><u>PART A</u></b>	
Independent Auditor's Report	1
Certification of Financial Statements	3
Statement I: Income and Expenditure and Changes in Reserves and Fund Balances	4
Statement II: Assets, Liabilities, Reserves and Fund Balances	5
Statement III: Cash Flow	6
Statement IV: Status of Regular Programme Appropriations	7
Notes to the Financial Statements	11
Schedule I: Assessed Contributions Outstanding for the Regular Programme at 31 December 2013	35
Annex I: Status of Technical Cooperation Programme Projects Funded Against 2012-13 Appropriation at 31 December 2013	37
Annex II: Status of Technical Cooperation Programme Projects Funded Against 2010-11 Appropriation at 31 December 2013	42

**PART B**

**Report of the External Auditor**

*The Report of the External Auditor is available under Conference document reference number C2015/5 B*



**FINANCIAL STATEMENTS 2012-13**

---

**INDEPENDENT AUDITOR'S REPORT**

---

**The FAO Conference of Member Nations****Report on the Financial Statements**

We have audited the accompanying financial statements, comprising of Statements I to IV, Schedule I, Annexes I and II and the supporting Notes 1 to 32, of the Food and Agriculture Organization of the United Nations for the financial period 1 January 2012 to 31 December 2013.

*Management's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

---

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Food and Agriculture Organization of the United Nations as at 31 December 2013, and its results of operations, cash flow, and status of regular programme appropriations for the period then ended in accordance with UNSAS.

**Report on Other Legal and Regulatory Requirements**

Further, in our opinion, the transactions of the Food and Agriculture Organization of the United Nations that have come to our notice or which we have tested as part of our audit have, in all significant respects, been in accordance with the FAO Financial Regulations and Legislative Authority.

In accordance with Article 12.9 of the Financial Regulations, we have also issued a long-form report on our audit of the Food and Agriculture Organization of the United Nations.



**Maria Gracia M. Pulido Tan**

Chairperson, Commission on Audit  
Republic of the Philippines  
External Auditor

**Quezon City, Philippines**

18 August 2014



**FINANCIAL STATEMENTS 2012-13**

---

**Certification of Financial Statements**

---

**The amounts shown in the statements properly reflect the recorded financial transactions for the period:**

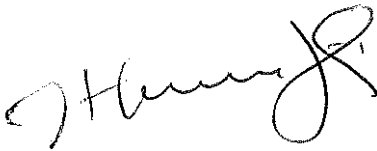


Denis Aitken

Assistant Director-General, a.i.

Corporate Services, Human Resources and Finance Department

**Approved:**



José Graziano da Silva

Director-General

*July 2014*

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

**Statement I: Income and Expenditure and Changes in Reserves and Fund Balances**

**For the biennium ended 31 December 2013**

*(USD '000)*

	Notes	Funds		Total	
		General and Related	Trust and UNDP	2012-13	2010-11
<b>INCOME</b>					
Assessment on Member Nations	3	995,189	-	995,189	1,004,340
Voluntary contributions	4	111,318	1,359,007	1,470,325	1,727,331
Funds received under inter-organizational arrangement	5	660	5,935	6,595	14,161
Jointly financed activities	6	35,760	-	35,760	38,054
Miscellaneous	7	11,057	1,531	12,588	9,115
Return on investments – available-for-sale	8	52,868	-	52,868	38,934
Net other sundry income	9	19,757	-	19,757	17,496
(Loss) on exchange differences	27	(1,977)	-	(1,977)	(12,410)
<b>TOTAL INCOME</b>		<b>1,224,632</b>	<b>1,366,473</b>	<b>2,591,105</b>	<b>2,837,021</b>
<b>EXPENDITURE</b>					
Regular Programme	10	1,119,962	-	1,119,962	1,104,385
Projects	10	-	1,364,942	1,364,942	1,632,176
<b>TOTAL EXPENDITURE</b>		<b>1,119,962</b>	<b>1,364,942</b>	<b>2,484,904</b>	<b>2,736,561</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>104,670</b>	<b>1,531</b>	<b>106,201</b>	<b>100,460</b>
Actuarial Losses	11	(1,097)	-	(1,097)	(40,393)
Interest Cost of staff related schemes	12	(94,637)	-	(94,637)	(114,953)
Prior service credit on Staff Related Liabilities	13	4,497	-	4,497	-
Provision for contributions receivable and other assets	14	(795)	-	(795)	304
Deferred income	23	(2,641)	-	(2,641)	(19,430)
Net movement in Capital Expenditure Account	28	3,343	-	3,343	(4,283)
Net movement in Security Expenditure Account	29	(3,897)	-	(3,897)	(991)
<b>NET EXCESS / (SHORTFALL) OF INCOME OVER EXPENDITURE</b>		<b>9,443</b>	<b>1,531</b>	<b>10,974</b>	<b>(79,286)</b>
Transfer of Interest to donor accounts	20	-	(1,531)	(1,531)	(2,344)
Transfers from/(to) reserves:					
Special Reserve Account	27	2,485	-	2,485	(1,083)
Fund balances, beginning of period as previously reported		(641,276)	-	(641,276)	-
Change in accounting policy with respect to:					
Actuarial losses on Staff Related Schemes	11	(246,017)	-	(246,017)	-
Fund balances, restatement of opening balance		(887,293)	-	(887,293)	(558,563)
<b>FUND BALANCES, END OF PERIOD</b>		<b>(875,365)</b>	<b>-</b>	<b>(875,365)</b>	<b>(641,276)</b>

The accompanying notes are an integral part of the financial statements

## Statement II: Assets, Liabilities, Reserves and Fund Balances

As at 31 December 2013

(USD '000)

	Notes	Funds		Total	
		General and Related	Trust and UNDP	2012-13	2010-11
<b>ASSETS</b>					
Cash and cash equivalents	15	102,079	560,583	662,662	568,490
Investments – held for trading	16	-	357,326	357,326	367,168
Contributions receivable	17	106,723	8,358	115,081	117,668
Less: Provision for delays of contributions	18	(12,068)	(7,673)	(19,741)	(18,918)
Accounts receivable	19	62,518	925	63,443	51,101
Investments – available-for-sale	16	431,585	-	431,585	326,873
<b>TOTAL ASSETS</b>		<b>690,837</b>	<b>919,519</b>	<b>1,610,356</b>	<b>1,412,382</b>
<b>LIABILITIES</b>					
Contributions received in advance	20	21,680	707,922	729,602	723,483
Unliquidated obligations	21	64,709	172,999	237,708	196,171
Accounts payable	22	68,766	-	68,766	39,069
Deferred income	23	75,916	-	75,916	73,440
Staff related schemes	24	1,213,181	-	1,213,181	906,060
<b>TOTAL LIABILITIES</b>		<b>1,444,252</b>	<b>880,921</b>	<b>2,325,173</b>	<b>1,938,223</b>
<b>RESERVES AND FUND BALANCES</b>					
Working Capital Fund	26	25,745	-	25,745	25,654
Special Reserve Account	27	17,558	-	17,558	20,043
Capital Expenditure Account	28	11,132	-	11,132	14,475
Security Expenditure Account	29	8,543	-	8,543	4,646
Special Fund for Emergency and Rehabilitation Activities	30	-	38,598	38,598	43,329
Actuarial gains/ (losses)	11	13,479	-	13,479	-
Unrealized gains / (losses) on investments	16	45,493	-	45,493	7,288
Fund balances, end of period		(875,365)	-	(875,365)	(641,276)
<b>TOTAL RESERVES AND FUND BALANCES</b>		<b>(753,415)</b>	<b>38,598</b>	<b>(714,817)</b>	<b>(525,841)</b>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCES</b>		<b>690,837</b>	<b>919,519</b>	<b>1,610,356</b>	<b>1,412,382</b>

The accompanying notes are an integral part of the financial statements

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

**Statement III: Cash Flow**


---

**For the biennium ending 31 December 2013**
*(USD '000)*

	2012-13	2010-11
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net excess/ (shortfall) of income over expenditure (Statement I – General and Related Funds)	9,443	(81,629)
	9,443	(81,629)
(Increase)/Decrease in contributions receivable	2,587	(20,565)
(Decrease)/ Increase in provision for contributions,	823	(942)
(Increase)/Decrease in accounts receivable	(12,342)	(7,194)
(Decrease)/Increase in contributions received in advance	6119	(62,410)
Increase in unliquidated obligations	41,537	40,647
Increase/(Decrease) in deferred income	2,476	19,341
Increase/(Decrease) in accounts payable	29,697	6,291
Increase in staff related schemes	74,582	123,617
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>154,922</b>	<b>17,156</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase)/Decrease in investments – short-term, net of unrealized gains/(losses)	9,842	(288,800)
(Increase)/Decrease in investments – long-term, net of unrealized gains/(losses)	(66,506)	(53,927)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(56,664)</b>	<b>(342,727)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in Special Fund for Emergency and Rehabilitation Activities	(4,731)	9,850
Increase in Working Capital Fund	91	-
Increase in Capital Expenditure Account	(3,343)	4,282
Increase in Security Expenditure Account	3,897	991
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(4,086)</b>	<b>15,123</b>
<b>NET (DECREASE)/INCREASE IN CASH</b>	<b>94,172</b>	<b>(310,448)</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>568,490</b>	<b>878,938</b>
<b>CASH AT END OF PERIOD</b>	<b>662,662</b>	<b>568,490</b>

The accompanying notes are an integral part of the financial statements.

## Statement IV: Status of Regular Programme Appropriations

For the biennium ended 31 December 2013 (USD '000)

Chapter	Net Budget 1	Deferred Income and Reserves from Previous Biennium 2	Transfers 3	Income Deferred to Next Biennium 4	Adjusted Net Budget	Actual Other Income 5	Actual Expenditure 6	Actual Net Expenditure 7	Currency Variance 8	Budget Rate Net Expenditure 9	Budget vs. Actual Variance 9
1. A - Sustainable intensification of crop production	60,191	-	-	-	60,191	(4,611)	63,057	58,446	1,161	59,607	584
2. B - Increased sustainable livestock production	37,145	-	(900)	-	36,245	(4,036)	38,943	34,907	768	35,675	570
3. C - Sustainable management and use of fisheries and aquaculture resources	67,614	-	(2,500)	-	65,114	(5,444)	68,018	62,574	1,248	63,822	1,292
4. D - Improved quality and safety of food at all stages of the food chain	33,022	-	(1,000)	-	32,022	(5,021)	35,493	30,472	664	31,136	886
5. E - Sustainable management of forests and trees	51,410	-	(1,650)	-	49,760	(4,059)	52,320	48,261	966	49,227	533
6. F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	72,250	-	(1,000)	-	71,250	(7,810)	75,848	68,038	1,352	69,390	1,860
7. G - Enabling environment for markets to improve livelihoods and rural development	48,223	-	-	-	48,223	(4,346)	51,401	47,055	939	47,994	229
8. H - Improved food security and better nutrition	95,196	-	(2,000)	-	93,196	(7,929)	98,302	90,373	1,814	92,187	1,009
9. I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	8,177	-	-	-	8,177	(501)	8,409	7,908	148	8,056	121
10. K - Gender equity in access to resources, goods, services and decision-making in the rural areas	21,756	-	-	-	21,756	(1,321)	20,901	19,580	367	19,947	1,809
11. L - Increased and more effective public and private investment in agriculture and rural development	39,885	-	1,400	-	41,285	(35,675)	75,723	40,048	1,233	41,281	4
12. X - Effective collaboration with member states and stakeholders	207,784	1,500	(700)	-	208,584	(32,529)	236,894	204,365	4,222	208,587	(3)
13. Y - Efficient and effective administration	95,111	2,488	8,350	-	105,949	(50,061)	152,748	102,687	3,321	106,008	(59)
15. T - Technical Cooperation Programme	116,027	65,460	-	(76,767)	104,720	-	103,903	103,903	817	104,720	-
16. O - Contingencies	600	-	-	-	600	-	-	-	-	-	600
17. P - Capital Expenditure	26,439	8,798	-	-	35,237	-	34,529	34,529	708	35,237	-
18. Q - Security Expenditure	24,809	-	-	(3,449)	21,360	(2,563)	23,491	20,928	432	21,360	-
<b>SUB-TOTAL</b>	<b>1,005,639</b>	<b>78,246</b>	<b>-</b>	<b>(80,216)</b>	<b>1,003,669</b>	<b>(165,906)</b>	<b>1,139,980</b>	<b>974,074</b>	<b>20,160</b>	<b>994,234</b>	<b>9,435</b>

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

## Statement IV: Status of Regular Programme Appropriations

**For the biennium ended 31 December 2013**  
(USD '000)

Chapter	Net Budget 1	Deferred Income and Reserves from Previous Biennium 2	Transfers 3	Income Deferred to Next Biennium 4	Adjusted Net Budget	Actual Other Income 5	Actual Expenditure 6	Actual Net Expenditure	Currency Variance 7	Budget Rate Net Expenditures	Budget vs. Actual Variance 9
Transfer to Tax equalization Fund (Chapter 19)	103,331	-	(103,331)	-	-	-	-	-	-	-	-
<b>Deferred Income and Reserves</b>											
TCP Deferred Income (Chapter 15)	65,460	(65,460)	-	76,767	76,767	-	-	-	-	-	76,767
Capital Expenditure account (Chapter 17)	14,765	(4,051)	-	-	10,714	-	-	-	-	-	10,714
Security Expenditure account (Chapter 18)	4,845	-	-	3,449	8,294	-	-	-	-	-	8,294
IPA Deferred Income	8,735	(8,735)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,202,775</b>	<b>-</b>	<b>(103,331)</b>	<b>-</b>	<b>1,099,444</b>	<b>(165,906)</b>	<b>1,139,980</b>	<b>974,074</b>	<b>20,160</b>	<b>994,234</b>	<b>105,210</b>

The accompanying notes are an integral part of the financial statement.

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

**Notes to Statement IV : Status of Regular Programme Appropriations**

<sup>1</sup> Conference resolution 5/2011 gross appropriation of USD 1,040.1 million adjusted for further savings and efficiency gains of USD 34.5 million (CL 143/REP Report of the 143rd Council, page 4, para 9b)) and the revised distribution arising from Further Adjustments (CL 144/REP Report of the 144th Council, page 6, para 28 b)), and Transformational Changes (CL 145/REP Report of the 145th Council, page 2-3, para 13c) ), to a net appropriation of USD 1,005.6 million. As authorised by the Conference Resolution 5/2011, which allows for any unspent balance of the 2010-11 appropriations to be carried forward for full implementation of the IPA, including one-time IPA investment costs to be incurred during the 2012-13 financial period, USD 8.7 million is brought forward as deferred income, including USD 0.5 million of deferred one-time IPA investment costs (C 2013/5 A, page 9, note 9).

<sup>2</sup> USD 65.5 million of TCP 2010-11 appropriation deferred until 2012-13 (at 2010-11 budget rate of exchange). The USD 8.7 million unspent balance of the 2010-11 appropriation carried forward as authorized by Conference Resolution 5/2011 and applied towards 2012-13 IPA investment costs in Functional Objectives X and Y (Chapters 12, 13) and the Capital Expenditure Facility (Chapter 17), thereby reducing the amount of the 2012-13 budget used to fund these costs. USD 4.1 million of the USD 14.8 million unspent balance from 2010-11 in the Capital Expenditure Facility (Chapter 17) was made available for use in 2012-13.

<sup>3</sup> Finance Committee approved transfers (FC154/8 : Report of the 154th FC session). The Tax Equalization Fund was established as of 1 January 1972. In line with the practice followed since 1972-73, the 2012-13 budget is presented on a gross basis, by adding to the total effective working budget an appropriation for staff assessment. This has no effect on the contributions payable by Members not levying tax on FAO staff emoluments; their full share of the staff assessment appropriation is refunded by deduction from the contributions payable by them. Members which levy tax on FAO staff emoluments have their shares of the appropriation for staff assessment reduced by the amount estimated to be required to meet claims from the FAO staff concerned for tax reimbursement.

<sup>4</sup> USD 76.8 million of TCP 2012-13 appropriation deferred until 2014-15 (at budget rate of exchange). USD 3.4 million deferred until 2014-15 under Security Expenditure Facility (at budget rate of exchange). The difference in the TCP closing balance and the Security Expenditure Facility between Statement IV and Statement II is attributable to the currency variance.

<sup>5</sup> Actual Other Income as reflected in Statement I is comprised of the following items:

	USD 000
Voluntary Contributions	111,318
Funds received under inter-organizational arrangements	660
Jointly financed activities	35,760
Other sundry income (exclusive of income generated by the Money and Medals Programme of USD 0.5 million, the IPRF Programme of USD 0.3 million, and the Medical Center of USD 0.8 million)	18,168
<b>Total actual other income</b>	<b>165,906</b>

<sup>6</sup> Represents amounts charged to the Regular Programme budget and the TCP prior biennium appropriation (USD 1,075.4 million and USD 64.5 million, respectively, for 2012-13 – refer also to Note 10). The Organization accounts for payments for health insurance premiums on behalf of retirees differently for financial reporting than for budgetary reporting. For the 2012-13 biennium, USD 21.1 million of payments for health insurance premiums on behalf of retirees are recognized as expenditure in Statement IV but are recorded as reduction of ASMC liability in Statement II for financial reporting purposes.

<sup>7</sup> Currency Variance represents adjustments to the actual to reflect the translation of Euro-denominated transactions at the Budget Rate of Exchange rather than the UN Operational Rate of exchange in effect at the date of the transactions.

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

<sup>8</sup> Budget rate net expenditure represents actual net expenditure adjusted by currency variance.

<sup>9</sup> Variance between adjusted net budget and budget rate net expenditure. As authorised by the Conference Resolution 7/2013, which allows for any unspent balance of the 2012-13 appropriations to be carried forward for any additional expenditures of a one-time nature associated with transformational change.



---

## **Notes to the Financial Statements**

---

### ***1. The Organization***

The Food and Agriculture Organization (the Organization), was established on 16 October 1945. Its headquarters are in Rome, Italy. The purpose of the Organization is to raise levels of nutrition and standards of living; secure improvements in the efficiency of the production and distribution of all food and agricultural products; better the condition of rural populations; and thus contribute toward an expanding world economy and ensure humanity's freedom from hunger.

The Organization's Programme of Work is approved by the Conference of Member Nations. The related budget appropriations voted are financed by annual contributions based on an assessment on Member Nations and Associate Members by the Conference. Unutilized appropriations at the close of the financial period are cancelled, except for the Technical Cooperation Programme (TCP) appropriation which remains available for obligations during the financial period following that for which the funds were voted and Capital Expenditure and Security Expenditure appropriations, which are transferred to the Capital Expenditure Account and the Security Expenditure Account, respectively, to be carried forward for use in subsequent financial periods.

Voluntary contributions for special purposes, which are consistent with the policies, aims and activities of the Organization, may be accepted by the Director-General and Trust and Special Funds established accordingly. In addition, the Organization receives funds under an inter-organizational arrangement with the United Nations Development Programme (UNDP) to participate as an executing agency for UNDP technical cooperation projects or act as implementing agency for UNDP funded projects executed by other executing agencies. Voluntary contributions and funds received include payment towards recovering certain costs relating to technical, managerial and administrative services (support costs) which are a necessary part of extra-budgetary projects.

In agreement with the main multilateral financing agencies for agriculture, the Organization provides investment support services under jointly financed missions to individual countries, for which it receives reimbursement of an agreed share of costs.

### ***2. Summary of Significant Accounting Policies***

#### **Financial Period**

The financial period is a biennium consisting of two consecutive calendar years.

#### **Basis of Preparation**

The financial statements are prepared in accordance with United Nations System Accounting Standards (UNSAS) applied consistently. Changes in accounting policy are made only if the adoption of a different policy is required by resolution of the Governing Bodies of the Organization or by UNSAS, or if the change would result in a more appropriate presentation of the financial statements.

#### **Income**

Income is recognized when the Organization becomes entitled to it with the exception of voluntary contributions, funds received under inter-organizational arrangement and jointly

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

---

financed activities, which is recognized proportionately with the degree of project activity completed as measured in terms of expenditure.

**Expenditure**

Expenditure is recognized as costs are incurred.

**Equipment, Furniture, Vehicles, Software and Other Property**

The cost of equipment, furniture, vehicles, software and other property is fully expensed in the year of purchase.

**Reporting Currency**

The financial statements are expressed in US dollars, the functional currency of the Organization.

**Foreign Currencies**

As of 31 December 2013, all assets and liabilities in currencies other than US dollars are translated at the UN operational rate of exchange at the reporting date. Exchange differences are taken to the income and expenditure account and transferred to the Special Reserve Account. Income and expenditure in currencies other than US dollars are translated into US dollars at the UN operational rates of exchange, which approximate the market rate in effect at the date of the underlying transactions.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly-liquid investments with original maturities of three months or less. Bank overdrafts for which the right of offset does not exist are recorded within other current liabilities on the Statement of Financial Position.

**Investments*****Classification***

The Organization classifies its investments in the following two categories: trading and available-for-sale.

(i) Trading

Trading investments are those that are acquired principally for the purpose of selling in the short term. Investments in this category are classified as current assets.

(ii) Available-for-sale

Available-for-sale investments are those that are not considered trading or those for which the Organization does not have the ability or intent to hold until maturity. Those available-for-sale investments that are available for funding current operations are classified as current assets, irrespective of their maturity date. Those available-for-sale investments that are designated to fund the Organization's post employment liabilities are classified as non-current assets.

***Accounting treatment of investments***

Purchases and sales of investments are recognized on the trade-date, which is the date on which the Organization enters into a legally binding agreement to purchase or sell the

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

---

investment. Investments are initially recognized at fair value. The carrying value of investments is subsequently adjusted to reflect the current fair market value on a periodic basis. Gains and losses arising from changes in the market value of trading investments are recorded directly in the Statement of Income and Expenditure in the period in which they arise. Changes in the market value of available-for-sale investments are recorded as “Unrealized gains/(losses)” in a separate component of Net Assets/Equity within the Statement of Assets, Liabilities, Reserves and Fund Balances. When available-for-sale investments are subsequently sold or impaired any cumulative market value adjustments previously recognized in the “Unrealized gains/(losses)” account are recognized in the Statement of Income and Expenditure.

Interest on available-for-sale fixed income investments and dividends on available-for-sale equity investments are recognized in the Statement of Income and Expenditure in the period earned and when the right to receive dividend payments is established, respectively.

The fair values of all investments are based on quoted prices in active financial markets.

***Derivative financial instruments***

Derivative financial instruments are recognized at fair value on their trade-date. The carrying value of derivative financial instruments is adjusted to reflect the current fair market value on a periodic basis. Gains and losses arising from changes in the market value of derivative financial instruments are recorded directly in the Statement of Income and Expenditure.

**Provisions**

The Organization’s policy for providing against delays in the collection of outstanding contributions is to fully provide against all outstanding Assessed Contributions due from former Member Nations and all outstanding contributions due in the form of Government Counterpart Cash Contributions.

The Organization’s policy for providing against delays in the collection of outstanding receivables from Other UN and non-UN organizations is to review individual receivables on a case to case basis to determine the probability of collection.

The Organization’s policy for providing against uncollectible trust fund receivables is to review individual receivables on a case to case basis to determine the probability of collection. The Organization carefully analyses the reason for any projects with cash deficits and considers the impact of agreements with individual donors in order to assess the probability of collection and level of provision required.

**Staff Related Schemes**

During the 2012-13 biennium, the Organization changed the accounting treatment of actuarial gains and losses from the corridor method to the reserves recognition approach, as this method will be acceptable under IPSAS and shows the full value of the costs related to the schemes. This resulted in the full recognition of all unrecognised actuarial losses identified as at 31 December 2011(USD 246.0 million) within the Organization's Reserves and Fund balances.

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

The expense rates and liabilities are determined by actuarial valuation. In accordance with the latest actuarial valuation as at 31 December 2013, the Organization has recognized in the financial statements 100% of the actuarially-determined liability for all of its Staff Related Schemes. Changes in the liabilities reflect expenditure related to the actuarially determined current service cost and interest expense plus or minus adjustments due to changes in actuarial assumptions and/or experience.

Current service costs are charged to expenditure on an accruals basis.

**Rounding Policy**

The financial statements are expressed in thousands of US dollars.

**Consolidation Policy**

**i) FAO Programme of Work**

The consolidated financial statements are reported by segment consisting of (a) General and Related Funds and (b) Trust and UNDP Funds.

**ii) FAO Credit Union**

Conference Resolution 37/75 stipulated that the Credit Union is an integral part of FAO and provided that (a) the Credit Union funds and net assets be placed in a special account administered separately from all other funds and assets administered by FAO; (b) all costs incurred in the operation of the Credit Union and any financial liabilities arising out of the Credit Union activities are chargeable to the Credit Union funds and assets and (c) the statutes of the Credit Union contain provisions safeguarding the position of the Organization. These principles were duly incorporated in the statutes of the Credit Union. The Credit Union audited financial statements are not consolidated but separately presented to the Finance Committee.

**iii) FAO Commissary**

The operations and funds of the Commissary are, defined by Article XIII, Section 27, of the Headquarters Agreement which recognizes that such officials enjoy (i) the right to import, free of duty and other levies, prohibitions and restrictions on imports and (ii) through the medium of FAO, reasonable quantities, to be agreed upon in accordance with a procedure to be established between the Italian Government and FAO, of foodstuffs and other articles for personal use and consumption and not for gift or sale. The Commissary audited financial statements are not consolidated but separately presented to the Finance Committee.

**3. Assessment on Member Nations**

	2012-13 USD 000	2010-11 USD 000
Regular Programme assessments	989,589	998,040
add: After Service Medical Coverage assessment	14,100	14,100
less: Amount in respect of Tax Equalization Fund	(8,500)	(7,800)
<b>Total Assessment on Member Nations</b>	<b>995,189</b>	<b>1,004,340</b>

Conference Resolution 37/2011 approved appropriations of USD 1,005.6 million to be used for the Programme of Work as proposed by the Director General for 2012-13. Such appropriations, plus an amount of USD 14.1 million to fund the amortization of After-Service Medical Coverage (ASMC), minus estimated Miscellaneous Income of USD 5.0 million, were budgeted to be financed by contributions from Member Nations of USD

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

1,014.7 million. The contributions are comprised of split assessments in US Dollars of USD 496.0 million and in Euros of €381.4 million (equivalent to US Dollars 518.7 million at the Budget rate of exchange of US Dollar 1.36 to €1.00). The difference between actual Assessments on Member Nations of USD 995.2 million and amounts approved under the Conference Resolution, of USD 1,014.7 million, reflect the difference between the average UN Operational rate of exchange of US Dollar 1.31 to €1.00 at the time the €381.4 million was assessed and the rate of exchange applied in the budget.

The split assessment arrangement was approved by Conference Resolution 11/03, in 2003 and this arrangement was first used for the assessments on Member Nations in 2004-05. Based on total assessments expressed in US Dollars as reported in Statement I, the actual split of assessments in US Dollars and Euro for 2012-13 was approximately 50% and 50%, respectively (2010-11; 43% and 57% respectively).

#### ***4. Voluntary Contributions***

	2012-13 USD 000	2010-11 USD 000
<b>(a) General and Related Funds</b>		
Support costs	111,318	108,067
<b>(b) Trust and UNDP Funds</b>		
Donor countries	905,093	1,180,927
Donor institutions	249,801	268,837
Multidonor projects	204,113	169,500
	<b>1,359,007</b>	<b>1,619,264</b>
<b>Total Voluntary Contributions</b>	<b>1,470,325</b>	<b>1,727,331</b>

General and Related Funds Support costs represent income generated for support services provided to Trust and UNDP fund projects by the Regular Programme.

#### ***5. Funds Received under Inter-Organizational Arrangements***

	2012-13 USD 000	2010-11 USD 000
<b>(a) General and Related Funds</b>		
Support costs	660	1,249
<b>(b) Trust and UNDP Funds</b>		
Funds received under inter-organizational arrangement	5,935	12,912
<b>Total Funds Received under Inter-Organizational Arrangements</b>	<b>6,595</b>	<b>14,161</b>

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

### 6. Jointly Financed Activities

	2012-13 USD 000	2010-11 USD 000
FAO/World Bank Cooperative Programme	27,415	27,141
International Fund for Agricultural Development	4,189	7,539
European Bank for Reconstruction and Development	2,583	2,044
Others	1,573	1,330
<b>Total Jointly Financed Activities</b>	<b>35,760</b>	<b>38,054</b>

Amounts recognized within the “Others” category in the table above, include the results from Jointly Financed Activities with the African Development Bank and the Asian Development Bank.

### 7. Miscellaneous Income

	2012-13 USD 000	2010-11 USD 000
<b>(a) General and Related Funds</b>		
Bank and term deposit interest	1,182	2,018
Held-for-trading investment losses	(1,325)	(1,164)
Lapse of accrued liabilities	11,518	7,878
Bank charges	(3,091)	(3,460)
Bank interest paid	(4)	(8)
Other	2,777	1,507
	<b>11,057</b>	<b>6,771</b>
<b>(b) Trust and UNDP Funds</b>		
Transfer of Interest to Donors	1,531	2,344
<b>Total Miscellaneous Income</b>	<b>12,588</b>	<b>9,115</b>

### 8. Return on Investments – Available-for-sale

	2012-13 USD 000	2010-11 USD 000
<b>Gains/(Losses) on Investments – Available-for-sale</b>	<b>52,868</b>	<b>38,934</b>

The net returns generated on the Available-for-sale Investment portfolio represent the investment income earned, in addition to gains and losses of market value realized in the 2012-13 biennium. The Available-for-sale Investment portfolio represents the accumulated assets set aside over a period of decades to fund the Organization’s share of staff-related liabilities. The current investment guidelines for the long term portfolio have an asset

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

allocation of approximately 50% equities and 50% fixed income. The fixed income portion is in Euros, while the equities are in US Dollars.

During the 2012-13 biennium, the return on the Available-for-sale Investment portfolio generated a net gain of USD 52.9 million (2010-11 USD 38.9 million net gain) due to favorable market conditions, comprised of USD 15.5 million of interest income (2010-11 USD 14.3 million), USD 41.2 million of net realised gains (2010-11 USD 27.3 million net realised gains), off-set by USD 3.8 million of management fees (2010-11 USD 2.7 million) charged by the Organization's investment portfolios managers.

### ***9. Net Other Sundry Income***

	2012-13 USD 000	2010-11 USD 000
Government Counterpart Cash Contributions	1,609	1,579
Money and Medals Programme Income	458	683
Information Products Revolving Fund	344	328
Other Income	17,346	14,906
<b>Total Net Other Sundry Income</b>	<b>19,757</b>	<b>17,496</b>

Income from Government Counterpart Cash Contributions received from local Governments to cover the cost of operating the FAO office in their country, are reported in Net Other Sundry Income, as is the sale of products for the Money and Medals Programme, including coins, medals and gift items, as well as income deriving from the sale of products of the Information Products Revolving Fund, and ad-hoc extra budgetary contributions in direct support or reimbursement of Regular Programme funded normative activities.

Other Income mainly represents reimbursements to the Organization of expenditure incurred on behalf of third parties, including other International Organizations to which services such as medical, social security, legal and administrative are provided.

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

**10. Expenditure**

	2012-13 USD 000	2010-11 USD 000
<b>(a) General and Related Funds:</b>		
Staff salaries	661,458	653,458
Other human resources	129,406	127,960
Official travel	100,724	85,310
General operating expenses	77,124	67,641
Purchase of expendable and non-expendable equipment	50,859	52,042
Training	15,266	15,105
Contracts	62,024	75,967
Sundries	23,101	26,902
	<b>1,119,962</b>	<b>1,104,385</b>
<b>(b) Trust and UNDP Funds</b>		
Staff salaries	226,549	246,051
Other human resources	229,714	216,526
Official travel	128,770	136,364
General operating expenses	59,087	74,572
Purchase of expendable and non-expendable equipment	336,619	522,084
Training	58,301	70,022
Contracts	317,232	357,539
Sundries	8,670	9,018
	<b>1,364,942</b>	<b>1,632,176</b>
<b>Total Expenditure</b>	<b>2,484,904</b>	<b>2,736,561</b>

Regular Programme expenditure includes USD 35.0 million of expenditure related to the 2012-13 TCP appropriation (2010-11; USD 41.9 million related to the 2010-11 TCP appropriation); USD 64.7 million of expenditure related to the 2010-11 TCP appropriation (2010-11; USD 54.0 million related to the 2008-09 TCP appropriation); USD 34.5 million of Capital Expenditure (2010-11 USD 20.2 million); USD 20.9 million of Security Expenditure (2010-11 USD 23.9 million). Regular Programme expenditure excludes USD 21.1 million (2010-11 USD 21.7 million) of costs in relation to After Service Medical Plan payments which are recognized as expense for Statement IV purposes but recorded as reduction in ASMC liability in Statement II for financial reporting purposes (refer also to Statement IV).



---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

**11. Actuarial Losses**

	2012-13 USD 000	2010-11 USD 000
After Service Medical Coverage	-	31,748
Compensation Payment Fund	1,097	2,499
Terminal Payments Fund	-	7,192
Separation Payments	-	(1,046)
<b>Total Actuarial Losses</b>	<b>1,097</b>	<b>40,393</b>

Prior to 1 January 2012, the Organization used the ‘corridor method’ to recognize actuarial gains and losses; those that exceeded 10 per cent of the value of the actuarial liability were deferred and recognized over the expected average remaining working lives of the employees participating in the plan, which was estimated from 9.4 to 11.4 years.

As at 1 January 2012 the Organization moved from the corridor method of recognizing actuarial gains and losses to the reserves recognition approach. Under this method, all actuarial gains and losses are recorded immediately in equity. The total value of unrecognized actuarial losses as at 1 January 2012 that were recognized immediately upon the change in accounting treatment amounted to USD 246.0 million.

During the biennium ended 31 December 2013, actuarial losses generated on the Compensation Payment Fund of USD 1.1 million were recognized directly in Statement I as this scheme is considered as an Other Long-Term Benefit, and therefore its actuarial gains and losses are not recognized directly in equity. A further USD 13.5 million of actuarial gains were recognized in equity as identified below:

	2012-13 USD 000
After Service Medical Coverage	27,422
Terminal Payments	(5,439)
Separation Payments	(8,504)
<b>Total Increase in Actuarial Gains recognized in equity</b>	<b>13,479</b>

**12. Interest Cost of Staff Related Liabilities**

	2012-13 USD 000	2010-11 USD 000
After Service Medical Coverage	82,409	98,153
Compensation Payment Fund	1,526	1,948
Terminal Payments Fund	4,856	6,063
Separation Payments	5,846	8,789
<b>Total Interest Cost of Staff Related Liabilities</b>	<b>94,637</b>	<b>114,953</b>

Interest cost of USD 94.6 million represents the increase in the present value of the total recognized liabilities during the course of 2012-13.

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

### ***13. Prior service credit on Staff Related Liabilities***

During 2013, the Organization made changes to the terms and conditions of the Separation Payment Scheme. The scheme was amended in respect of the calculation of the separation payment due to General Service category staff at Headquarters, effective 1 March 2014.

The implementation of this change in the actuarial valuation of the liability resulted in a one-time gain being recognized in Statement I of USD 4.5 million.

### ***14. Provision for Contributions Receivable and Other Assets***

	2012-13 USD 000	2010-11 USD 000
Accounts Receivable	526	(592)
Cash and Bank	(134)	-
Government Cash Contributions	197	302
Trust Fund and UNDP	(1,384)	594
<b>Total Decrease/(Increase) in Provisions for Contributions Receivable and Other Assets</b>	<b>(795)</b>	<b>304</b>

### ***15. Cash and cash equivalents***

At 31 December 2013 and 2011, the cash and cash equivalents balance was comprised of the following:

	2012-13 USD 000	2010-11 USD 000
<b>(a) General and Related Funds</b>		
Cash at banks and Money market funds	102,079	61,376
	<b>102,079</b>	<b>61,376</b>
<b>(b) Trust and UNDP Funds</b>		
Cash at banks and Money market funds	14,656	192,940
Short-term time deposits	530,000	300,003
Cash equivalents held at investment managers	15,927	14,171
	<b>560,583</b>	<b>507,114</b>
<b>Total cash and cash equivalents</b>	<b>662,662</b>	<b>568,490</b>

Due to the short-term, highly liquid nature of cash and cash equivalents, there is no significant interest rate or credit risk associated with these balances.

Of the total cash and cash equivalents held at 31 December 2013, USD 102.1 million is available for use by the Organization for general expenditures (2010-11 USD 61.3 million). USD 38.6 million of the total cash and cash equivalents is restricted to be utilized only in specific emergency situations as contemplated by the Special Fund for Emergency and Rehabilitation Activities (2010-11 USD 43.3 million). An additional USD 522.0 million of cash and cash equivalents is restricted in that the funds may only be utilized for the

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

fulfillment of the purposes specified in the related Trust Fund agreements (2010-11 USD 463.8 million). Of the total cash and cash equivalents, USD 0.3 million is held in currencies that are not readily convertible into other currencies. These balances are held in order to satisfy general business and project-related requirements in the various countries in which the Organization operates.

## ***16. Investments and Derivative Financial Instruments***

### **Financial Risk Management**

Due to the significant volume of the Organization's business being transacted in currencies other than the US dollar, the Organization is exposed to foreign currency exchange risk that could impact its financial position and results of operations. Additionally, within its investment portfolio, the Organization is exposed to foreign currency exchange rate, interest rate, credit and equity price risks. The Organization's financial risk management is carried out by a central treasury function using guidelines set out by the FAO Investment Committee and advice from the World Bank. The Organization manages the risks associated with its investment portfolio through providing strict guidelines, and then actively managing compliance with these guidelines, to each of the Organization's investment managers. These guidelines include limits on the investment managers' level of exposure to non-US dollar currencies, their exposure to a single issuer of debt or equity investments and their level of investment in derivative financial instruments.

### **Investments**

At 31 December 2013 and 2011, all of the held for trading investment portfolio held by the Organization were classified as trading due to the fact that these investments are managed on a short-term basis to ensure preservation of capital while providing a level of return. Additionally, these investments are generally available and required for use in current operations. All held for trading investments are carried at fair value. The unrealized gains and losses on the held for trading portfolio are recognized in the Statement of Income and Expenditure as incurred. At 31 December 2013 and 2011, the fair value by investment type for held for trading investments was:

	2012-13 USD 000	2010-11 USD 000
<b>Trust and UNDP Funds</b>		
<b>Investments – Held for Trading</b>		
Government Bonds	313,974	306,115
Municipal Bonds	11,000	-
Corporate Bonds	16,573	6,497
Guaranteed Fixed Income	4,002	41,599
Mortgage Backed Securities	11,777	12,957
<b>Total Investments – Held for Trading</b>	<b>357,326</b>	<b>367,168</b>

For the biennium ended 31 December 2013, the Organization made net disposals of USD 11.47 million of held for trading investments. Additionally, the Organization recognized, directly in the Statement of Income and Expenditure, USD 5.3 million of realized losses and USD 0.4 million of unrealized gains associated with its held for trading investment portfolio. The Organization recognized USD 8.0 million of interest income and USD 1.4 million of

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

fees related to its held for trading investment portfolio for the biennium ended 31 December 2013.

The remainder of the investments held by the Organization were classified as available-for-sale as they have not been classified as trading and they are not held to maturity. All available-for-sale investments are carried at fair value. The unrealized gains and losses on the available-for-sale investments are recognized in the Statement of Assets, Liabilities, Reserves and Fund Balances. The available-for-sale investments are not expected to be used in support of the Organization's current operations; rather, these investments have been designated as being held for funding of the Organization's post-employment benefits. Although these investments are designated for this purpose, and are not available for funding current operations, the investments are not subject to separate legal restrictions and do not qualify as Plan Assets as defined in IPSAS 25, *Employee Benefits*. At 31 December 2013 and 2011, the cost, unrealized gains or losses and fair value of the available-for-sale investments by investment type were:

	2012-2013 USD 000		Fair Value
	Cost	Unrealized Gains / (Losses) on Available-for-Sale Investments	
<b>Investments -available-for-sale:</b>			
Bonds	204,233	(3,141)	<b>201,092</b>
Equities	167,924	53,899	<b>221,823</b>
Other	7,759	912	<b>8,671</b>
<b>Total Investments – available-for-sale</b>	<b>379,916</b>	<b>51,670</b>	<b>431,586</b>

	2010- 2011 USD 000		Fair Value
	Cost	Unrealized Gain / (Loss) on Available-for-Sale Investments	
<b>Investments - available-for-sale:</b>			
Government Bonds	150,644	4,807	<b>155,451</b>
Equities	164,091	6,554	<b>170,645</b>
Other	4,850	(4,073)	<b>777</b>
<b>Total Investments – available-for-sale</b>	<b>319,585</b>	<b>7,288</b>	<b>326,873</b>

The net unrealized gain of USD 51.7 million as at 31 December 2013 has been driven by the very positive movement in value of equity investments. These results were only partially affected by the slightly negative performance of the fixed-income investments. The EUR/USD foreign exchange rate impacted only marginally the investment performance over the biennia 2012-2013.

The total net unrealized gain during 2012-13 includes USD 6.2 million of Foreign exchange unrealised gains on the debt portfolios which have been recognized in Statement I during the biennium, leaving the balance of USD 45.5 million in equity.

The net unrealised gain of USD 7.3 million as at 31 December 2011 was primarily attributable to the recovery in the value of equity investments and a strong performance of the fixed income, inflation linked portfolio. This strong performance was partially compensated by a declining value of the Euro versus the USD.

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

Principal movements Investments – available-for-sale at fair value are as follows:

	2012-13 Opening	Additions	Management Fees	USD millions Interest Income Received	Gains (Losses) Recognised	Unrealised Change	2012-13 Closing
<b>Investments - available-for- sale</b>	<b>326.9</b>	13.7	(3.8)	15.4	41.2	38.2	<b>431.6</b>

	2010-11 Opening	Additions	Management Fees	USD millions Interest Income Received	Gains (Losses) Recognised	Unrealised Change	2010-11 Closing
<b>Investments - available-for- sale</b>	<b>292.5</b>	13.5	(2.7)	15.9	27.3	(19.6)	<b>326.9</b>

Conference Resolution 10/99 and 10/2001 approved, inter alia, that (i) any income generated from the investments held in respect of the Separation Payments Scheme and Staff Compensation Plan be applied to ensure the adequacy of those funds to extinguish the respective liabilities, (ii) should there be additional investment income then this should first be earmarked for the After Service Medical Coverage liability and subsequently for the Terminal Payments liability.

### Derivative Financial Instruments

The Organization uses derivative financial instruments within its investment portfolio for the purpose of mitigating the foreign currency risk present in its investment portfolio and, to a limited extent, to obtain a rate of return on the investment portfolio. The Organization utilizes forward contracts, options and swaps in order to mitigate these risks. At 31 December 2013, derivatives usage in long-term investments was limited primarily to fixed income futures. The derivatives exposure was considered not to be material.

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

**17. Contributions Receivable**

	2012-13 USD 000	2010-11 USD 000
<b>(a) General and Related Funds</b>		
Assessment on Member Nations	100,899	103,987
Government Counterpart Cash Contributions	3,487	4,049
Working Capital Fund	48	51
Special Reserve Account	2,289	2,289
	<b>106,723</b>	<b>110,376</b>
<b>(b) Trust and UNDP Funds</b>		
Voluntary Contributions	4,831	4,251
Funds receivable under inter-organizational arrangement	3,527	3,041
	<b>8,358</b>	<b>7,292</b>
<b>Total Contributions Receivable</b>	<b>115,081</b>	<b>117,668</b>

**18. Provisions for Delays in Contributions**

	2012-13 USD 000	2010-11 USD 000
<b>(a) General and Related Funds:</b>		
<b>Opening Balance as at 1 January 2012 and 2010</b>	<b>12,630</b>	<b>12,978</b>
Decrease in provision for contributions related to:		
Government Counterpart Cash Contributions	(562)	(348)
<b>Net decrease in provision for contributions</b>	<b>(562)</b>	<b>(348)</b>
<b>Closing Balance as at 31 December 2013 and 2011</b>	<b>12,068</b>	<b>12,630</b>
<b>Of which Provision for:</b>		
Assessments on Member Nations	8,405	8,405
Government Counterpart Cash Contributions	3,487	4,049
Special Reserve Account assessments	151	151
Working Capital Fund assessments	25	25
<b>Closing Balance as at 31 December 2013 and 2011</b>	<b>12,068</b>	<b>12,630</b>
<b>(b) Trust and UNDP Funds:</b>		
<b>Opening Balance as at 1 January 2012 and 2010</b>	<b>6,288</b>	<b>6,883</b>
(Decrease)/Increase in provision for contributions	1,385	(595)
<b>Closing Balance as at 31 December 2013 and 2011</b>	<b>7,673</b>	<b>6,288</b>
<b>Total Closing Balance as at 31 December 2013 and 2011</b>	<b>19,741</b>	<b>18,918</b>

As of 31 December 2013 and 31 December 2011, the Provision for Assessments on Member Nations, Special Reserve Account and Working Capital Fund assessments relates entirely to a former Member Nation (ex-Yugoslavia). In both biennia, the decrease related to Government Counterpart Cash Contributions reflects the net decrease in amounts of the related gross contributions receivable outstanding (refer to Note 17).

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

**19. Accounts Receivable**

	2012-13 USD 000	2010-11 USD 000
<b>(a) General and Related Funds:</b>		
Accounts Receivable, advances and prepayments	51,251	34,494
Other UN and non UN organizations	9,633	12,571
Accrued interest and other	3,120	6,417
	<b>64,004</b>	<b>53,482</b>
Less: Provision for Accounts Receivable	(1,486)	(2,381)
	<b>62,518</b>	<b>51,101</b>
<b>(b) Trust and UNDP Funds:</b>		
Accrued interest and other	925	-
<b>Total Accounts Receivable</b>	<b>63,443</b>	<b>51,101</b>

Accounts Receivable, advances and prepayments at 31 December 2013 includes USD 15.6 million of advances to staff members against their earned termination and separation payment entitlements (2010-11 - USD 7.5 million). Such amount will be deducted from the final entitlements to be paid out upon end of the staff members' service (Refer to Note 24 for further details). Accrued interest and other relates to accrued income on cash, cash equivalents and all investment portfolios, as well as accrued income on the Investment Support Programme within Jointly Financed Activities.

Accounts Receivable is reported net of a provision to state balances at their expected net realizable value.

**20. Contributions Received in Advance**

	2012-2013 USD 000	2010-11 USD 000
<b>(a) General and Related Funds:</b>		
Assessment on Member Nations	21,680	17,570
<b>(b) Trust and UNDP Funds:</b>		
Voluntary contributions	707,922	705,913
<b>Total Contributions Received in Advance</b>	<b>729,602</b>	<b>723,483</b>

Contributions Received in Advance for Trust and UNDP Funds represent the part of voluntary contributions, received from various donors, which has not yet been utilized for the implementation of the relevant projects. Income on Trust Fund and UNDP projects is recognized as project expenditure is incurred and the balance of contributions received in advance reduced accordingly. In accordance with the Donor Agreements, any unspent balance is at the disposal of donors.

The contributions received in advance are maintained in cash and short term investments and interest income on these balances is transferred to Trust Funds and UNDP donor accounts.

Interest income attributed to cash and short term investments related to Voluntary Contributions and transferred to Trust Funds and UNDP donor accounts included above amounted to USD 1.5 million (2010-11 - USD 2.3 million).

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

### *21. Unliquidated Obligations*

Unliquidated obligations represent amounts committed for the cost of personnel, contracts and outstanding purchase orders entered into at HQ and worldwide operations as at 31 December 2013.

### *22. Accounts Payable*

	2012-13 USD 000	2010-11 USD 000
Field disbursements	3,323	953
Pension and medical schemes	4,559	4,349
Staff fiduciary accounts	31,189	25,422
Other accounts payable	29,695	8,345
<b>Total Accounts Payable</b>	<b>68,766</b>	<b>39,069</b>

Staff fiduciary accounts represent funds related to the operation of the contributory medical and insurance arrangements for staff. The funds are used for related purposes such as settling claims received after the expiry of the medical and insurance contracts.

### *23. Deferred Income*

	2012-13 USD 000	2010-11 USD 000
Technical Cooperation Programme	75,916	64,705
Immediate Plan of Action	-	8,735
<b>Total Deferred Income</b>	<b>75,916</b>	<b>73,440</b>
<b>Opening Balance on TCP as at 1 January 2012 and 2010</b>	<b>64,705</b>	<b>54,099</b>
Add: 2012-13 Regular Programme assessment relating to TCP appropriation (2010-11)	110,874	106,563
Less: Transferred to income in respect of expenditures incurred against:		
(i) TCP 2010-11 appropriation (2008-09)	(64,540)	(54,010)
(ii) TCP 2012-13 appropriation (2010-11)	(34,958)	(41,858)
Net increase/(decrease) in deferred income during the biennium	<b>11,376</b>	<b>10,695</b>
(iii) TCP 2010-11 appropriation surrendered to Miscellaneous Income	(165)	(89)
<b>Closing Balance as at 31 December 2013 and 2011</b>	<b>75,916</b>	<b>64,705</b>
<b>Opening Balance on IPA as at 1 January 2012 and 2010</b>	<b>8,735</b>	-
Add: Transfers between budgetary chapters and IPA	-	8,735
Less: Transfers to Capital Expenditure (Chapter 17)	(4,747)	-
Less: Transferred to income in respect of expenditures incurred	(3,988)	-
<b>Closing Balance as at 31 December 2013 and 2011</b>	<b>-</b>	<b>8,735</b>
<b>Total Deferred Income as at 31 December 2013 and 2011</b>	<b>75,916</b>	<b>73,440</b>



---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

<b>Deferred Income Movement</b>	<b>2012-13 USD 000</b>	<b>2010-11 USD 000</b>
Technical Cooperation Programme	(11,376)	(10,695)
Immediate Plan of Action	8,735	(8,735)
<b>Total Deferred Income movement for the biennium</b>	<b>(2,641)</b>	<b>(19,430)</b>

The Technical Cooperation Programme (“TCP”) was launched in 1976 to make FAO’s specialized competence more readily available to member countries to solve pressing development problems in the agriculture, fisheries and forestry sectors as well as to address related rural development and socio-economic issues.

TCP is a Regular Programme activity funded through assessed Member Nation Contributions. Appropriations are available over two biennia. The amount of appropriation unutilized in the first biennium is recorded as deferred revenue and can be carried forward to be fully utilized in the following biennium. Deferred income as recorded in Statement II is calculated as the difference between the total appropriation as set out in the Programme of Work and Budget less actual expenditure incurred. The TCP appropriation and expenditure are net of TCP administration costs.

The amount of USD 64.5 million reported as expenditure incurred against the TCP 2010-11 appropriation includes the transfer of USD 6.4 million of expenditure on projects originally financed from the 2012-13 appropriation as part of the established return flow procedures approved by the Governing Bodies.

The unspent balance of the 2010-11 appropriations carried forward as deferred income at the end of 2011 for full implementation of the Immediate Plan of Action (IPA) was fully utilized during the 2012-13 biennium against 2012-13 IPA investment costs in Functional Objectives X and Y (Chapters 12, 13) and the Capital Expenditure (Chapter 17).

#### ***24. Staff Related Schemes***

	<b>2012-13 USD 000</b>	<b>2010-11 USD 000</b>
Compensation Payments	18,494	19,039
Separation Payments	85,022	86,705
Terminal Payments	72,238	67,328
After Service Medical Coverage	1,037,427	979,005
<b>Total Staff Related Schemes</b>	<b>1,213,181</b>	<b>1,152,077</b>
Less: Unrecognized Actuarial loss	-	(246,017)
<b>Total Recorded Staff Related Schemes</b>	<b>1,213,181</b>	<b>906,060</b>

On 1<sup>st</sup> January 2012 the Organization changed its policy for recognizing actuarial gains and losses from the corridor method to the reserve recognition approach. Consequently, as at 31 December 2013 there are no unrecognized actuarial gains and losses as all actuarial gains and losses arising on the Separation Payments Fund, the Terminal Payments Fund and the After Service Medical Coverage Plan as of 1 January 2012 have been recognized directly in equity. All actuarial gains or losses arising on the Compensation Payment Fund are recognized

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

directly in Statement I as this scheme is considered as an Other Long-Term Benefit, and therefore its actuarial gains and losses are not recognized in equity.

The following table shows the total actuarial value of Staff Related Schemes less the assets earmarked to fund them as per Conference Resolutions 10/99 and 10/01 and less advance payments to staff members of earned entitlements under the Separation Payment Scheme as at 31 December 2013:

	2012-13 USD 000	2010-11 USD 000
<b>Total Staff Related Schemes</b>	<b>1,213,181</b>	<b>1,152,077</b>
Less: Earmarked investments – available-for- sale at fair market value	(431,585)	(326,873)
	(15,604)	(7,517)
Less: Advances on Separation Payments Scheme		
<b>Total Unfunded Staff Related Schemes</b>	<b>765,992</b>	<b>817,687</b>

### Compensation Payments

Compensation Payments are due to staff members and their dependents in case of death, injury or illness attributable to the performance of official duties and, in certain circumstances, to supplement the disability and survivors' pensions paid by the United Nations Joint Staff Pension Fund. Compensation Payments are subject to actuarial review to ascertain the liabilities and recommend rates of contribution. The valuation method used is the One-Year Term Cost Method. Principal actuarial assumptions and the actuarial present value of expected claims of the last actuarial valuation as at 31 December 2013 (and 2011) are as follows:

	2013	2011
(i) Annual discount rate	4.6%	4.4%
(ii) General inflation rate	2.5%	2.5%
<b>Actuarial Present Value of Defined Benefit Obligation (USD 000s)</b>	<b>18,494</b>	<b>19,039</b>

### Separation Payments

Separation Payments are due to General Service category staff at Headquarters who are entitled to receive a separation payment equivalent to 1/12th of the staff member's Final Net Annual Salary rate multiplied by years of service between 1 January 1975 and 31 December 1990, plus 1/13.5th of the staff member's Final Net Annual Salary rate multiplied by years of service after January, 1, 1991. Separation Payments are subject to actuarial review to ascertain the liabilities and recommend rates of contribution. The valuation method used is the Projected Unit Credit Cost Method. Principal actuarial assumptions and the actuarial present value of expected claims of the last actuarial valuation as at 31 December 2013 (and 2011) are as follows:

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

	2013	2011
(i) Annual discount rate	3.0%	4.7%
(ii) Salary inflation rate	3.0%	3.0%
<b>Actuarial Present Value of Defined Benefit Obligation (USD 000s)</b>	<b>85,022</b>	<b>86,705</b>

### Terminal Payments

Terminal Payments relate to payment of accrued annual leave, repatriation grant, termination indemnity, cost of repatriation travel and the removal of household goods for all eligible staff. Terminal Payments are subject to actuarial review to ascertain the related liabilities and recommend rates of contribution. Principal actuarial assumptions and the actuarial present value of expected claims of the last actuarial valuation as at 31 December 2013 (and 2011) are as follows:

	2013	2011
(i) Annual discount rate	3.7%	4.4%
(ii) Salary inflation rate	3.0%	3.0%
<b>Actuarial Present Value of Defined Benefit Obligation (USD 000s)</b>	<b>72,238</b>	<b>67,328</b>

### After Service Medical Coverage

The After Service Medical Coverage Plan provides for worldwide coverage for necessary medical expenses of eligible former staff members and their dependents. The After Service Medical Coverage liability represents the present value of the share of the Organization's medical insurance costs for retirees and active staff post-retirement benefits accrued to-date. After Service Medical Coverage is subject to actuarial review to ascertain the related liabilities and recommend rates of contribution. The valuation method used is the Projected Unit Credit Cost Method with Service Prorate. Principal actuarial assumptions and the actuarial present value of expected claims of the last actuarial valuation as at 31 December 2013 (and 2011) are as follows:

	2013	2011
(i) Annual discount rate	4.3%	4.3%
(ii) Salary inflation rate	3.0%	3.0%
(iii) Medical Inflation rate (as at 31 December 2013, the rate is assumed to be 5.0% for 2014 to 2024 and 4.5% per year for 2025 to 2044. As at 31 December 2011, the medical inflation rate was assumed to be 4.0% for 2012 to 2014 and 5% per year thereafter.	4.0%	4.0%
<b>Actuarial Present Value of Defined Benefit Obligation (USD 000s)</b>	<b>1,037,427</b>	<b>979,005</b>

## 25. Pensions

The Pension Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

FAO's financial obligation to the United Nations Joint Staff Pension Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9% for participants and 15.8% for member organizations) together with any

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

---

share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

The actuarial valuation performed as of 31 December 2011 revealed an actuarial deficit of 1.87% (0.38% in the 2009 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance as of 31 December 2011 was 25.57% of pensionable remuneration, compared to the actual contribution rate of 23.7%. The actuarial deficit was primarily attributable to the lower than expected investment experience in recent years. The next actuarial valuation will be conducted as of 31 December 2013.

At 31 December 2011, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 130% (140% in the 2009 valuation). The funded ratio was 86% (91% in the 2009 valuation) when the current system of pension adjustments was taken into account.

After assessing the actuarial sufficiency of the Pension Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2011, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

In July 2012, the Pension Board noted in its Report of the fifty-ninth session to the General Assembly that an increase in the normal age of retirement for new participants of the Fund to 65 is expected to significantly reduce the deficit and would potentially cover half of the current deficit of 1.87%. In December 2012 and April 2013, the General Assembly authorized an increase to age 65 in the normal retirement age and in the mandatory age of separation respectively for new participants of the Fund, with effect not later than from 1 January 2014. The related change to the Pension Fund's Regulations was approved by the General Assembly in December 2013. The increase in the normal retirement age will be reflected in the actuarial valuation of the Fund as of 31 December 2013.

During the biennium 2012-13, contributions paid to the United Nations Joint Staff Pension Fund amounted to USD 118.0 million (USD 118.9 million in 2010-11). Expected contributions due in 2014 are USD 57.5 million.

The United Nations Board of Auditors carries out an annual audit of the Pension Fund and reports to the Pension Fund Pension Board on the audit every year. The Pension Fund publishes quarterly reports on its investments and these are made public online.<sup>1</sup>

---

<sup>1</sup> Available at <http://www.unjspf.org>

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

## 26. Working Capital Fund

The purpose of the Working Capital Fund is to advance moneys on a reimbursable basis to the General Fund in order to finance budgetary expenditures pending receipt of contributions to the budget; finance emergency expenditures not provided for in the current budget; and make loans for such purposes as the Council may authorize in specific cases. The authorized level of the Working Capital Fund was set by Conference resolution 15/91 at USD 25 million and is increased by the Working Capital Assessments on new Member Nations.

	2012-13 USD 000	2010-11 USD 000
<b>Authorized level at beginning and end of the biennium 2013 (2011)</b>	<b>25,793</b>	<b>25,678</b>
<b>Balance at beginning and end of the biennium 2013 (2011)</b>	<b>25,745</b>	<b>25,654</b>

During the biennium the level of the Working Capital Fund was increased by contributions from new Member Nations: The Government of Brunei Darussalam, The Government of the Republic of Singapore, and The Government of the Republic of South Sudan.

## 27. Special Reserve Account

The purpose of the Special Reserve Account is to protect the Organization's Programme of Work against the effects of unbudgeted extra costs arising from adverse currency fluctuations and unbudgeted inflationary effects. The authorized level of the Special Reserve Account is set by Conference Resolution 13/81 at 5% of the effective working budget for the respective subsequent biennium, amounting to USD 50.3 million in 2012-13.

	2012-13 USD 000	2010-11 USD 000
<b>Authorized level at 1 January 2012 and 2010</b>	<b>50,282</b>	<b>50,026</b>
<b>Opening Balance as at 1 January 2012 and 2010</b>	<b>20,043</b>	<b>18,960</b>
Exchange differences on foreign currency transactions	(2,485)	1,289
Net transfer to General Fund of historic Exchange differences on translation of foreign currencies	-	(206)
Total transfers from/(to) General Fund	(2,485)	1,083
<b>Closing Balance as at 31 December 2013 and 2011</b>	<b>17,558</b>	<b>20,043</b>

Net gains or losses on foreign exchange are charged to the Special Reserve Account. During the 2012-13 biennium, the Organization recorded a net loss on foreign exchange of USD 2.0 million (as reported in Statement I). Of the USD 2.0 million net foreign exchange losses, actual cash backed foreign exchange differences amounted to a USD 2.5 million net loss for 2012-13. This loss was transferred to the Special Reserve Account as was in line with the agreement reached by Member Nations during the 135th Session of the Finance Committee to cease the transfer of Euro-to-Dollar translation differences (non-cash) to the SRA. The remaining USD 0.5 million of foreign exchange gains that remain in the Statement of

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

Income and Expenditure have principally been generated on the translation of the 2012-2013 Euro portion of the Assessments on Member Nations<sup>2</sup> to US Dollars.

### ***28. Capital Expenditure Account***

The purpose of the Capital Expenditure Account is to manage activities which involve capital expenditure, defined as being: (i) expenditures on tangible or intangible assets with a useful life in excess of the Organization's financial period of two years; (ii) which generally require a level of resources which cannot be funded within the appropriation for a single biennium. Unutilized appropriations at the close of the financial period are transferred to the Capital Expenditure Account and can be carried forward for use in subsequent financial periods.

	2012-13 USD 000	2010-11 USD 000
<b>Opening Balance at 1 January 2012 and 2010</b>	<b>14,475</b>	<b>10,192</b>
Transfer from Deferred Revenue (IPA funding)	4,747	-
Approved appropriations	26,439	26,803
Less: approved appropriation funded from prior biennium	-	(2,500)
Net Capital expenditure	(34,529)	(20,020)
Net (decrease) / increase in the capital expenditure account during the biennium	(3,343)	4,283
<b>Closing balance at 31 December 2013 and 2011</b>	<b>11,132</b>	<b>14,475</b>

### ***29. Security Expenditure Account***

The purpose of the Security Expenditure Account is to manage activities which involve security expenditure, defined as being: (i) expenditures on headquarters security provisions; (ii) expenditures on field security provisions to ensure in particular the Organization's participation in the UN security management system and compliance with its provisions for field security. Net Security Expenditure as reported above, is net of related income recorded in Statement I within Voluntary Contributions, Net Other Sundry Income, and Miscellaneous Income. Unutilized security expenditure appropriations at the close of the financial period are transferred to the Security Expenditure Account and can be carried forward for use in subsequent financial periods.

---

<sup>2</sup> The exchange differences are generated both as Assessments are received and also on the translation of the outstanding balance of Assessments at the period end.

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

	2012-13 USD 000	2010-11 USD 000
<b>Opening Balance at 1 January 2012 and 2010</b>	<b>4,646</b>	<b>3,655</b>
Approved appropriations	24,809	24,686
Net Security expenditure	(20,912)	(23,695)
Net increase in the security expenditure account during the biennium	3,897	991
<b>Closing balance at 31 December 2013 and 2011</b>	<b>8,543</b>	<b>4,646</b>

**30. Special Fund for Emergency and Rehabilitation Activities**

The purpose of the Special Fund for Emergency and Rehabilitation Activities (SFERA) is to enable the Organization to rapidly initiate emergency operations by participating in interagency needs assessment and coordination activities, establishing an emergency coordination unit (ECU), preparing a programme framework and projects, and providing advance funding for procurement of inputs when a donor's commitment has been obtained.

	2012-13 USD 000	2010-11 USD 000
<b>Opening Balance at 1 January 2012 and 2010</b>	<b>43,329</b>	<b>33,479</b>
Movements of the SFERA during the biennium:		
Contributions Received from Donors	623	4,892
Transfer of emergency support cost reimbursements from the cost recovery account	5,933	12,581
Advances to projects	(57,466)	(78,237)
Applications to Trust Funds projects	(11,027)	(4,625)
Refund of Advances	57,206	75,239
Net (decrease)/ increase in the SFERA during the biennium	(4,731)	9,850
<b>Closing balance at 31 December 2013 and 2011</b>	<b>38,598</b>	<b>43,329</b>

**31. Contingent Liabilities****Labor-related and other Claims**

As part of its normal ongoing operations, FAO receives claims related to labor or contract disputes. The Organization intends to defend itself fully in all cases. While FAO does not believe it probable that it will incur any liabilities related to these complaints, the Organization cannot exclude the possibility that some claims will result in unfavorable judgments. The total amount of possible losses is approximately USD 1.1 million.

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

**Pending negotiations and arbitrations**

The Organization has three pending litigations with suppliers, the outcome of which is currently uncertain. In the event that the Organization has to settle these litigations, the maximum exposure has been estimated at USD 2.4 million.

**32. Other Disclosures**
**Equipment, Furniture, Vehicles, Software and Other Property**

The historical cost of fully expended FAO equipment, furniture, vehicles, Software and other property at the end of the biennium was as follows:

	2013 USD 000	2011 USD 000
General and Related Funds	82,223	73,157
Trust and UNDP Funds	77,614	88,578
<b>Total Equipment, Furniture, Vehicles, Software and Other Property</b>	<b>159,837</b>	<b>161,735</b>

**Voluntary Contributions in-kind**

The Headquarters premises in Rome are provided rent-free by the Host Country in accordance to the Headquarters agreement. In addition, various Member Nations provide premises for FAO offices in field locations. It is estimated that the commercial rental value of the Headquarters and Field property provided rent-free is approximately USD 41.7 million and USD 8.6 million per year (2010-11 - USD 42.7 million and USD 8.0 million) respectively.

**Non- freely Convertible Currencies**

During the normal course of business, FAO operates in jurisdictions whose local currency is non-freely convertible. FAO defines non-freely convertible currencies as those for which no external market exists (in the past FAO has also considered currencies which FAO's corporate bank will only sell and not buy).

At 31 December 2013, cash balances held in non-freely convertible currencies amounted to USD 0.3 million (31 December 2011 - USD 0.8 million). FAO expects to fully utilize this amount to meet local liquidity needs.

**Currency Swaps**

With the introduction of split assessments, the Organization has entered into US Dollar/Euro swaps with authorized counterparty banks to fund delays of Euro receipts from Member Nations throughout the biennium. At 31 December 2013, there were two open swap positions with a total nominal value of € 33 million, closed on 7 January 2014, and 17 January 2014 respectively. The fair market value of these outstanding swaps at 31 December 2013 was approximately USD - 0.1 million. At 31 December 2013, the Organization also had six open forward transactions with a negligible fair value. At 31 December 2011, there were three open positions with a nominal value of € 50 million and a fair market value of approximately USD 1.3 million.



**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**
**Schedule I: Assessed Contributions Outstanding for the Regular Programme  
at 31 December 2013 (expressed in USD 000)**

Member Nation	2010 & prior	2011	2012	2013	Instalments due in future years	Grand Total
Antigua and Barbuda	344	10	10	10	0	374
Armenia	0	0	0	0	678	678
Barbados	0	0	0	40	0	40
Belize	0	0	0	5	0	5
Benin	0	0	0	8	0	8
Brazil	0	0	0	4,258	0	4,258
Brunei Darussalam	0	0	0	107	0	107
Bulgaria	0	0	0	188	0	188
Cameroon	0	0	0	51	0	51
Cape Verde	0	0	0	5	0	5
Chad	0	0	1	10	0	11
Comoros	254	2	2	5	0	263
Congo	0	0	3	8	0	11
Costa Rica	0	0	0	132	0	132
Cote d'Ivoire	0	0	0	25	0	25
Cuba	0	0	0	249	0	249
Djibouti	3	3	3	5	0	14
Dominica	5	5	5	5	0	20
Dominican Republic	243	121	215	215	0	794
El Salvador	0	0	0	97	0	97
Fiji	0	0	0	10	0	10
Gabon	0	0	50	72	0	122
Georgia	0	0	0	0	730	730
Grenada	9	5	5	5	0	24
Guinea	0	0	0	10	0	10
Guinea-Bissau	127	5	5	5	0	142
Guyana	0	2	4	5	0	11
Honduras	0	0	0	37	0	37
Iran (Islamic Republic of)	0	0	1,196	1,196	0	2,392
Kyrgyzstan	0	0	0	0	748	748
Lebanon	0	0	0	169	0	169
Liberia	0	0	0	1	0	1
Libyan Arab Jamahiriya	0	0	0	182	0	182
Malawi	0	0	3	3	0	6
Malta	0	0	0	87	0	87
Marshall Islands	0	0	1	5	0	6
Micronesia (Federated States of)	0	0	2	5	0	7
Morocco	0	0	0	296	0	296
Nepal	0	0	0	1	0	1

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

**Schedule I: Assessed Contributions Outstanding for the Regular Programme  
at 31 December 2013 (expressed in USD 000)**

Member Nation	2010 & prior	2011	2012	2013	Instalments due in future years	Grand Total
Niger	0	0	6	10	0	16
Pakistan	0	129	218	424	0	771
Palau	30	5	5	5	0	45
Papua New Guinea	0	0	0	6	0	6
Paraguay	0	0	0	36	0	36
Peru	0	0	0	35	0	35
Poland	0	0	0	4,252	0	4,252
Rwanda	0	0	0	3	0	3
Saint Vincent and the Grenadines	0	0	5	5	0	10
Sao Tome and Principe	0	5	67	67	124	263
Senegal	0	0	30	30	0	60
Serbia	0	0	0	126	0	126
Slovenia	0	0	0	529	0	529
Solomon Islands	0	0	3	3	0	6
Somalia	372	5	5	5	0	387
South Sudan	0	0	0	15	0	15
Syrian Arab Republic	0	0	128	128	0	256
Tajikistan	59	2	6	10	0	77
The former Yugoslav Republic of Macedonia	11	11	17	36	0	75
Turkmenistan	570	30	133	133	0	866
Uganda	0	0	12	15	0	27
Ukraine	1	200	450	450	0	1,101
United States of America	1,826	0	0	67,748	0	69,574
Uzbekistan	0	0	21	51	0	72
Vanuatu	0	0	3	5	0	8
Venezuela (Bolivarian Republic of)	0	0	0	1,551	0	1,551
Yemen	0	0	0	16	0	16
Yugoslavia	8,405	0	0	0	0	8,405
<b>TOTAL</b>	<b>12,259</b>	<b>540</b>	<b>2,614</b>	<b>83,206</b>	<b>2,280</b>	<b>100,899</b>

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**
**Annex I: Status of Technical Cooperation Programme Projects Funded  
Against 2012-13 Appropriation at 31 December 2013**

Country	No. Projects	Budget	Expenditure	Balance
		(USD '000)	(USD '000)	(USD '000)
<b>AFRICA</b>				
Algeria	1	93	66	27
Angola	3	828	482	346
Benin	4	1,410	394	1,016
Botswana	2	256	0	256
Burkina Faso	2	407	253	154
Burundi	2	626	302	324
Cameroon	2	534	331	203
Cape Verde	2	747	342	405
Central African Republic	4	1,290	330	960
Chad	3	766	118	648
Comoros	1	26	10	16
Congo	3	756	470	286
Cote d'Ivoire	3	804	423	381
Democratic Republic of the Congo	3	635	530	105
Eritrea	3	961	349	612
Ethiopia	4	1,465	603	862
Gabon	2	383	81	302
Gambia	4	1,260	480	780
Ghana	4	1,478	120	1,358
Guinea	4	1,164	545	619
Guinea-Bissau	3	1,110	301	809
Kenya	3	1,203	265	938
Lesotho	2	590	112	478
Liberia	2	358	287	71
Madagascar	2	603	328	275
Malawi	1	246	161	85
Mali	1	162	174	(12)
Mauritania	3	771	99	672
Mauritius	3	455	148	307
Mozambique	3	1,067	830	237
Namibia	3	1,104	469	635
Niger	2	441	102	339
Nigeria	4	1,312	432	880
Regional Africa	22	7,258	2,064	5,194
Rwanda	3	581	316	265
Sao Tome and Principe	1	221	61	160
Senegal	3	861	84	777
Seychelles	1	138	21	117
Sierra Leone	4	1,536	832	704

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

**Annex I: Status of Technical Cooperation Programme Projects Funded  
Against 2012-13 Appropriation at 31 December 2013**

Country	No. Projects	Budget	Expenditure	Balance
		<i>(USD '000)</i>	<i>(USD '000)</i>	<i>(USD '000)</i>
South Africa	1	196	66	130
Swaziland	2	645	186	459
Togo	4	1,467	326	1,141
Uganda	2	549	178	371
United Republic of Tanzania	1	328	0	328
Zambia	2	402	79	323
Zimbabwe	3	1,031	489	542
<b>TOTAL AFRICA</b>	<b>137</b>	<b>40,524</b>	<b>14,639</b>	<b>25,885</b>
<b>ASIA</b>				
Bangladesh	6	1,642	672	970
Bhutan	2	342	212	130
Cambodia	4	1,353	508	845
China	3	888	401	487
Democratic People's Republic of Korea	4	1,117	374	743
India	3	1,057	75	982
Indonesia	3	954	91	863
Kazakhstan	1	84	72	12
Lao, People's Democratic Republic	3	831	186	645
Malaysia	1	23	3	20
Maldives	2	445	19	426
Mongolia	4	1,116	387	729
Myanmar	5	1,518	428	1,090
Nepal	3	802	244	558
Pakistan	3	937	58	879
Philippines	5	1,708	854	854
Regional Asia Pacific	14	4,774	798	3,976
Sri Lanka	3	931	60	871
Thailand	3	629	89	540
Timor-Leste	2	542	202	340
Viet Nam	3	729	75	654
<b>TOTAL ASIA</b>	<b>77</b>	<b>22,422</b>	<b>5,808</b>	<b>16,614</b>
<b>EUROPE</b>				
Albania	1	254	72	182
Armenia	2	659	103	556
Azerbaijan	3	871	283	588
Belarus	1	420	1	419
Georgia	2	627	171	456
Kosovo	1	124	30	94
Montenegro	1	85	32	53

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**
**Annex I: Status of Technical Cooperation Programme Projects Funded Against 2012-13 Appropriation at 31 December 2013**

Country	No. Projects	Budget	Expenditure	Balance
		<i>(USD '000)</i>	<i>(USD '000)</i>	<i>(USD '000)</i>
Regional Europe	3	935	323	612
Republic of Moldova	1	123	62	61
Russian Federation	2	583	66	517
Serbia	1	260	17	243
The Former Yugoslav Republic of Macedonia	3	786	288	498
Turkey	2	382	201	181
Ukraine	2	573	17	556
<b>TOTAL EUROPE</b>	<b>25</b>	<b>6,682</b>	<b>1,666</b>	<b>5,016</b>
<b>TOTAL GLOBAL</b>	<b>2</b>	<b>446</b>	<b>2,095</b>	<b>(1,649)</b>
<b>TOTAL INTERREGIONAL</b>	<b>5</b>	<b>2,209</b>	<b>180</b>	<b>2,029</b>
<b>LATIN AMERICA</b>				
Antigua and Barbuda	1	160	92	68
Argentina	1	49	28	21
Bahamas	1	440	242	198
Barbados	1	196	51	145
Belize	2	447	341	106
Bolivia (Plurinational State of)	5	907	329	578
Brazil	2	464	64	400
Chile	2	355	149	206
Colombia	2	319	193	126
Costa Rica	2	573	93	480
Cuba	3	677	141	536
Dominica	2	203	119	84
Dominican Republic	2	458	94	364
Ecuador	2	505	253	252
El Salvador	3	741	35	706
Grenada	2	186	45	141
Guatemala	2	385	83	302
Guyana	2	288	167	121
Haiti	2	552	95	457
Honduras	2	430	40	390
Jamaica	2	284	126	158
Mexico	1	102	76	26
Nicaragua	2	607	428	179
Panama	3	1,022	88	934
Paraguay	3	735	234	501

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**
**Annex I: Status of Technical Cooperation Programme Projects Funded  
Against 2012-13 Appropriation at 31 December 2013**

Country	No. Projects	Budget	Expenditure	Balance
		<i>(USD '000)</i>	<i>(USD '000)</i>	<i>(USD '000)</i>
Peru	4	968	136	832
Regional Latin America	14	4,780	1,156	3,624
Saint Kitts and Nevis	2	229	92	137
Saint Lucia	1	179	53	126
Saint Vincent and the Grenadines	1	200	100	100
Suriname	2	466	240	226
Trinidad and Tobago	1	94	0	94
Uruguay	2	505	160	345
Venezuela (Bolivarian Republic of)	1	163	49	114
<b>TOTAL LATIN AMERICA</b>	<b>80</b>	<b>18,669</b>	<b>5,592</b>	<b>13,077</b>
<b>NEAR EAST</b>				
Afghanistan	3	996	299	697
Djibouti	1	84	11	73
Egypt	3	651	162	489
Iran (Islamic Republic of)	1	309	2	307
Iraq	1	60	23	37
Jordan	1	16	17	(1)
Kyrgyzstan	5	1,480	179	884
Lebanon	2	434	211	223
Libyan Arab Jamahiriya	1	178	16	162
Morocco	2	414	79	335
Regional Near East	8	2,146	813	1,333
Somalia	2	894	27	867
South Sudan	3	707	78	629
Sudan	5	1,781	684	1,097
Syrian Arab Republic	1	47	0	47
Tajikistan	4	1,193	396	797
Tunisia	2	271	0	271
Uzbekistan	1	38	33	5
Yemen	4	1,359	270	1,089
<b>TOTAL NEAR EAST</b>	<b>50</b>	<b>13,641</b>	<b>3,300</b>	<b>9,341</b>
<b>SOUTHWEST PACIFIC</b>				
Cook Islands	2	344	0	344
Fiji	2	366	242	124
Kiribati	1	69	0	69
Marshall Islands	1	102	59	43
Micronesia (Federated States of)	1	41	0	41
Nauru				
Niue	1	11	5	6

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**
**Annex I: Status of Technical Cooperation Programme Projects Funded  
Against 2012-13 Appropriation at 31 December 2013**

Country	No. Projects	Budget	Expenditure	Balance
		<i>(USD '000)</i>	<i>(USD '000)</i>	<i>(USD '000)</i>
Palau	2	300	131	169
Papua New Guinea	2	560	39	521
Regional Pacific	4	1,504	631	873
Samoa	1	53	44	9
Solomon Islands				
Tonga	3	780	222	558
Tuvalu	1	40	10	30
Vanuatu	2	488	302	186
<b>TOTAL SOUTHWEST PACIFIC</b>	<b>23</b>	<b>4,658</b>	<b>1,685</b>	<b>2,973</b>
<b>Miscellaneous</b>			(7)	7
<b>TOTAL</b>	<b>399</b>	<b>108,251</b>	<b>34,958</b>	<b>73,293</b>
2012-13 Project Appropriation				110,874
Total Expenditure				(34,958)
<b>Unobligated Balance carried forward in accordance with Financial Regulations 4.3 (Statement II)</b>				<b>75,916</b>

---

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**


---

**Annex II: Status of Technical Cooperation Programme Projects Funded  
Against 2010-11 Appropriation at 31 December 2013**

Country	No. Projects	Expenditure
		<i>(USD '000)</i>
<b>AFRICA</b>		
Algeria	2	279
Angola	5	876
Benin	4	368
Botswana	1	52
Burkina Faso	3	445
Burundi	2	292
Cameroon	3	417
Cape Verde	4	1,281
Central African Republic	2	299
Chad	3	501
Comoros	1	6
Congo	3	328
Cote d'Ivoire	6	832
Democratic Republic of the Congo	4	1,015
Equatorial Guinea	2	173
Eritrea	2	309
Ethiopia	5	428
Gabon	2	44
Gambia	5	428
Ghana	5	528
Guinea	2	111
Guinea-Bissau	2	373
Kenya	2	485
Lesotho	5	646
Liberia	4	959
Madagascar	5	733
Malawi	2	294
Mali	6	1,710
Mauritania	4	571
Mauritius	1	57
Mozambique	4	791
Namibia	2	253
Niger	3	786
Nigeria	2	460
Regional Africa	17	3,330
Rwanda	1	1
Sao Tome and Principe	2	26



**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**
**Annex II: Status of Technical Cooperation Programme Projects Funded  
Against 2010-11 Appropriation at 31 December 2013**

Country	No. Projects	Expenditure
		<i>(USD '000)</i>
Senegal	8	1,844
Seychelles	2	100
Sierra Leone	2	31
South Africa	1	8
Swaziland	3	614
Togo	5	318
Uganda	3	469
United Republic of Tanzania	3	623
Zambia	2	159
Zimbabwe	3	174
<b>TOTAL AFRICA</b>	<b>160</b>	<b>24,827</b>
<b>ASIA</b>		
Bangladesh	5	1,546
Bhutan	2	17
Cambodia	5	1,267
China	4	1,035
Democratic People's Republic of Korea	4	235
India	4	606
Indonesia	3	408
Kazakhstan	1	184
Lao People's Democratic Republic	3	504
Maldives	1	0
Mongolia	5	547
Myanmar	2	436
Nepal	3	341
Pakistan	1	273
Philippines	2	352
Regional Asia Pacific	14	2,249
Sri Lanka	4	644
Thailand	6	931
Timor-Leste	1	60
Viet Nam	3	848
<b>TOTAL ASIA</b>	<b>73</b>	<b>12,483</b>
<b>EUROPE</b>		
Albania	3	485
Armenia	4	888
Azerbaijan	3	586

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

**Annex II: Status of Technical Cooperation Programme Projects Funded  
Against 2010-11 Appropriation at 31 December 2013**

Country	No. Projects	Expenditure
		<i>(USD '000)</i>
Bosnia and Herzegovina	2	476
Georgia	1	21
Kosovo	1	0
Montenegro	1	5
Regional Europe	4	572
Republic of Moldova	2	393
Serbia	1	96
The Former Yugoslav Republic of Macedonia	2	153
Turkey	1	286
Ukraine	2	264
<b>TOTAL EUROPE</b>	<b>27</b>	<b>4,225</b>
<b>TOTAL GLOBAL INTERREGIONAL</b>	<b>3</b>	<b>621</b>
<b>LATIN AMERICA</b>		
Antigua and Barbuda	1	100
Argentina	2	258
Bahamas	1	1
Barbados	1	155
Belize	1	10
Bolivia (Plurinational State of)	5	682
Brazil	1	19
Chile	4	709
Colombia	3	668
Costa Rica	2	204
Cuba	1	29
Dominica	1	0
Dominican Republic	3	1,006
Ecuador	2	348
El Salvador	2	457
Grenada	2	227
Guatemala	2	50
Guyana	1	42
Haiti	2	600
Honduras	1	112
Jamaica	2	193
Mexico	1	31
Nicaragua	5	811
Panama	3	657

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

**Annex II: Status of Technical Cooperation Programme Projects Funded  
Against 2010-11 Appropriation at 31 December 2013**

Country	No. Projects	Expenditure <i>(USD '000)</i>
Paraguay	4	929
Peru	3	383
Regional Latin America	15	3,537
Saint Kitts and Nevis	1	8
Saint Lucia	1	43
Suriname	2	285
Trinidad and Tobago	1	108
Uruguay	2	282
Venezuela (Bolivarian Republic of)	1	160
<b>TOTAL LATIN AMERICA</b>	<b>79</b>	<b>13,104</b>
<b>NEAR EAST</b>		
Afghanistan	3	763
Djibouti	4	896
Egypt	3	309
Iran, (Islamic republic of)	1	0
Kyrgyzstan	6	477
Lebanon	2	206
Libyan Arab Jamahiriya	1	356
Morocco	3	22
Regional Near East	7	1,297
Somalia	2	333
Sudan	2	262
Syrian Arab Republic	5	185
Tajikistan	4	482
Tunisia	4	823
Uzbekistan	1	243
Yemen	3	342
<b>TOTAL NEAR EAST</b>	<b>51</b>	<b>6,996</b>
<b>SOUTHWEST PACIFIC</b>		
Cook Islands	2	162
Fiji	3	244
Kiribati	1	127
Marshall Islands	1	128
Micronesia ( Federated States of)	2	230
Nauru	1	31
Niue Islands	2	138
Palau, Republic of	1	23
Papua New Guinea	1	66

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

**Annex II: Status of Technical Cooperation Programme Projects Funded  
Against 2010-11 Appropriation at 31 December 2013**

Country	No. Projects	Expenditure
		<i>(USD '000)</i>
Samoa	3	171
Solomon Islands	2	264
Tonga	3	504
Tuvalu	2	222
Vanuatu	1	16
<b>TOTAL SOUTHWEST PACIFIC</b>	<b>25</b>	<b>2,326</b>
Miscellaneous		(42)
Miscellaneous – release to sundry income		165
<b>TOTAL</b>		<b>64,705</b>
Appropriation 2010-11		106,563
Expenditure against 10/11 Project Appropriation:		
2010-11		(41,858)
2012-13		(64,705)
<b>Balance</b>		<b>0</b>



# FAO's strategic objectives

