



2008–2009

AUDITED ACCOUNTS



Food and Agriculture Organization
of the United Nations

2008–2009

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Food and Agriculture Organization
of the United Nations

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FINANCIAL STATEMENTS 2008-09

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PART B

Report of the External Auditor

The Report of the External Auditor is available under Conference document reference number C2011/5 B

FINANCIAL STATEMENTS 2008-09

INDEPENDENT AUDITOR'S REPORT

The FAO Conference of Member Nations

We have audited the accompanying financial statements, comprising of Statements I to IV, Schedule 1, Annexes I and II and the supporting Notes 1 to 31 of the Food and Agriculture Organization of the United Nations for the financial period ended 31 December 2009.

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of FAO management. 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).

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, and as considered by the auditor to be necessary in the circumstances, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Director-General, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position as at 31 December 2009 and the results of operations and cash flows for the period then ended in accordance with Food and Agriculture Organization's stated accounting policies set out in Note 2 of the financial statements, which were applied on a basis consistent with that of the preceding financial period.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Based on sampling, in our opinion, the transactions of Food and Agriculture Organization have, in all significant aspects, been in accordance with the 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's financial statements.



Reynaldo A. Villar
Chairman, Philippine Commission on Audit
External Auditor

15 November 2010

Certification of Financial Statements

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



Manoj Juneja

Assistant Director-General

Corporate Services, Human Resources and Finance Department

Approved:



Jacques Diouf

Director-General

September 2010

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 2009

(USD '000)

	Notes	Funds		Total	
		General and Related	Trust and UNDP	2008-09	2006-07
INCOME					
Assessment on Member Nations	3	970,199	-	970,199	793,755
Voluntary contributions	4	73,193	1,127,225	1,200,418	894,275
Funds received under inter-organizational arrangement	5	873	8,082	8,955	14,830
Jointly financed activities	6	30,042	-	30,042	32,348
Miscellaneous	7	1,915	5,486	7,401	59,984
Return on Investments – long-term	8	(15,418)	-	(15,418)	42,650
Information Products Revolving Fund		678	-	678	1,062
Government Counterpart Cash Contributions		1,625	-	1,625	1,745
Net other sundry income	9	16,402	-	16,402	14,345
(Loss) / Gain on exchange Differences	26	(6,663)	-	(6,663)	19,411
TOTAL INCOME		1,072,846	1,140,793	2,213,639	1,874,405
EXPENDITURE					
Regular Programme	10	1,053,756	-	1,053,756	925,575
Projects	10	-	1,135,307	1,135,307	849,021
TOTAL EXPENDITURE		1,053,756	1,135,307	2,189,063	1,774,596
EXCESS OF INCOME OVER EXPENDITURE		19,090	5,486	24,576	99,809
Amortization of staff related liabilities	11	-	-	-	(45,445)
Actuarial Losses	12	(22,052)	-	(22,052)	-
Interest Cost of Staff Related Liabilities	13	(94,749)	-	(94,749)	-
Staff related schemes		-	-	-	(42,650)
Provision for contributions receivable and other assets	14	(6,534)	-	(6,534)	(4,442)
Provision for investments		-	-	-	308
Deferred Income	22	14,496	-	14,496	(33,039)
Net movement in Capital Expenditure Account	27	(6,969)	-	(6,969)	6,889
Net movement in Security Expenditure Account	28	(3,655)	-	(3,655)	-
NET (SHORTFALL) / EXCESS OF INCOME OVER EXPENDITURE		(100,373)	5,486	(94,887)	(18,570)
Transfer of Interest to Donor Accounts	19	-	(5,486)	(5,486)	(36,333)
Transfers from/(to) Reserves:					
Working Capital Fund	25	-	-	-	(25,197)
Special Reserve Account	26	6,663	-	6,663	(23,327)
Fund balances, beginning of period as previously reported		(465,282)	-	(465,282)	(361,855)
FUND BALANCES, END OF PERIOD		(558,992)	-	(558,992)	(465,282)

The accompanying notes are an integral part of the financial statements

Statement II: Assets, Liabilities, Reserves and Fund Balances

As at 31 December 2009

(USD '000)

	Notes	Funds		Total	
		General and Related	Trust and UNDP	2008-09	2006-07
ASSETS					
Cash and term deposits		55,406	30,836	86,242	237,812
Investments – short term	15	-	871,200	871,200	450,022
Contributions receivable	16	82,391	14,712	97,103	140,502
Less: Provision for delays of contributions	17	(12,978)	(6,883)	(19,861)	(15,115)
Accounts receivable	18	41,789	-	41,789	45,824
Investments – long-term	15	294,710	-	294,710	299,654
TOTAL ASSETS		461,318	909,865	1,371,183	1,158,699
LIABILITIES					
Contributions received in advance	19	405	785,488	785,893	564,892
Unliquidated Obligations	20	64,625	90,898	155,523	123,874
Accounts payable	21	32,778	-	32,778	38,192
Deferred Income	22	54,099	-	54,099	68,595
Staff related schemes	23	782,443	-	782,443	719,147
TOTAL LIABILITIES		934,350	876,386	1,810,736	1,514,700
RESERVES AND FUND BALANCES					
Working Capital Fund	25	25,654	-	25,654	25,654
Special Reserve Account	26	18,960	-	18,960	25,623
Capital Expenditure Account	27	10,192	-	10,192	3,223
Security Expenditure Account	28	3,655	-	3,655	-
Special Fund for Emergency and Rehabilitation Activities	29	-	33,479	33,479	25,249
Unrealized gains / (losses) on investments	15	27,499	-	27,499	29,532
Fund Balances, end of period		(558,992)	-	(558,992)	(465,282)
TOTAL RESERVES AND FUND BALANCES		(473,032)	33,479	(439,553)	(356,001)
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		461,318	909,865	1,371,183	1,158,699

The accompanying notes are an integral part of the financial statements

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Statement III: Cash Flow

For the biennium ending 31 December 2009
(USD '000)

	2008-09	2006-07
CASH FLOWS FROM OPERATING ACTIVITIES		
Net shortfall of income over expenditure (Statement I – General and Related Funds)	(100,373)	(55,211)
Adjustment for:		
Provision for investments	-	308
	(100,373)	(54,903)
Decrease in contributions receivable	43,399	52,356
Increase/(Decrease) in provision for contributions, net of impact of change in accounting policy in 2006-07	4,746	(2,972)
Decrease in accounts receivable	4,035	2,783
Increase in contributions received in advance	221,001	180,530
Increase in unliquidated obligations	31,649	21,303
(Decrease)/Increase in deferred income	(14,496)	33,039
(Decrease)/Increase in accounts payable	(5,414)	17,244
Increase in staff related schemes, net of impact of change in accounting policy in 2006-09	63,296	81,910
NET CASH FROM OPERATING ACTIVITIES	247,843	331,290
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) in investments – short-term, net of unrealized gains/(losses)	(418,577)	(83,827)
Decrease/(Increase) in investments – long-term, net of unrealized gains/(losses)	310	(59,203)
NET CASH USED IN INVESTING ACTIVITIES	(418,267)	(143,030)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Working Capital Fund, net of transfers from General Fund	-	457
Increase in Special Reserve Account, net of transfers from General Fund	-	2,296
Increase in Special Fund for Emergency and Rehabilitation Activities	8,230	13,828
Increase/(Decrease) in Capital Expenditure Account	6,969	(6,889)
Decrease in loans	-	(71,000)
Increase in Security Expenditure Account	3,655	-
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	18,854	(61,308)
NET (DECREASE)/INCREASE IN CASH	(151,570)	126,952
CASH AT BEGINNING OF PERIOD	237,812	110,860
CASH AT END OF PERIOD	86,242	237,812

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

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Statement IV: Status of Regular Programme Appropriations

For the biennium ended 31 December 2009

(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 Expenditure 8	Budget vs. Actual Variance 9
1. Corporate Governance	26,500	-	1,000	-	27,500	(514)	28,558	28,044	(568)	27,476	24
2. Sustainable Food and Agricultural Systems	260,300	-	-	-	260,300	(14,240)	277,779	263,539	(5,779)	257,760	2,540
3. Knowledge Exchange, Policy and Advocacy	235,400	-	(1,150)	-	234,250	(36,906)	275,392	238,486	(5,840)	232,646	1,604
4. Decentralization, UN Cooperation and Programme Delivery	227,600	69,887	50	(54,157)	243,380	(33,161)	279,032	245,871	(2,503)	243,368	12
5. Management and Supervision Services	136,000	-	700	-	136,700	(36,206)	178,050	141,844	(5,199)	136,645	55
6. Contingencies	600	-	(600)	-	-	-	2	2	-	2	(2)
8. Capital Expenditure	20,100	2,770	-	(7,371)	15,499	-	15,910	15,910	(411)	15,499	-
9. Security Expenditure	23,300	-	-	(4,021)	19,279	(131)	19,860	19,729	(450)	19,279	-
TOTAL EFFECTIVE BUDGET	929,800	72,657	-	(65,549)	936,908	(121,158)	1,074,583	953,425	(20,750)	932,675	4,233
10. Transfer to Tax Equalization Fund	94,300	-	(94,300)	-	-	-	-	-	-	-	-
Deferred Income and Reserves											
a. TCP Deferred Income (Chapter 4)	69,887	(69,887)	-	54,157	54,157	-	-	-	-	-	54,157
b. Capital Expenditure account (Conf Res 10/2003) (Chapter 8)	4,031	(2,770)	-	7,371	8,632	-	-	-	-	-	8,632
c. Security Expenditure account (Conf Res 5/2005) (Chapter 9)	-	-	-	4,021	4,021	-	-	-	-	-	4,021
Total	1,098,018	-	(94,300)	-	1,003,718	(121,158)	1,074,583	953,425	(20,750)	932,675	71,043

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

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Notes to Statement IV : Status of Regular Programme Appropriations

¹ Conference resolution 3/2007 appropriation adjusted for further savings and efficiency gains of USD 22.1 million (CL 137/4 para 30).

² USD 2.8 million made available from the Capital Expenditure Facility for spending under Chapter 8, Capital Expenditure (CL 136/REP and FC 122/2).

USD 69.9 million of TCP 06-07 appropriation deferred until 2008-09 (at budget rate of exchange).

³ Finance Committee approved transfers (FC 132/6).

⁴ USD 54.2 million of TCP 08-09 appropriation deferred until 2010-11 (at budget rate of exchange). USD 7.4 million deferred until 2010-11 under Capital Expenditure Facility (FC 132/6) (at budget rate of exchange). USD 4.0 million deferred until 2010-11 under Security Expenditure Facility (FC 132/6) (at budget rate of exchange).

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

	USD 000
Voluntary Contributions	73,193
Funds received under inter-organizational arrangements	873
Jointly financed activities	30,042
Government counterpart cash contributions	1,625
Other sundry income (exclusive of income generated by the Money and Medals Programme of USD 1.0 million)	15,425
Total actual other income	<u>121,158</u>

⁶ Represents amounts charged to The Regular Programme budget and the TCP prior biennium appropriation (USD 1,006.0 million and USD 68.6 million, respectively, for 2008-09 – refer also to Footnote 10). Effective 31 December 2007, in conjunction with the Organization's move toward adoption of IPSAS, FAO recognized in Statement II the full actuarial value of its after service liabilities. Consequently, beginning in 2008, the Organization accounts for payments for health insurance premiums on behalf of retirees differently for financial reporting than for budgetary reporting. For the 2008-09 biennium, USD 22.0 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.

⁷ Currency Variance represents actual expenditure and actual other income adjusted 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.

⁸ Budget rate net expenditure represents actual net expenditure adjusted by currency variance.

⁹ Variance between adjusted net budget and budget rate net expenditure. Conference Resolution 2009/3, allows for USD 2.5 million of the USD 4.2 million surplus to be allocated to the Capital Expenditure account to be used in future biennia. Consequently, final adjusted net surplus and Capital Expenditure account balance after adjusting for this transfer are USD 1.7 million and USD 11.2 million, respectively.

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 Chapter 8 and Chapter 9 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.

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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 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 and Vehicles

The cost of equipment, furniture and vehicles 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 2009, 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.

Investments

Investments are stated at market value determined on a total portfolio basis. Change in value is recorded in a separate component of reserves called "Unrealized gains/losses on investments". Gains and losses due to changes in market value are recognized in income when the investments are liquidated and the gains and losses realized. The Organization classifies its investments as available-for-sale, as they are neither frequently actively traded for short term gains, nor do they consist of fixed term investments held until maturity.

Staff Related Schemes

As of 31 December 2007, the Organization changed its accounting policy for after service benefits as part of an overall effort to move FAO toward full adoption of International Public Sector Accounting Standards. Consequently, the Organization has adopted the policy of utilizing the corridor method to recognize actuarial gains and losses. Under this method, actuarial gains and losses that exceed 10 per cent of the value of the actuarial liability are deferred and recognized over the expected average remaining working lives of the employees participating in the plan, which is currently estimated from 9.4 to 11.4 years.

The expense rates and liabilities are determined by actuarial valuation. In accordance with the latest actuarial valuation as at 31 December 2009, the Organization has recognized in the accounts 100% of the actuarially-determined liability for the Compensation Payments Plan; whilst the actuarially-determined liabilities in relation to the Terminal Payments Plan,

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Separation Payments Plan and After Service Medical Coverage Plan are recorded net of the unrecognized loss. 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 and amortization of unrecorded liabilities are charged to expenditure on an accruals basis.

Rounding Policy

The financial statements are expressed in thousands of US dollars.

Consolidation Policy**- 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.

- 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.

- 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.

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3. Assessment on Member Nations

	2008-09	2006-07
	USD 000	USD 000
Regular Programme assessments	967,699	785,555
add: After Service Medical Coverage assessment	14,100	14,100
less: Amount in respect of Tax Equalization Fund	(11,600)	(5,900)
Total Assessment on Member Nations	970,199	793,755

Conference Resolution 3/2007 approved appropriations of USD 929.8 million to be used for the Programme of Work as proposed by the Director General for 2008-09. 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 938.9 million. The contributions are comprised of split assessments in US Dollars of USD 434.0 million and in Euros of €371.4 million (equivalent to US Dollars USD 505.0 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 970.2 million and amounts approved under the Conference Resolution, of USD 938.9 million, reflect the difference between the average UN Operational rate of exchange of US Dollar 1.44 to €1.00 at the time the €371.4 million was assessed and the rate of exchange assumed 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 2008-09 was approximately 42% and 58%, respectively.

4. Voluntary Contributions

	2008-09	2006-07
	USD 000	USD 000
(a) General and Related Funds		
Support costs	73,193	58,754
(b) Trust and UNDP Funds		
Donor countries	752,819	584,643
Donor institutions	221,726	153,985
Multidonor projects	152,680	96,893
	1,127,225	835,521
Total Voluntary Contributions	1,200,418	894,275

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

	2008-09 USD 000	2006-07 USD 000
(a) General and Related Funds		
Support costs	873	1,330
(b) Trust and UNDP Funds		
Funds received under inter-organizational arrangement	8,082	13,500
Total Funds Received under Inter-Organizational Arrangements	8,955	14,830

6. Jointly Financed Activities

	2008-09 USD 000	2006-07 USD 000
FAO/World Bank Cooperative Programme	25,279	25,226
International Fund for Agricultural Development	3,817	3,535
European Bank for Reconstruction and Development	632	557
Others	314	3,030
Total Jointly Financed Activities	30,042	32,348

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

	2008-09 USD 000	2006-07 USD 000
(a) General and Related Funds		
Bank and term deposit interest	2,740	11,204
Short-term investment (loss) / income	(5,059)	3,339
Lapse of accrued liabilities	5,090	3,607
Bank charges	(2,412)	(2,303)
Bank interest paid	(81)	(1,835)
Contribution from the Russian Federation	-	7,877
Other	1,637	1,762
	1,915	23,651
(b) Trust and UNDP Funds		
Transfer of Interest to Donors	5,486	36,333
Total Miscellaneous Income	7,401	59,984

8. Return on Investments – Long Term

	2008-09	2006-07
	USD 000	USD 000
(Loss)/gain on Investments – long term	(15,418)	42,650

The net returns generated on the long term portfolio represent the investment income earned, in addition to gains and losses of market value realised in the 2008-09 biennium. The long-term 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 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 2008-09 biennium, the return on the long term portfolio of investments generated a net loss of USD 15.4 million due to unfavorable market conditions.

9. Net Other Sundry Income

	2008-09	2006-07
	USD 000	USD 000
Money and Medals Programme Income	977	984
Other Income	15,425	13,361
Total Net Other Sundry Income	16,402	14,345

Net Other Sundry Income represents income from the sale of products for the Money and Medals Programme, including coins, medals and gift items, reimbursements to the Organization of expenditure incurred on behalf of third parties, and ad-hoc extra budgetary contributions in direct support or reimbursement of Regular Programme funded normative activities.

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10. Expenditure

	2008-09 USD 000	2006-07 USD 000
(a) General and Related Funds:		
Staff salaries	629,983	624,752
Other human resources	117,896	88,396
Official travel	74,460	54,028
General operating expenses	68,163	56,060
Purchase of expendable and non-expendable equipment	71,463	32,466
Training	12,575	8,129
Contracts	60,396	44,824
Sundries	18,820	16,920
	1,053,756	925,575
(b) Trust and UNDP Funds		
Staff salaries	200,317	165,620
Other human resources	169,752	138,948
Official travel	116,416	91,643
General operating expenses	64,298	52,512
Purchase of expendable and non-expendable equipment	327,239	218,768
Training	48,604	31,540
Contracts	198,091	142,083
Sundries	10,590	7,907
	1,135,307	849,021
Total Expenditure	2,189,063	1,774,596

The expenditure of the General and Related Funds consists of the following:

	2008-09 USD 000	2006-07 USD 000
Regular Programme	983,988	888,075
TCP prior biennium appropriation	68,595	35,556
Information Products Revolving Fund	678	1,062
Sundry	495	882
Total General and Related Funds Expenditure	1,053,756	925,575

Regular Programme expenditure includes USD 49.3 million of expenditure related to the 2008-09 TCP appropriation; USD 15.9 million of Capital Expenditure spending associated with Chapter 8 of the Programme of Work and Budget; USD 19.8 million of Security Expenditure spending associated with Chapter 9 of the Programme of Work and Budget. Regular Programme expenditure excludes USD 22.0 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).

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11. Amortization of Staff Related Liabilities

	2008-09	2006-07
	USD 000	USD 000
After Service Medical Coverage	-	45,445

Prior to 31 December 2007, after service liabilities were accounted for following a funding methodology such that the portion of after service staff liabilities recorded in Statement II approximately reflected only that amount for which assets were set aside to fund such liabilities. The amortization of the after service medical coverage liability represented the amount of the unrecorded portion of the total liability which was being recorded on Statement II and which would have been required to be matched by Member Nation contributions in order to achieve full funding by 2027.

12. Actuarial Losses

	2008-09	2006-07
	USD 000	USD 000
After Service Medical Coverage	17,165	-
Compensation Payment Fund	2,650	-
Terminal Payments Fund	2,237	-
Total Actuarial Losses	22,052	-

As of 31 December 2007, the Organization changed its accounting policy for after service benefits as part of an overall effort to move FAO toward full adoption of International Public Sector Accounting Standards. Consequently, the Organization has adopted the policy of utilizing the corridor method to recognize actuarial gains and losses. Under this method, actuarial gains and losses that exceed 10 per cent of the value of the actuarial liability are deferred and recognized over the expected average remaining working lives of the employees participating in the plan, which is currently estimated from 9.4 to 11.4 years. FAO opted for this method over immediate full recognition as it mitigates significant volatility in the reported value of the Plan liabilities caused by external factors, such as movements in the Euro-US Dollar exchange rate and discount rates, which are entirely out of FAO's control and which may ultimately offset over time. The amounts in the table above represent the portion of total actuarial losses as at 31 December 2008, which were recognized in 2009 by plan. The total value of unrecognized actuarial losses as at 31 December 2009 amounts to USD 328.4 million (refer to Note 23).

13. Interest Cost of Staff Related Liabilities

	2008-09	2006-07
	USD 000	USD 000
After Service Medical Coverage	80,051	-
Compensation Payment Fund	2,002	-
Terminal Payments Fund	4,124	-
Separation Payments	8,572	-
Total Interest Cost of Staff Related Liabilities	94,749	-

Interest cost of USD 94.7 million represents the increase in the present value of the total recognized liabilities during the course of 2008-09.

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14. Provision for Contributions Receivable and Other Assets

	2008-09	2006-07
	USD 000	USD 000
Accounts Receivable	(154)	(4,116)
Cash and Bank	12	(426)
Government Cash Contributions	25	566
Trust Fund and UNDP	(6,417)	(466)
Total Provisions for Contributions Receivable and Other Assets	(6,534)	(4,442)

Provisions for Contributions Receivable and Other Assets represents the net of new provisions created in the period against assets that may not be fully recoverable, offset by the release of amounts no longer required.

15. Investments

	2008-09	2006-07
	USD 000	USD 000
Trust and UNDP Funds		
Short-Term Investments	871,200	450,022
Total Short-Term Investments	871,200	450,022
General and Related Funds		
Long-Term Investments earmarked for:		
Compensation Plan	17,960	16,749
Separation Payments Scheme	90,000	82,173
After-Service Medical Coverage	186,750	200,732
Total Long-Term Investments	294,710	299,654
Total Investments	1,165,910	749,676

Investments are stated at fair market value. Long term investment securities are held by the custodian, Northern Trust Company, and are managed by external investment managers. Both long and short term portfolios consist of investments that are considered available-for-sale. The current investment guidelines for the long term portfolio have an asset allocation of approximately 50% equities and 50% fixed income. The fixed income portion is in Euros, while the equities are in US Dollars.

As in prior years, the Organization issued an additional assessment in 2008-09 of USD 14.1 million towards funding the past service portion of the After-Service Medical Coverage liability. The amounts received from this additional assessment are allocated to the long-term investment portfolio in proportion to the overall Member Nation assessments actually paid.

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Unrealized gains/(losses) on investments	2008-09	2006-07
	USD 000	USD 000
Short-Term Investments		
Cost	870,772	452,195
Market value	871,200	450,022
Unrealized gain/(loss) on short term investments	428	(2,173)
Long-Term Investments		
Cost	267,639	267,949
Market value	294,710	299,654
Unrealized gain on long term investments	27,071	31,705
Total unrealized gain on short and long term investments	27,499	29,532

The unrealized gain of USD 0.4 million on short term investments and the unrealized gain of USD 27.1 million on long term investments were recorded in the Reserves and Fund Balances.

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. During 2008-09 long-term investments generated a realized net loss of USD 15.4 million (2006-07 - gain of USD 42.6 million).

16. Contributions Receivable

	2008-09	2006-07
	USD 000	USD 000
(a) General and Related Funds		
Assessment on Member Nations	75,581	113,179
Government Counterpart Cash Contributions	4,397	6,534
Working Capital Fund	63	133
Special Reserve Account	2,350	2,448
	82,391	122,294
(b) Trust and UNDP Funds		
Voluntary Contributions	4,800	6,197
Funds receivable under inter-organizational arrangement	9,912	12,011
	14,712	18,208
Total Contributions Receivable	97,103	140,502

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17. Provisions for Delays in Contributions

	2008-09 USD 000	2006-07 USD 000
General and Related Funds:		
Opening Balance as at 1 January 2008 and 2006	15,115	179,043
Increase/(Decrease) in provision for contributions related to:		
Assessments on Member Nations	-	(160,956)
Government Counterpart Cash Contributions	(2,137)	(566)
Special Reserve Account assessments	-	(2,296)
Working Capital Fund assessments	-	(110)
Net increase/(decrease) in provision for contributions	(2,137)	(163,928)
Closing Balance as at 31 December 2009 and 2007	12,978	15,115
Of which Provision for:		
Assessments on Member Nations	8,405	8,405
Government Counterpart Cash Contributions	4,397	6,534
Special Reserve Account assessments	151	151
Working Capital Fund assessments	25	25
Closing Balance as at 31 December 2009 and 2007	12,978	15,115
Trust and UNDP Funds:		
Opening Balance as at 1 January 2008 and 2006	-	-
Provision for contributions	6,883	-
Closing Balance as at 31 December 2009 and 2007	6,883	-
Total Closing Balance as at 31 December 2009 and 2007	19,861	15,115

As of 31 December 2009, the Provision for Assessments on Member Nations, Special Reserve Account and Working Capital Fund assessments relates entirely to a former Member Nation (ex-Yugoslavia).

The decrease related to Government Counterpart Cash Contributions reflects the net decrease in amounts of the related gross contributions receivable outstanding (refer to Note 16).

18. Accounts Receivable

	2008-09 USD 000	2006-07 USD 000
Accounts Receivable, advances and prepayments	33,870	35,451
Other UN and non UN organizations	6,817	11,526
Accrued interest and other	2,888	2,962
	43,575	49,939
Less: Provision for Accounts Receivable	(1,786)	(4,115)
Total Accounts Receivable	41,789	45,824

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Accounts Receivable, advances and prepayments at 31 December 2009 includes USD 10.1 million of advances to staff members against their earned Separation Payment Scheme entitlements (2006-07 - USD 14.9 million). Such amount will be deducted from the final entitlements to be paid out upon end of the staff members' service (Refer to Note 23 for further details).

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

19. Contributions Received in Advance

	2008-09 USD 000	2006-07 USD 000
(a) General and Related Funds:		
Assessment on Member Nations	405	62
(b) Trust and UNDP Funds:		
Voluntary contributions	785,488	564,830
Total Contributions Received in Advance	785,893	564,892

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 5.5 million (2006-07 - USD 36.3 million).

20. Unliquidated Obligations

Unliquidated obligations represent amounts committed for the cost of personnel, contracts and outstanding purchase orders entered into as at 31 December 2009.

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21. Accounts Payable

	2008-09	2006-07
	USD 000	USD 000
Field disbursements	996	1,447
Pension and medical schemes	4,081	2,818
Staff fiduciary accounts	17,831	20,673
Other accounts payable	9,870	13,254
Total Accounts Payable	32,778	38,192

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.

22. Deferred Income

	2008-09	2006-07
	USD 000	USD 000
Opening Balance as at 1 January 2008 and 2006	68,595	35,556
Add: 2008-09 Regular Programme assessment relating to TCP appropriation (2006-07)	103,412	95,703
Less: Transferred to income in respect of expenditures incurred against:		
(i) TCP 2006-07 appropriation (2004-05)	(68,595)	(35,556)
(ii) TCP 2008-09 appropriation (2006-07)	(49,313)	(27,108)
Net increase/(decrease) in deferred revenue during the biennium	(14,496)	33,039
Closing Balance as at 31 December 2009 and 2007	54,099	68,595

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 revenue 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. All expenditure in currencies other than US Dollars is translated at the UN Operational Rate of exchange in effect at the date of the transaction.

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23. Staff Related Schemes

	2008-09	2006-07
	USD 000	USD 000
Compensation Payments	17,960	16,749
Separation Payments	100,149	97,079
Terminal Payments	58,231	29,177
After Service Medical Coverage	934,525	576,142
Total Staff Related Schemes	1,110,865	719,147
Less: Unrecognized Actuarial loss	(328,422)	-
Total Recorded Staff Related Schemes	782,443	719,147

As of 1 January 2008, the Organization has adopted the policy of utilizing the corridor method to recognize actuarial gains and losses. Under this method, actuarial gains and losses that exceed 10 per cent of the value of the actuarial liability are deferred and recognized over the expected average remaining working lives of the employees participating in the plan, which is currently estimated from 9.4 to 11.4 years.

Of the total amount of USD 328.4 million deferred at 31 December 2009, USD 280.8 million relates to ASMC; USD 37.1 million relates to TPF; and, USD 10.5 million relates to SPS.

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 2009:

	2008-09	2006-07
	USD 000	USD 000
Total Staff Related Schemes	1,110,865	719,147
Less: Earmarked long-term investments at fair market value	(294,710)	(299,654)
Less: Advances on Separation Payments Scheme	(10,149)	(14,905)
Total Unfunded Staff Related Schemes	806,006	404,588

Compensation Payments

Compensation Payments are due to staff members and their dependants 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 2009 (and 2007) are as follows:

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	2009	2007
(i) Annual discount rate	5.9%	5.6%
(ii) General inflation rate	2.5%	2.5%
Actuarial Present Value of Defined Benefit Obligation (USD 000s)	17,960	16,749

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 2009 (and 2007) are as follows:

	2009	2007
(i) Annual discount rate	5.1%	5.6%
(ii) Salary inflation rate	3.0%	3.0%
Actuarial Present Value of Defined Benefit Obligation (USD 000s)	100,149	97,079

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 2009 (and 2007) are as follows:

	2009	2007
(i) Annual discount rate	5.8%	5.6%
(ii) Salary inflation rate	3.0%	3.0%
Actuarial Present Value of Defined Benefit Obligation (USD 000s)	58,231	29,177

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 dependants. 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 benefit 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 2009 (and 2007) are as follows:

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	2009	2007
(i) Annual discount rate	5.4%	5.6%
(ii) Salary inflation rate	3.0%	3.0%
(iii) Medical Inflation rate (as at 31 December 2009, the rate is assumed to be 6% during 2010 and 5% thereafter. As at 31 December 2007, the medical inflation rate was assumed to be a flat 5% for all years.	6%	5%
Actuarial Present Value of Defined Benefit Obligation (USD 000s)	934,525	576,142

24. Pensions

The Organization is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded, defined benefit plan. The financial obligation of the Organization to the UNJSPF consists of its mandated contribution, at the rate established by the United Nations General Assembly, together with any share of any actuarial deficiency 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. At the time of this report, the United Nations General Assembly has not invoked this provision.

The actuarial method adopted for the United Nations Joint Staff Pension Fund (UNJSPF) is the Open Group Aggregate method. The cost of providing pensions is charged to the income statement of the UNJSPF so as to spread the regular cost over the service lives of employees, in accordance with the advice of the actuaries, who carry out a full valuation of the period plan every two years. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan.

FAO, as well as other participating organizations, is not in the position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes, and hence has not recorded any assets or liabilities in its accounts in this regard, nor included related information pertaining to the plan such as actuarial assumptions in its footnotes. The Organization makes contributions on behalf of its staff (currently payable by the participant and FAO at 7.9% and 15.8%, respectively, of the staff member's pensionable remuneration) and records its share of the contribution as expenditure within Staff costs. Total retirement plan expenditure incurred by the Organization for the biennium 2008-09 amounted to USD 111.2 million (2006-07 – USD 102.4 million).

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**25. Working Capital Fund**

	2008-09 USD 000	2006-07 USD 000
Authorized level at 1 January 2008 and 2006	25,678	25,395
New Member Nations	-	283
Authorized level at 31 December 2009 and 2007	25,678	25,678
Opening Balance as at 1 January 2008 and 2006	25,654	-
Net transfers from/(to) General Fund	-	25,197
Assessments to New Member Nations	-	283
Net decrease in provision	-	109
Other	-	65
Closing Balance as at 31 December 2009 and 2007	25,654	25,654

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.

26. Special Reserve Account

	2008-09 USD 000	2006-07 USD 000
Authorized level at 1 January 2008 and 2006	46,490	38,285
Opening Balance as at 1 January 2008 and 2006	25,623	-
Exchange differences on translation of foreign currencies	(6,663)	19,411
Net transfer from/(to) General Fund	-	10,316
Other transfer to General Fund for unbudgeted General Service salary increase	-	(6,400)
Total transfers from/(to) General Fund	(6,663)	23,327
Receipts from Member Nations	-	-
Net decrease in provision	-	2,296
Closing Balance as at 31 December 2009 and 2007	18,960	25,623

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

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the respective subsequent biennium, amounting to USD 46.5 million in 2008-09. Net gains or losses on exchange are charged to the Special Reserve Account.

27. Capital Expenditure Account

	2008-09 USD 000	2006-07 USD 000
Opening Balance at 1 January 2008 and 2006	3,223	10,112
Approved appropriations	20,378	4,725
Expenditure under Chapter 8 of Programme of Work and Budget	(15,909)	(13,314)
Transfer from other budgetary chapters	2,500	1,700
Net increase/(decrease) in capital expenditure account during the biennium	6,969	(6,889)
Closing balance at 31 December 2009 and 2007	10,192	3,223

The Capital Expenditure Account was established by Conference Resolution 10/2003 as Chapter 8 of the Programme of Work and Budget and incorporated in Financial Regulation 6.11.

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 Chapter 8 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.

At 31 December 2009, the balance of the Capital Expenditure Account includes USD 2.5 million of additional appropriation which was transferred from end of biennium surpluses in other Chapters in accordance with C2009/REP (refer also to Statement IV).

28. Security Expenditure Account

	2008-09 USD 000	2006-07 USD 000
Opening Balance at 1 January 2008 and 2006	-	-
Approved appropriations	23,420	-
Expenditure under Chapter 9 of Programme of Work and Budget	(19,765)	-
Closing balance at 31 December 2009 and 2007	3,655	-

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The Security Expenditure Account was established by Conference Resolution 5/2005 as Chapter 9 of the Programme of Work and Budget and incorporated in Financial Regulation 6.12.

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.

Unutilized Chapter 9 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.

29. 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.

	2008-09	2006-07
	USD 000	USD 000
Opening Balance at 1 January 2008 and 2006	25,249	11,421
Movements of the SFERA during the biennium:		
Contributions Received from Donors	15,719	33,371
Transfer of emergency support cost reimbursements from the cost recovery account	6,885	14,228
Advances to projects	(65,329)	(27,663)
Applications to Trust Funds projects	(14,355)	(32,471)
Refund of Advances	65,310	26,363
Closing balance at 31 December 2009 and 2007	33,479	25,249

30. Contingent Liabilities

Rome Municipal Garbage Tax

Effective 14 July 2009, through an "Atto di Conciliazione" FAO and the Rome Municipality reached an agreement on a long standing dispute related to assessment for garbage collection tax. As a result, FAO settled the claim by paying a total of Euro 2.5 million (USD 3.7 million at prevailing exchange rates). Of the total amount paid, USD 1.8 million had previously been provided for in 2001 and 2002, while the remaining USD 1.9 million was charged to expenditure during the current biennium.

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Labor-related and other Claims

As part of its normal ongoing operations, FAO receives claims related to labor or contract disputes. The total amount of such claims is approximately USD 2.3 million. The Organization deems existing complaints against it to be without merit and 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.

31. Other Disclosures

Equipment, Furniture and Vehicles

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

	2008-09	2006-07
	USD 000	USD 000
General and Related Funds	59,076	66,709
Trust and UNDP Funds	70,149	62,668
Total Equipment, Furniture and Vehicles	129,225	129,377

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 45.9 million and USD 6.1 million per year (2006-07 - USD 43.2 million and USD 8.2 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 either no market exists or those which FAO's corporate bank will only sell and not buy.

At 31 December 2009, cash balances held in non-freely convertible currencies amounted to USD 7.9 million (31 December 2007 - USD 5.7 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 2009, there was one open position with a nominal value of € 25 million, closed on 19 January 2010. The fair market value of this outstanding swap at 31 December 2009 was approximately USD 0.8 million.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Schedule I: Assessed Contributions Outstanding for the Regular Programme
at 31 December 2009 (expressed in USD000)**

Member Nation	2006 & prior	2007	2008	2009	Instalments due in future years	Grand total
Antigua and Barbuda	331	13	10	10	0	364
Argentina	3,567	0	0	1,586	0	5,153
Armenia	0	0	0	0	1,353	1,353
Azerbaijan	0	0	0	0	503	503
Bolivia	2	0	36	29	0	67
Botswana	0	0	0	38	0	38
Bulgaria	0	0	0	96	0	96
Burundi	0	0	0	0	33	33
Chile	229	582	433	0	0	1,244
Colombia	0	0	0	282	0	282
Comoros	281	4	5	5	0	295
Cook Islands	0	0	0	5	0	5
Costa Rica	102	79	86	86	0	353
Cote d'Ivoire	15	26	44	44	0	129
Cuba	6	112	184	262	0	564
Djibouti	0	0	5	5	0	10
Dominican Republic	145	137	116	116	0	514
El Salvador	0	0	0	4	0	4
Equatorial Guinea	0	0	5	9	0	14
Gabon	0	0	0	39	0	39
Georgia	0	0	1,217	0	0	1,217
Grenada	0	0	0	5	0	5
Guatemala	0	0	56	86	0	142
Guinea	0	0	0	1	0	1
Guinea-Bissau	108	4	5	5	0	122
Guyana	0	0	1	3	0	4
Honduras	0	0	0	2	0	2
Iraq	5,544	0	40	0	0	5,584
Kiribati	2	2	0	0	0	4
Korea, Republic of	0	0	0	6,110	0	6,110
Kyrgyzstan	873	4	3	0	0	880
Liberia	283	3	3	3	0	292
Libyan Arab Jamahiriya	0	74	0	135	0	209
Madagascar	0	0	0	5	0	5
Mexico	0	0	0	5,470	0	5,470
Micronesia, Federated States of	0	2	3	3	0	8
Moldova	0	0	0	0	465	465
Montenegro	0	0	2	0	0	2
Nauru	8	3	3	3	0	17
Nicaragua	6	4	10	10	0	30

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**Schedule I: Assessed Contributions Outstanding for the Regular Programme
at 31 December 2009 (expressed in USD000)**

Member Nation	2006 & prior	2007	2008	2009	Instalments due in future years	Grand total
Niger	0	0	0	4	0	4
Nigeria	0	0	28	93	0	121
Pakistan	0	0	3	285	0	288
Palau	12	4	5	5	0	26
Paraguay	52	31	13	24	0	120
Peru	0	294	378	378	0	1,050
Philippines	0	0	0	6	0	6
Poland	0	0	0	1,056	0	1,056
Qatar	0	0	0	133	0	133
Saint Lucia	0	0	0	5	0	5
Sao Tome and Principe	278	4	5	5	0	292
Seychelles	0	0	0	0	93	93
Sierra Leone	8	3	3	3	0	17
Solomon Islands	56	0	0	0	0	56
Somalia	354	4	5	5	0	368
Spain	0	0	0	6,471	0	6,471
St Vincent and the Grenadines	0	0	0	2	0	2
Sudan	0	0	0	17	0	17
Tajikistan	125	0	3	5	0	133
Timor-Leste	0	2	2	3	0	7
Tunisia	0	0	1	0	0	1
Turkmenistan	463	21	29	29	0	542
Uganda	0	0	0	7	0	7
Ukraine	0	0	0	218	0	218
United States of America	1,826	0	0	22,495	0	24,321
Uruguay	0	0	0	58	0	58
Uzbekistan	0	60	0	0	0	60
Vanuatu	0	0	5	5	0	10
Venezuela, Bolivarian Republic of	0	0	0	65	0	65
Yugoslavia 1990-2000	8,405	0	0	0	0	8,405
TOTAL	23,081	1,472	2,747	45,834	2,447	75,581

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex I: Status of Technical Cooperation Programme Projects Funded Against
2008-09 Appropriation at 31 December 2009**

Country	No. Projects	Budget	Expenditure	Balance
		(USD '000)	(USD '000)	(USD '000)
AFRICA				
Algeria	2	193	48	145
Angola	2	772	430	342
Benin	5	1,575	860	715
Botswana	1	202	93	109
Burkina Faso	2	362	169	193
Burundi	3	961	795	166
Cameroon	3	719	185	534
Cape Verde	3	738	413	325
Central African Republic	1	500	517	(17)
Chad	4	1,435	501	934
Comoros	3	781	454	327
Congo	2	571	263	308
Congo, The Democratic Republic of	4	1,431	594	837
Cote d'Ivoire	2	350	149	201
Equatorial Guinea	1	130	80	50
Eritrea	4	1,534	586	948
Ethiopia	3	897	229	668
Gabon	3	830	76	754
Gambia	5	1,516	668	848
Ghana	1	500	502	(2)
Guinea	4	1,273	465	808
Guinea-Bissau	2	561	404	157
Kenya	3	1,045	173	872
Lesotho	2	571	111	460
Liberia	4	1,374	434	940
Madagascar	4	1,506	979	527
Malawi	3	1,035	618	417
Mali	2	698	603	95
Mauritania	1	94	64	30
Mauritius	3	714	206	508
Mozambique	4	1,361	700	661
Namibia	1	263	226	37
Niger	1	122	76	46
Nigeria	2	695	169	526
Regional Africa	13	3,724	1,885	1,839
Rwanda	3	827	606	221
Sao Tome and Principe	2	363	259	104
Senegal	2	629	200	429
Seychelles	2	352	308	44
Sierra Leone	4	1,325	1,149	176

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

**Annex I: Status of Technical Cooperation Programme Projects Funded Against
2008-09 Appropriation at 31 December 2009**

Country	No. Projects	Budget	Expenditure	Balance
		<i>(USD '000)</i>	<i>(USD '000)</i>	<i>(USD '000)</i>
Swaziland	1	72	66	6
Tanzania, United Republic of	1	500	505	(5)
Togo	3	1,131	652	479
Uganda	4	1,548	84	1,464
Zambia	3	1,067	593	474
Zimbabwe	3	964	501	463
TOTAL AFRICA	131	39,811	19,648	20,163
ASIA				
Bangladesh	4	1,411	660	751
Bhutan	2	681	758	(77)
Cambodia	4	1,544	420	1,124
China	4	1,370	354	1,016
India	2	583	183	400
Indonesia	3	1,002	292	710
Kazakhstan	2	518	18	500
Korea, Democratic People's Republic of	4	1,335	1,029	306
Lao, People's Democratic Republic	3	1,124	859	265
Malaysia	1	30	26	4
Maldives	3	620	252	368
Mongolia	4	1,399	598	801
Myanmar	4	1,164	678	486
Nepal	3	1,270	984	286
Pakistan	3	1,223	714	509
Philippines	4	1,681	546	1,135
Regional Asia Pacific	14	5,638	1,961	3,677
Sri Lanka	4	1,283	538	745
Thailand	3	867	109	758
Timor-Leste	1	200	124	76
Viet Nam	3	1,270	656	614
TOTAL ASIA	75	26,213	11,759	14,454
EUROPE				
Albania	1	40	10	30
Armenia	3	1,130	562	568
Azerbaijan	2	490	135	355
Bosnia and Herzegovina	1	200	133	67
Croatia	1	200	0	200
Georgia	1	194	53	141
Macedonia, The Former Yugoslav	2	493	121	372
Moldova, Republic of	3	842	571	271
Poland	1	160	6	154
Regional Europe	5	1,170	0	1,170

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex I: Status of Technical Cooperation Programme Projects Funded Against
2008-09 Appropriation at 31 December 2009**

Country	No. Projects	Budget	Expenditure	Balance
		(USD '000)	(USD '000)	(USD '000)
Russian Federation	1	104	63	41
Serbia	3	725	69	656
Turkey	2	687	248	439
Ukraine	1	232	94	138
TOTAL EUROPE	27	6,667	2,065	4,602
TOTAL GLOBAL INTERREGIONAL	4	1,402	370	1,032
LATIN AMERICA				
Antigua and Barbuda	1	250	242	8
Argentina	2	579	180	399
Bahamas	2	436	342	94
Barbados	1	250	256	(6)
Belize	3	805	469	336
Bolivia	3	1,183	256	927
Brazil	1	234	81	153
Chile	2	702	309	393
Colombia	2	525	324	201
Costa Rica	2	530	274	256
Cuba	1	200	38	162
Dominica	2	293	279	14
Dominican Republic	3	864	521	343
Ecuador	3	999	216	783
El Salvador	3	555	193	362
Grenada	1	250	248	2
Guatemala	1	105	50	55
Guyana	2	369	258	111
Haiti	1	75	8	67
Honduras	3	1,180	444	736
Jamaica	2	449	339	110
Mexico	2	466	127	339
Nicaragua	2	799	686	113
Paraguay	2	569	89	480
Peru	1	300	171	129
Regional Latin America	13	5,170	639	4,531
Saint Kitts and Nevis	2	310	282	28
Saint Lucia	2	609	266	343
Saint Vincent and the Grenadines	2	355	316	39
Suriname	2	391	185	206
Trinidad and Tobago	1	181	84	97
Uruguay	2	476	225	251

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

**Annex I: Status of Technical Cooperation Programme Projects Funded Against
2008-09 Appropriation at 31 December 2009**

Country	No. Projects	Budget	Expenditure	Balance
		<i>(USD '000)</i>	<i>(USD '000)</i>	<i>(USD '000)</i>
Venezuela, Bolivarian Republic of	1	283	73	210
TOTAL LATIN AMERICA	73	20,742	8,470	12,272
NEAR EAST				
Afghanistan	2	627	500	127
Djibouti	3	669	316	353
Egypt	2	405	370	35
Iran Islamic Republic of	1	22	8	14
Jordan	1	271	54	217
Kyrgyzstan	2	647	571	76
Lebanon	2	323	285	38
Libyan Arab Jamahiriya	2	271	8	263
Morocco	2	376	186	190
Regional Arab States	4	1,105	1,065	40
Sudan	2	624	449	175
Syrian Arab Republic	2	491	43	448
Tajikistan	2	589	230	359
Tunisia	3	834	310	524
Turkmenistan	1	427	27	400
Uzbekistan	2	450	88	362
Yemen	2	587	550	37
TOTAL NEAR EAST	35	8,718	5,060	3,658
SOUTHWEST PACIFIC				
Cook Islands	1	79	44	35
Fiji	3	701	384	317
Kiribati	1	250	218	32
Marshall Islands	1	52	26	26
Micronesia, Federated States of	1	80	0	80
Nauru	1	58	16	42
Palau	1	31	0	31
Papua New Guinea	2	680	548	132
Samoa	3	590	345	245
Solomon Islands	2	267	42	225
Tonga	2	412	258	154
Tuvalu	1	284	0	284
Vanuatu	2	257	60	197
TOTAL SOUTHWEST PACIFIC	21	3,741	1,941	1,800

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

**Annex I: Status of Technical Cooperation Programme Projects Funded Against
2008-09 Appropriation at 31 December 2009**

Country	No. Projects	Budget	Expenditure	Balance
		<i>(USD '000)</i>	<i>(USD '000)</i>	<i>(USD '000)</i>
TOTAL	366	107,294	49,313	57,981
2008-09 Project Appropriation			103,412	
Total Expenditure			(49,313)	
Unobligated Balance carried forward in accordance with Financial Regulations 4.3 (Statement II)			54,099	

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex II: Status of Technical Cooperation Programme Projects Funded Against
2006-07 Appropriation at 31 December 2009**

Country	No. Projects	Expenditure
		(USD '000)
AFRICA		
Algeria	3	264
Angola	4	686
Benin	3	382
Botswana	4	187
Burkina Faso	4	789
Burundi	3	571
Cameroon	5	1,060
Cape Verde	2	403
Central African Republic	3	416
Chad	1	52
Congo	3	257
Congo, Dem. Rep. of	4	485
Cote d'Ivoire	4	1,122
Eritrea	3	206
Ethiopia	3	741
Gabon	2	470
Gambia	3	243
Ghana	3	451
Guinea	3	526
Guinea-Bissau	2	45
Kenya	5	1,557
Lesotho	3	736
Liberia	2	38
Madagascar	3	278
Malawi	5	935
Mali	1	452
Mauritania	4	848
Mauritius	2	13
Mozambique	5	864
Namibia	2	48
Niger	3	830
Nigeria	3	777
Regional Africa	18	3,414
Rwanda	3	522
Sao Tome and Principe	3	390
Senegal	3	852

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex II: Status of Technical Cooperation Programme Projects Funded Against
2006-07 Appropriation at 31 December 2009**

Country	No. Projects	Expenditure (USD '000)
Seychelles	2	167
Sierra Leone	4	348
South Africa	3	192
Swaziland	3	1,012
Tanzania, United Republic of	3	184
Togo	3	372
Uganda	5	952
Zambia	3	491
Zimbabwe	2	340
TOTAL AFRICA	155	25,968
ASIA		
Bangladesh	5	1,322
Cambodia	5	1,154
China	7	1,608
India	3	194
Indonesia	2	429
Kazakhstan	1	27
Korea, Democratic People's Republic of	6	1,212
Lao People's Democratic Republic	3	630
Maldives	1	56
Mongolia	5	1,289
Myanmar	3	708
Nepal	5	1,482
Pakistan	3	220
Philippines	3	492
Regional Asia Pacific	6	796
Sri Lanka	3	535
Thailand	4	504
Timor-Leste	1	489
Viet Nam	4	768
TOTAL ASIA	70	13,915
EUROPE		
Albania	2	379
Armenia	3	671
Azerbaijan	3	326
Bosnia and Herzegovina	1	206
Croatia	3	450
Georgia	3	707

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

**Annex II: Status of Technical Cooperation Programme Projects Funded Against
2006-07 Appropriation at 31 December 2009**

Country	No. Projects	Expenditure
		<i>(USD '000)</i>
Kosovo	2	83
Macedonia, The Former Yugoslav	1	83
Moldova, Republic of	3	352
Turkey	3	827
TOTAL EUROPE	24	4,084
TOTAL GLOBAL INTERREGIONAL	4	941
LATIN AMERICA		
Antigua and Barbuda	2	167
Argentina	4	365
Bahamas	2	154
Barbados	3	177
Belize	2	244
Bolivia	2	267
Brazil	3	583
Chile	3	204
Colombia	2	165
Costa Rica	2	392
Cuba	4	773
Dominica	3	176
Dominican Republic	5	1,021
Ecuador	2	176
El Salvador	2	243
Grenada	4	142
Guatemala	1	7
Guyana	2	246
Haiti	4	797
Honduras	2	272
Jamaica	1	68
Mexico	3	452
Nicaragua	5	808
Panama	4	587
Paraguay	2	597
Peru	2	344
Regional Latin America	13	2,538
Saint Kitts and Nevis	3	312
Saint Lucia	2	30
Saint Vincent and the Grenadine	2	144
Suriname	2	129
Trinidad and Tobago	2	53
Uruguay	3	449

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

**Annex II: Status of Technical Cooperation Programme Projects Funded Against
2006-07 Appropriation at 31 December 2009**

Country	No. Projects	Expenditure
		<i>(USD '000)</i>
Venezuela, Bolivarian Republic of	2	230
TOTAL LATIN AMERICA	100	13,312
NEAR EAST		
Afghanistan	2	459
Djibouti	2	139
Egypt	5	999
Iran, Islamic Republic of	4	696
Jordan	2	169
Kyrgyzstan	3	394
Lebanon	1	217
Libyan Arab Jamahiriya	1	138
Morocco	4	545
Oman	2	276
Regional Arab States	4	781
Sudan	5	1,085
Syrian Arab Republic	4	1,268
Tajikistan	4	627
Tunisia	2	393
Turkmenistan	1	56
Uzbekistan	3	259
Yemen	3	424
TOTAL NEAR EAST	52	8,925
SOUTHWEST PACIFIC		
Cook Islands	3	453
Fiji	1	114
Kiribati	1	39
Marshall Islands	1	83
Micronesia, Federated States of	1	57
Nauru	1	66
Niue	1	76
Samoa	1	38
Solomon Islands	1	77
Tonga	3	328
Tuvalu	1	50
Vanuatu	1	90
TOTAL SOUTHWEST PACIFIC	16	1,471
Miscellaneous		(21)
TOTAL	421	68,595
Appropriation 2006-07		95,703
Expenditure against 06/07 Project Appropriation		95,703
Balance		0



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