



AUDITED ACCOUNTS FAO

2010 – 2011



**Food and Agriculture
Organization of
the United Nations**

AUDITED ACCOUNTS

2010 – 2011

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FINANCIAL STATEMENTS 2010-11

Table of Contents

	Page
<u>PART A</u>	
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	10
Schedule I: Assessed Contributions Outstanding for the Regular Programme at 31 December 2011	34
Annex I: Status of Technical Cooperation Programme Projects Funded Against 2010-11 Appropriation at 31 December 2011	36
Annex II: Status of Technical Cooperation Programme Projects Funded Against 2008-09 Appropriation at 31 December 2011	41

PART B

Report of the External Auditor

The Report of the External Auditor is available under Conference document reference number C2013/5 B

FINANCIAL STATEMENTS 2010-11

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 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 1 January 2010 to 31 December 2011.

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 the 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 about whether the financial statements are free of 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

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 2011, and its results of operations and its cash flows for the period then ended in accordance with FAO'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.

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.



Ma. Gracia M. Pulido Tan

Chairperson, Philippines Commission on Audit

External Auditor

20 August 2012

FINANCIAL STATEMENTS 2010-11

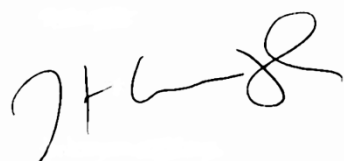
Certification of Financial Statements

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



Nicholas Nelson
Assistant Director-General
Corporate Services, Human Resources and Finance Department

Approved:



José Graziano da Silva
Director-General

July 2012

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 2011

(USD '000)

Notes	Funds		Total	
	General and Related	Trust and UNDP	2010-11	2008-09 (Re-stated)
INCOME				
Assessment on Member Nations 3	1,004,340	-	1,004,340	970,199
Voluntary contributions 4	108,067	1,619,264	1,727,331	1,200,418
Funds received under inter-organizational arrangement 5	1,249	12,912	14,161	8,955
Jointly financed activities 6	38,054	-	38,054	30,042
Miscellaneous 7	6,771	2,344	9,115	10,003
Return on investments – available-for-sale 8	38,934	-	38,934	(15,418)
Net other sundry income 9	17,496	-	17,496	18,705
(Loss) on exchange differences 26	(12,410)	-	(12,410)	(6,663)
TOTAL INCOME	1,202,501	1,634,520	2,837,021	2,216,241
EXPENDITURE				
Regular Programme 10	1,104,385	-	1,104,385	1,053,756
Projects 10	-	1,632,176	1,632,176	1,135,307
TOTAL EXPENDITURE	1,104,385	1,632,176	2,736,561	2,189,063
EXCESS OF INCOME OVER EXPENDITURE	98,116	2,344	100,460	27,178
Actuarial Losses 11	(40,393)	-	(40,393)	(22,052)
Interest Cost of staff related schemes 12	(114,953)	-	(114,953)	(94,749)
Provision for contributions receivable and other assets 13	304	-	304	(6,534)
Deferred income 22	(19,430)	-	(19,430)	14,496
Net movement in Capital Expenditure Account 27	(4,283)	-	(4,283)	(6,969)
Net movement in Security Expenditure Account 28	(991)	-	(991)	(3,655)
NET (SHORTFALL) / EXCESS OF INCOME OVER EXPENDITURE	(81,630)	2,344	(79,286)	(92,285)
Transfer of Interest to donor accounts 19	-	(2,344)	(2,344)	(5,486)
Transfers from/(to) reserves:				
Special Reserve Account 26	(1,083)	-	(1,083)	6,663
Fund balances, beginning of period as previously reported				(465,282)
Change in accounting policy with respect to:				
Classification of short term investment income	-	-	-	(2,173)
Fund balances, restatement of opening balance	(558,563)	-	(558,563)	(467,455)
FUND BALANCES, END OF PERIOD	(641,276)	-	(641,276)	(558,563)

The accompanying notes are an integral part of the financial statements

Statement II: Assets, Liabilities, Reserves and Fund Balances

As at 31 December 2011

(USD '000)

Notes	Funds		Total		
	General and Related	Trust and UNDP	2010-11	2008-09 (Re-stated)	
ASSETS					
Cash and cash equivalents	14	61,376	507,114	568,490	878,938
Investments – held for trading	15	-	367,168	367,168	78,368
Contributions receivable	16	110,376	7,292	117,668	97,103
Less: Provision for delays of contributions	17	(12,630)	(6,288)	(18,918)	(19,861)
Accounts receivable	18	51,101	-	51,101	43,907
Investments – available-for-sale	15	326,873	-	326,873	292,500
TOTAL ASSETS		537,096	875,286	1,412,382	1,370,955
LIABILITIES					
Contributions received in advance	19	17,570	705,913	723,483	785,893
Unliquidated obligations	20	70,127	126,044	196,171	155,523
Accounts payable	21	39,069	-	39,069	32,778
Deferred income	22	73,440	-	73,440	54,099
Staff related schemes	23	906,060	-	906,060	782,443
TOTAL LIABILITIES		1,106,266	831,957	1,938,223	1,810,736
RESERVES AND FUND BALANCES					
Working Capital Fund	25	25,654	-	25,654	25,654
Special Reserve Account	26	20,043	-	20,043	18,960
Capital Expenditure Account	27	14,475	-	14,475	10,192
Security Expenditure Account	28	4,646	-	4,646	3,655
Special Fund for Emergency and Rehabilitation Activities	29	-	43,329	43,329	33,479
Unrealized gains / (losses) on investments	15	7,288	-	7,288	26,842
Fund balances, end of period		(641,276)	-	(641,276)	(558,563)
TOTAL RESERVES AND FUND BALANCES		(569,170)	43,329	(525,841)	(439,781)
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		537,096	875,286	1,412,382	1,370,955

The accompanying notes are an integral part of the financial statements

Statement III: Cash Flow

For the biennium ending 31 December 2011

(USD '000)

	2010-11	2008-09 (Re-stated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net shortfall of income over expenditure (Statement I – General and Related Funds)	(81,629)	(97,772)
	(81,629)	(97,772)
(Increase)/Decrease in contributions receivable	(20,565)	43,399
(Decrease)/ Increase in provision for contributions,	(942)	4,746
(Increase)/Decrease in accounts receivable	(7,194)	5,695
(Decrease)/Increase in contributions received in advance	(62,410)	221,001
Increase in unliquidated obligations	40,647	31,649
Increase/(Decrease) in deferred income	19,341	(14,496)
Increase/(Decrease) in accounts payable	6,291	(5,414)
Increase in staff related schemes	123,617	63,296
NET CASH FROM OPERATING ACTIVITIES	17,156	252,104
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase)/Decrease in investments – held for trading, net of unrealized gains/(losses)	(288,800)	30,977
(Increase)/Decrease in investments – available-for-sale, net of unrealized gains/(losses)	(53,927)	90
NET CASH USED IN INVESTING ACTIVITIES	(342,727)	31,067
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Special Fund for Emergency and Rehabilitation Activities	9,850	8,230
Increase in Capital Expenditure Account	4,282	6,969
Increase in Security Expenditure Account	991	3,655
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	15,123	18,854
NET (DECREASE)/INCREASE IN CASH	(310,448)	302,025
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	878,938	576,913
CASH AND CASH EQUIVALENTS AT END OF PERIOD	568,490	878,938

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

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Statement IV: Status of Regular Programme Appropriations

For the biennium ended 31 December 2011 (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. A - Sustainable intensification of crop production	49,181	-	(2,600)	-	46,581	(2,620)	48,659	46,039	504	46,543	38
2. B - Increased sustainable livestock production	31,637	-	(3,050)	-	28,587	(3,569)	31,795	28,226	352	28,578	9
3. C - Sustainable management and use of fisheries and aquaculture resources	55,626	-	(1,450)	-	54,176	(2,845)	56,399	53,554	610	54,164	12
4. D - Improved quality and safety of food at all stages of the food chain	24,445	-	(550)	-	23,895	(2,243)	25,851	23,608	275	23,883	12
5. E - Sustainable management of forests and trees	42,054	-	(700)	-	41,354	(1,303)	42,179	40,876	428	41,304	50
6. F - Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture	53,192	-	1,500	-	54,692	(4,386)	58,454	54,068	581	54,649	43
7. G - Enabling environment for markets to improve livelihoods and rural development	40,878	-	(100)	-	40,778	(1,344)	38,598	37,254	406	37,660	3,118
8. H - Improved food security and better nutrition	58,454	-	1,650	-	60,104	(2,392)	61,795	59,403	653	60,056	48
9. I - Improved preparedness for, and effective response to, food and agricultural threats and emergencies	7,311	-	700	-	8,011	(1,239)	9,140	7,901	87	7,988	23
10. K - Gender equity in access to resources, goods, services and decision-making in the rural areas	9,838	-	1,300	-	11,138	(205)	11,190	10,985	120	11,105	33
11. L - Increased and more effective public and private investment in agriculture and rural development	36,571	-	4,550	-	41,121	(37,100)	77,517	40,417	693	41,110	11
12. X - Effective collaboration with member states and stakeholders	220,680	-	-	-	220,680	(30,917)	245,179	214,262	2,966	217,228	3,452
13. Y - Efficient and effective administration	118,582	-	(1,250)	-	117,332	(45,579)	160,385	114,806	2,522	117,328	6
14. R - FAOR Programme	88,294	-	-	-	88,294	(27,904)	113,763	85,859	1,154	87,013	1,281
15. T - Technical Cooperation Programme	111,694	54,157	-	(65,460)	100,391	-	100,199	100,199	192	100,391	-
16. O - Contingencies	600	-	-	-	600	-	-	-	-	-	600
17. P - Capital Expenditure	26,803	-	-	(6,133)	20,670	-	20,021	20,021	649	20,670	-
18. Q - Security Expenditure	24,686	-	-	(824)	23,862	(209)	23,694	23,485	377	23,862	-
SUB-TOTAL	1,000,526	54,157	-	(72,417)	982,266	(163,855)	1,124,818	960,963	12,569	973,532	8,735

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

Statement IV: Status of Regular Programme Appropriations

For the biennium ended 31 December 2011

(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
Transfer to Tax equalization Fund (Chapter 19)	98,092	-	(98,092)	-	-	-	-	-	-	-	-
Deferred Income and Reserves											
TCP Deferred Income (Chapter 15)	54,157	(54,157)		65,460	65,460	-	-	-	-	-	65,460
Capital Expenditure account (Chapter 17)	8,632	-		6,133	14,765	-	-	-	-	-	14,765
Security Expenditure account (Chapter 18)	4,021	-		824	4,845	-	-	-	-	-	4,845
Total	1,165,428	-	(98,092)	-	1,067,336	(163,855)	1,124,817	960,961	12,569	973,530	93,806

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

Notes to Statement IV : Status of Regular Programme Appropriations

¹ Conference resolution 3/2009 gross appropriation of USD 1,023.3 million adjusted for further savings and efficiency gains of USD 22.8 million (CL 141/9 Annex II: Report of the 138th FC session), to a net appropriation of USD 1,000.5 million. Conference Resolution 2009/3 allowed for USD 2.5 million of the USD 4.2 million surplus from 2008-09 to be allocated to the Capital Expenditure Account. Member Nations agreed (see C 2009/REP, page 19, para 1c) that this was to represent a reduction in the amounts to be collected against their 2010-11 appropriation. Consequently, the USD 2.5 million was transferred directly into the Net Budget for Chapter P – Capital Expenditure to offset the reduction in funding that would be received for Capital Expenditure. The result of this action created no net change in the available appropriation for Capital Expenditure items.

² USD 54.2 million of TCP 08-09 appropriation deferred until 2010-11 (at budget rate of exchange).

³ Finance Committee approved transfers (FC 143/7: Report of the 143rd FC session). The Tax Equalization Fund was established as of 1 January 1972. In line with the practice followed since 1972-73, the 2010-11 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.

⁴ USD 65.5 million of TCP 10-11 appropriation deferred until 2012-13 (at budget rate of exchange). USD 6.1 million deferred until 2012-13 under Capital Expenditure Facility (at budget rate of exchange). USD 0.8 million deferred until 2012-13 under Security Expenditure Facility (at budget rate of exchange). The difference in the TCP closing balance, the Capital Expenditure Facility and the Security Expenditure Facility between Statement IV and Statement II is attributable to the currency variance.

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

	USD 000
Voluntary Contributions	108,067
Funds received under inter-organizational arrangements	1,249
Jointly financed activities	38,054
Other sundry income (exclusive of income generated by the Money and Medals Programme of USD 0.7 million, and the IPRF Programme of USD 0.3 million)	16,485
Total actual other income	163,854

⁶ Represents amounts charged to the Regular Programme budget and the TCP prior biennium appropriation (USD 1,070.8 million and USD 54.0 million, respectively, for 2010-11 – 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 2010-11 biennium, USD 21.7 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. 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 carried forward as deferred income, including USD 0.5 million of deferred one-time IPA investment costs

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 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 2011, 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

During the 2010-2011 biennium, FAO introduced accounting standards in relation to the accounting treatment and disclosure requirements of its investment portfolios, cash and cash equivalents that are compliant with IPSAS. This partial introduction is consistent with the Organization's move towards full IPSAS compliance, and is permissible under the United Nations System Accounting Standards (UNSAS).

Accordingly, the accounting policy changes, resulting from transition to IPSAS from UNSAS in recognizing, measuring and presenting investments, cash and cash equivalents are explained in paragraphs below.

- Cash and cash equivalents have been restated to include cash equivalents and short term investments with an original maturity of less than three months. Primarily, this has resulted in a reclassification of the Organization's HSBC

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Euro, HSBC USD, and BIS (Bank of International Settlements) money market funds and term deposits from Short term investments to Cash.

- Accrued interest receivable on all investment portfolios at the reporting date is now recorded within Accounts Receivable instead of being recognized as part of the investment market value.
- Investments – held for trading are defined as less than 12 months and are being treated as Trading Investments. Consequently, all unrealized gains and losses are being recognized in the Statement of Income and Expenditure. Unrealized Gains/(Losses) on Investments within the Organization’s Reserves and Fund Balances, have been re-stated to only include amounts in relation to FAO’s Long Term Investment portfolios.
- Investments - available for sale have been restated to reflect the use of the bid price in the valuation of the Fair Market Value of assets, instead of using the mid-price as is currently the practice under UNSAS.
- Miscellaneous Income recognized in the Statement of Income and Expenditure has been restated to include the Unrealized Gains/(Losses) on Trading portfolios.

Comparative opening balances in the Statement of Assets, Liabilities, Reserves and Fund Balances and in the Statement of Income and Expenditure and Changes in Reserves and Fund Balances have been restated and adjusted. Details of such restatements are shown in the table below.

2008-09			
USD 000			
	Original Audited	Re-stated	Change
(a) Statement I: Income and Expenditure and Changes in Reserves and Fund Balances			
Miscellaneous	7,401	10,002	2,601
Change in Accounting Policy	-	(2,173)	(2,173)
(b) Statement II: Assets, Liabilities, Reserves and Fund Balances			
Cash and cash equivalents	86,242	878,938	792,696
Investments - held for trading	871,200	78,368	792,832
Accounts Receivable	41,789	43,907	2,118
Investments - available-for-sale	294,710	292,500	(2,210)
Unrealized Gains / (Losses) on Investments	27,499	26,842	(657)
Fund Balances (deficit) , End of Period	(558,991)	(558,562)	429

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 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.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

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.

Staff Related Schemes

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 2011, the Organization has recognized in the financial statements 100% of the actuarially-determined liability for the Compensation Payments Plan; whilst the actuarially-determined liabilities in relation to the Terminal Payments Plan, 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**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

	2010-11 USD 000	2008-09 USD 000
Regular Programme assessments	998,040	967,699
add: After Service Medical Coverage assessment	14,100	14,100
less: Amount in respect of Tax Equalization Fund	(7,800)	(11,600)
Total Assessment on Member Nations	1,004,340	970,199

Conference Resolution 15/2009 approved appropriations of USD 1,000.5 million to be used for the Programme of Work as proposed by the Director General for 2010-11. 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 and carry forward of USD 2.5 million, were budgeted to be financed by contributions from Member Nations of USD 1,007.1 million. The contributions are comprised of split assessments in US Dollars of USD 429.0 million and in Euros of €418.0 million (equivalent to US Dollars 578.0 million at the Budget rate of exchange of US Dollar 1.39 to €1.00). The difference between actual Assessments on Member Nations of USD 1,004.3 million and amounts approved under the Conference Resolution, of USD 1,007.1 million, reflect the difference between the average UN Operational rate of exchange of US Dollar 1.38 to €1.00 at the time the €418.0 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 2010-11 was approximately 43% and 57%, respectively (2008-09; 42% and 58% respectively).

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

4. Voluntary Contributions

	2010-11 USD 000	2008-09 USD 000
(a) General and Related Funds		
Support costs	108,067	73,193
(b) Trust and UNDP Funds		
Donor countries	1,180,927	752,819
Donor institutions	268,837	221,726
Multidonor projects	169,500	152,680
	1,619,264	1,127,225
Total Voluntary Contributions	1,727,331	1,200,418

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

	2010-11 USD 000	2008-09 USD 000
(a) General and Related Funds		
Support costs	1,249	873
(b) Trust and UNDP Funds		
Funds received under inter-organizational arrangement	12,912	8,082
Total Funds Received under Inter-Organizational Arrangements	14,161	8,955

6. Jointly Financed Activities

	2010-11 USD 000	2008-09 USD 000
FAO/World Bank Cooperative Programme	27,141	25,279
International Fund for Agricultural Development	7,539	3,817
European Bank for Reconstruction and Development	2,044	632
Others	1,330	314
Total Jointly Financed Activities	38,054	30,042

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

	2010-11 USD 000	2008-09 USD 000 (Re-stated)
(a) General and Related Funds		
Bank and term deposit interest	2,018	5,317
Short-term investment losses	(1,164)	(5,035)
Lapse of accrued liabilities	7,878	5,090
Bank charges	(3,460)	(2,412)
Bank interest paid	(8)	(81)
Other	1,507	1,638
	6,771	4,517
(b) Trust and UNDP Funds		
Transfer of Interest to Donors	2,344	5,486
Total Miscellaneous Income	9,115	10,003

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

8. Return on Investments – Available-for-sale

	2010-11 USD 000	2008-09 USD 000
Gains/(Losses) on Investments – Available-for-sale	38,934	(15,418)

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 2010-11 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 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 2010-11 biennium, the return on the Available-for-sale Investment portfolio generated a net gain of USD 38.9 million (2008-09 USD (15.4) million net loss) due to favorable market conditions, comprised of USD 14.3 million of interest income (2008-09 USD 15.5 million), USD 27.3 million of net realised gains (2008-09 USD 28.8 million net realised losses), off-set by USD 2.7 million of management fees (2008-09 USD 2.1 million) charged by the Organization's investment portfolios managers.

9. Net Other Sundry Income

	2010-11 USD 000	2008-09 USD 000
Government Counterpart Cash Contributions	1,579	1,625
Money and Medals Programme Income	683	977
Information Products Revolving Fund	328	678
Other Income	14,906	15,425
Total Net Other Sundry Income	17,496	18,705

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**

	2010-11 USD 000	2008-09 USD 000
(a) General and Related Funds:		
Staff salaries	653,458	629,983
Other human resources	127,960	117,896
Official travel	85,310	74,460
General operating expenses	67,641	68,163
Purchase of expendable and non-expendable equipment	52,042	71,463
Training	15,105	12,575
Contracts	75,967	60,396
Sundries	26,902	18,820
	1,104,385	1,053,756
(b) Trust and UNDP Funds		
Staff salaries	246,051	200,317
Other human resources	216,526	169,752
Official travel	136,364	116,416
General operating expenses	74,572	64,298
Purchase of expendable and non-expendable equipment	522,084	327,239
Training	70,022	48,604
Contracts	357,539	198,091
Sundries	9,018	10,590
	1,632,176	1,135,307
Total Expenditure	2,736,561	2,189,063

Regular Programme expenditure includes USD 41.9 million of expenditure related to the 2010-11 TCP appropriation (2008-09; USD 49.3 million related to the 2008-09 TCP appropriation); USD 54.0 million of expenditure related to the 2008-09 TCP appropriation (2008-09; USD 68.6 million related to the 2006-07 TCP appropriation); USD 20.2 million of Capital Expenditure (2008-09 USD 15.9 million); USD 23.9 million of Security Expenditure (2008-09 USD 19.8 million). Regular Programme expenditure excludes USD 21.7 million (2008-09 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).

11. Actuarial Losses

	2010-11 USD 000	2008-09 USD 000
After Service Medical Coverage	31,748	17,165
Compensation Payment Fund	2,499	2,650
Terminal Payments Fund	7,192	2,237
Separation Payments	(1,046)	-
Total Actuarial Losses	40,393	22,052

The Organization has adopted 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 total value of unrecognized actuarial losses as at 31 December 2011 amounts to USD 246.0 million (2008-09 USD 328.4 million) (refer to Note 23).

12. Interest Cost of Staff Related Liabilities

	2010-11 USD 000	2008-09 USD 000
After Service Medical Coverage	98,153	80,051
Compensation Payment Fund	1,948	2,002
Terminal Payments Fund	6,063	4,124
Separation Payments	8,789	8,572
Total Interest Cost of Staff Related Liabilities	114,953	94,749

Interest cost of USD 114.9 million represents the increase in the present value of the total recognized liabilities during the course of 2010-11.

13. Provision for Contributions Receivable and Other Assets

	2010-11 USD 000	2008-09 USD 000
Accounts Receivable	(592)	(154)
Cash and Bank	-	12
Government Cash Contributions	302	25
Trust Fund and UNDP	594	(6,417)
Total Decrease/(Increase) in Provisions for Contributions Receivable and Other Assets	304	(6,534)

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.

14. Cash and cash equivalents

At 31 December 2011 and 2009, the cash and cash equivalents balance was comprised of the following:

	2010-11 USD 000	2008-09 USD 000 (Re-stated)
(a) General and Related Funds		
Cash at banks and Money market funds	61,376	55,406
	61,376	55,406
(b) Trust and UNDP Funds		
Cash at banks and Money market funds	192,940	30,835
Short-term time deposits	300,003	690,000
Cash equivalents held at investment managers	14,171	102,697
	507,114	823,532
Total cash and cash equivalents	568,490	878,938

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 2011, USD 61.3 million is available for use by the Organization for general expenditures (2008-09 USD 55.4 million). USD 43.3 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 (2008-09 USD 33.5 million). An additional USD 463.8 million of cash and cash equivalents is restricted in that the funds may only be utilized for the fulfillment of the purposes specified in the related Trust Fund agreements (2008-09 USD 790.1 million). Of the total cash and cash equivalents, USD 0.8 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.

15. 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 2011 and 2009, 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 2011 and 2009, the fair value by investment type for held for trading investments was:

	2010-11 USD 000	2008-09 USD 000 (Re-stated)
Trust and UNDP Funds		
Investments – Held for Trading		
Government Bonds	306,115	44,978
Corporate Bonds	6,497	-
Guaranteed Fixed Income	41,599	18,030
Mortgage Backed Securities	12,957	15,360
Total Investments – Held for Trading	367,168	78,368

For the biennium ended 31 December 2011, the Organization had net purchases of USD 288.9 million of held for trading investments. Additionally, the Organization recognized, directly in the Statement of Income and Expenditure, USD 1.6 million of realized losses and USD 1.7 million of unrealized losses associated with its held for trading investment portfolio. The Organization recognized USD 5.6 million of interest income and USD 1.0 million of fees related to its held for trading investment portfolio for the biennium ended 31 December 2011.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

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 2011 and 2009, the cost, unrealized gains or losses and fair value of the available-for-sale investments by investment type were:

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

	2008- 2009 USD 000		
	Cost	Unrealized Gain / (Loss) on Available-for-Sale Investments	Fair Value
Investments - available-for-sale:			
Government Bonds	117,341	12,645	129,986
Corporate Bonds	7,229	(628)	6,601
Equities	134,136	15,058	149,194
Other	6,952	(233)	6,719
Total Investments – available-for-sale	265,658	26,842	292,500

The net unrealized gain of USD 7.3 million as at 31 December 2011 is 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.

The net unrealized gain of USD 26.8 million as at 31 December 2009 was primarily attributable to general market increases in government bonds and equities during 2009.

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

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

	2010-11	Additions	Management	USD millions Interest Income	Gains (Losses)		2010-11
	Opening		Fees	Received	Realised	Unrealised Change	Closing
Investments - available-for-sale	292.5	13.4	(2.7)	15.9	27.3	(19.6)	326.9

	2008-09	Additions	Management	USD millions Interest Income	Gains (Losses)		2008-09
	Opening		Fees	Received	Realised	Unrealised Change	Closing
Investments - available-for-sale	297.4	15.1	(2.1)	15.5	(28.8)	(4.6)	292.5

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 2011, derivatives usage in long-term investments was limited primarily to fixed income futures. The derivatives exposure was considered not to be material.

16. Contributions Receivable

	2010-11 USD 000	2008-09 USD 000
(a) General and Related Funds		
Assessment on Member Nations	103,987	75,581
Government Counterpart Cash Contributions	4,049	4,397
Working Capital Fund	51	63
Special Reserve Account	2,289	2,350
	110,376	82,391
(b) Trust and UNDP Funds		
Voluntary Contributions	4,251	4,800
Funds receivable under inter-organizational arrangement	3,041	9,912
	7,292	14,712
Total Contributions Receivable	117,668	97,103

17. Provisions for Delays in Contributions

	2010-11 USD 000	2008-09 USD 000
(a) General and Related Funds:		
Opening Balance as at 1 January 2010 and 2008	12,978	15,115
Decrease in provision for contributions related to:		
Government Counterpart Cash Contributions	(348)	(2,137)
Net decrease in provision for contributions	(348)	(2,137)
Closing Balance as at 31 December 2011 and 2009	12,630	12,978
Of which Provision for:		
Assessments on Member Nations	8,405	8,405
Government Counterpart Cash Contributions	4,049	4,397
Special Reserve Account assessments	151	151
Working Capital Fund assessments	25	25
Closing Balance as at 31 December 2011 and 2009	12,630	12,978
(b) Trust and UNDP Funds:		
Opening Balance as at 1 January 2010 and 2008	6,883	-
(Decrease)/Increase in provision for contributions	(595)	6,883
Closing Balance as at 31 December 2011 and 2009	6,288	6,883
Total Closing Balance as at 31 December 2011 and 2009	18,918	19,861

As of 31 December 2011 and 31 December 2009, the Provision for Assessments on Member Nations, Special Reserve Account and Working Capital Fund assessments

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

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 16).

18. Accounts Receivable

	2010-11 USD 000	2008-09 USD 000 (Re-stated)
Accounts Receivable, advances and prepayments	34,494	33,870
Other UN and non UN organizations	12,571	6,817
Accrued interest and other	6,417	5,006
	53,482	45,693
Less: Provision for Accounts Receivable	(2,381)	(1,786)
Total Accounts Receivable	51,101	43,907

Accounts Receivable, advances and prepayments at 31 December 2011 includes USD 7.5 million of advances to staff members against their earned Separation Payment Scheme entitlements (2008-09 - USD 10.1 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

	2010-11 USD 000	2008-09 USD 000
(a) General and Related Funds:		
Assessment on Member Nations	17,570	405
(b) Trust and UNDP Funds:		
Voluntary contributions	705,913	785,488
Total Contributions Received in Advance	723,483	785,893

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.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

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 2.3 million (2008-09 - USD 5.5 million).

20. 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 2011.

21. Accounts Payable

	2010-11 USD 000	2008-09 USD 000
Field disbursements	953	996
Pension and medical schemes	4,349	4,081
Staff fiduciary accounts	25,422	17,831
Other accounts payable	8,345	9,870
Total Accounts Payable	39,069	32,778

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.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

22. *Deferred Income*

	2010-11 USD 000	2008-09 USD 000
Technical Cooperation Programme	64,706	54,099
Immediate Plan of Action	8,735	-
Total Deferred Income	73,440	54,099
Movements on TCP throughout the biennium		
Add: 2010-11 Regular Programme assessment relating to TCP appropriation (2008-09)	106,563	103,412
Less: Transferred to income in respect of expenditures incurred against:		
(i) TCP 2008-09 appropriation (2006-07)	(54,010)	(68,595)
(ii) TCP 2010-11 appropriation (2008-09)	(41,858)	(49,313)
Net increase/(decrease) in deferred income during the biennium	10,695	(14,496)
(iii) TCP 2008-09 appropriation surrendered to Miscellaneous Income	(89)	-
Closing Balance as at 31 December 2011 and 2009	64,705	54,099
Movements on IPA throughout the biennium		
Add: Transfer from other budgetary chapters to IPA	8,735	-
Closing Balance as at 31 December 2011 and 2009	8,735	-
Total Deferred Income as at 31 December 2011 and 2009	73,440	54,099
Deferred Income Movement		
	2010-11 USD 000	2008-09 USD 000
Technical Cooperation Programme	(10,695)	14,496
Immediate Plan of Action	(8,735)	-
Total Deferred Income movement for the biennium	(19,430)	14,496

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.

Conference Resolution 5/2011 stipulated that notwithstanding Financial Regulation 4.2, any unspent balance of the 2010-11 appropriations can be used for full

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

implementation of the Immediate Plan of Action (IPA), including one-time IPA investment costs to be incurred during the 2012-13 financial period. Consequently, the unspent balance as per Statement IV, of USD 8.7 million has been carried forward as deferred income for use in the subsequent biennium, 2012-13, in addressing the requirements of the Immediate Plan of Action.

23. Staff Related Schemes

	2010-11 USD 000	2008-09 USD 000
Compensation Payments	19,039	17,960
Separation Payments	86,705	100,149
Terminal Payments	67,328	58,231
After Service Medical Coverage	979,005	934,525
Total Staff Related Schemes	1,152,077	1,110,865
Less: Unrecognized Actuarial loss	(246,017)	(328,422)
Total Recorded Staff Related Schemes	906,060	782,443

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 246.0 million deferred at 31 December 2011, USD 203.1 million relates to ASMC; USD 41.4 million relates to TPF; and, USD 1.5 million relates to SPS. As at 31 December 2009, of the total amount of USD 328.4 million deferred, USD 280.8 million related to ASMC; USD 37.1 million related to TPF; and, USD 10.5 million related 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 2011:

	2010-11 USD 000	2008-09 USD 000 (Re-stated)
Total Staff Related Schemes	1,152,077	1,110,865
Less: Earmarked investments – available-for- sale at fair market value	(326,873)	(292,500)
Less: Advances on Separation Payments Scheme	(7,517)	(10,149)
Total Unfunded Staff Related Schemes	817,687	808,216

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

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 2011 (and 2009) are as follows:

	2011	2009
(i) Annual discount rate	4.4%	5.9%
(ii) General inflation rate	2.5%	2.5%
Actuarial Present Value of Defined Benefit Obligation (USD 000s)	19,039	17,960

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 2011 (and 2009) are as follows:

	2011	2009
(i) Annual discount rate	4.7%	5.1%
(ii) Salary inflation rate	3.0%	3.0%
Actuarial Present Value of Defined Benefit Obligation (USD 000s)	86,705	100,149

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 2011 (and 2009) are as follows:

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

	2011	2009
(i) Annual discount rate	4.4%	5.8%
(ii) Salary inflation rate	3.0%	3.0%
Actuarial Present Value of Defined Benefit Obligation (USD 000s)	67,328	58,231

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 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 2011 (and 2009) are as follows:

	2011	2009
(i) Annual discount rate	4.3%	5.4%
(ii) Salary inflation rate	3.0%	3.0%
(iii) Medical Inflation rate (as at 31 December 2011, the rate is assumed to be 4.0% for 2012 to 2014 and 5% per year thereafter. As at 31 December 2009, the medical inflation rate was assumed to be 6% during 2010 and 5% per year thereafter.	4.0%	6.0%
Actuarial Present Value of Defined Benefit Obligation (USD 000s)	979,005	934,525

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

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

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 2010-11 amounted to USD 118.9 million (2008-09 – USD 111.2 million).

25. 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.

	2010-11 USD 000	2008-09 USD 000
Authorized level at beginning and end of the biennium 2011 (2009)	25,678	25,678
Balance at beginning and end of the biennium 2011 (2009)	25,654	25,654

26. 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 50.0 million in 2010-11.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

	2010-11 USD 000	2008-09 USD 000
Authorized level at 1 January 2010 and 2008	50,026	46,490
Opening Balance as at 1 January 2010 and 2008	18,960	25,623
Exchange differences on foreign currency transactions	1,289	(6,663)
Net transfer to General Fund of historic Exchange differences on translation of foreign currencies	(206)	-
Total transfers from/(to) General Fund	1,083	(6,663)
Closing Balance as at 31 December 2011 and 2009	20,043	18,960

Net gains or losses on foreign exchange are charged to the Special Reserve Account. During the 2010-2011 biennium, the Organization recorded a net loss on foreign exchange of USD 12.4 million (as reported in Statement I). Of the USD 12.4 million net foreign exchange losses, actual cash backed foreign exchange differences amounted to a USD 1.3 million net gain for 2010-2011. This gain was transferred to the Special Reserve Account, together with a small adjustment (USD 0.2 million) relating to previous years to restore the SRA to its cash-backed value. This 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 13.7 million of foreign exchange losses that remain in the Statement of Income and Expenditure have principally been generated on the translation of the 2010-2011 Euro portion of the Assessments on Member Nations¹ to US Dollars.

27. 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.

¹ 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

	2010-11 USD 000	2008-09 USD 000
Opening Balance at 1 January 2010 and 2008	10,192	3,223
Approved appropriations	26,803	20,378
Less: approved appropriation funded from prior biennium	(2,500)	-
Capital expenditure	(20,020)	(15,909)
Transfer from other budgetary chapters	-	2,500
Net increase in the capital expenditure account during the biennium	4,283	6,969
Closing balance at 31 December 2011 and 2009	14,475	10,192

28. 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. 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.

	2010-11 USD 000	2008-09 USD 000
Opening Balance at 1 January 2010 and 2008	3,655	-
Approved appropriations	24,686	23,420
Security expenditure	(23,695)	(19,765)
Net increase in the security expenditure account during the biennium	991	3,655
Closing balance at 31 December 2011 and 2009	4,646	3,655

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.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

	2010-11 USD 000	2008-09 USD 000
Opening Balance at 1 January 2010 and 2008	33,479	25,249
Movements of the SFERA during the biennium:		
Contributions Received from Donors	4,892	15,719
Transfer of emergency support cost reimbursements from the cost recovery account	12,581	6,885
Advances to projects	(78,237)	(65,329)
Applications to Trust Funds projects	(4,625)	(14,355)
Refund of Advances	75,239	65,310
Net increase in the SFERA during the biennium	9,850	8,230
Closing balance at 31 December 2011 and 2009	43,329	33,479

30. Contingent Liabilities**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 0.2 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:

	2011 USD 000	2009 USD 000
General and Related Funds	73,157	59,076
Trust and UNDP Funds	88,578	70,149
Total Equipment, Furniture and Vehicles	161,735	129,225

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

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

approximately USD 42.7 million and USD 8.0 million per year (2008-09 - USD 45.9 million and USD 6.1 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 2011, cash balances held in non-freely convertible currencies amounted to USD 0.8 million (31 December 2009 - USD 7.9 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 2011, there were three open positions with a total nominal value of € 50 million, closed on 6 January 2012, 09 January 2012 and 13 January 2012 respectively. The fair market value of these outstanding swaps at 31 December 2011 was approximately USD 1.3 million. At 31 December 2009, there was one open position with a nominal value of € 25 million and a fair market value of 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 2011 (expressed in USD 000)**

Member Nation	2008 & prior	2009	2010	2011	Instalments due in future years	Grand Total
Andorra	0	0	0	39	0	39
Antigua and Barbuda	337	9	10	10	0	366
Armenia	0	0	0	0	1,203	1,203
Azerbaijan	0	0	0	0	251	251
Bolivia (Plurinational State of)	0	0	0	16	0	16
Bulgaria	0	0	97	97	0	194
Cameroon	0	0	0	11	0	11
Cape Verde	0	0	0	5	0	5
Comoros	288	5	5	5	0	303
Costa Rica	145	67	86	155	0	453
Cote d'Ivoire	0	0	0	1	0	1
Cuba	0	0	163	261	0	424
Democratic Republic of the Congo	0	0	0	6	0	6
Djibouti	4	5	0	5	0	14
Dominica	0	0	5	5	0	10
Dominican Republic	207	110	116	116	0	549
El Salvador	0	0	0	1	0	1
Equatorial Guinea	5	4	5	10	0	24
Georgia	0	0	0	0	974	974
Grenada	0	4	5	5	0	14
Guatemala	0	0	151	155	0	306
Guinea	0	0	5	5	0	10
Guinea-Bissau	115	5	5	5	0	130
Guyana	0	0	2	5	0	7
Honduras	0	0	0	1	0	1
Iran (Islamic Republic of)	0	0	0	736	0	736
Iraq	0	0	0	0	15	15
Kenya	0	0	0	12	0	12
Kiribati	4	0	0	2	0	6
Kyrgyzstan	873	0	0	0	0	873
Liberia	177	2	0	5	0	184
Libya	0	2	177	300	0	479
Malta	0	0	0	82	0	82
Marshall Islands	0	0	1	3	0	4
Micronesia (Federated States of)	0	0	2	5	0	7
Nepal	0	0	0	8	0	8
Niger	0	4	5	5	0	14
Nigeria	0	0	0	9	0	9
Niue	0	0	2	2	0	4

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**Schedule I: Assessed Contributions Outstanding for the Regular Programme
at 31 December 2011 (expressed in USD 000)**

Member Nation	2008 & prior	2009	2010	2011	Instalments due in future years	Grand Total
Pakistan	0	7	159	159	0	325
Palau	19	5	5	5	0	34
Peru	271	187	210	210	0	878
Poland	0	0	1,080	2,440	0	3,520
Portugal	0	0	0	2,566	0	2,566
Republic of Korea	0	0	0	1,680	0	1,680
Republic of Moldova	0	0	0	0	125	125
Sao Tome and Principe	237	5	5	5	0	252
Serbia	0	0	45	102	0	147
Somalia	361	5	5	5	0	376
Sudan	0	0	0	16	0	16
Swaziland	0	0	0	10	0	10
Tajikistan	99	0	0	2	0	101
The former Yugoslav Republic of Macedonia	0	0	24	24	0	48
Togo	0	0	0	2	0	2
Turkmenistan	508	27	29	29	0	593
Tuvalu	0	0	0	2	0	2
Ukraine	0	35	218	218	0	471
United States of America	1,826	0	0	74,675	0	76,501
Uruguay	0	0	0	131	0	131
Uzbekistan	0	0	20	39	0	59
Yugoslavia	8,405	0	0	0	0	8,405
TOTAL	13,881	488	2,642	84,408	2,568	103,987

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex I: Status of Technical Cooperation Programme Projects Funded Against
2010-11 Appropriation at 31 December 2011**

Country	No. Projects	Budget	Expenditure	Balance
		(USD '000)	(USD '000)	(USD '000)
AFRICA				
Algeria	1	298	20	278
Angola	5	1,415	558	857
Benin	3	916	536	380
Botswana	1	97	44	53
Burkina Faso	3	946	456	490
Burundi	2	488	141	347
Cameroon	3	1,015	434	581
Cape Verde	4	1,542	178	1,364
Central African Republic	2	568	205	363
Chad	3	880	295	585
Comoros	1	47	27	20
Congo	3	891	442	449
Cote d'Ivoire	6	2,173	1,005	1,168
Democratic Republic of the Congo	3	1,152	405	747
Equatorial Guinea	2	544	254	290
Eritrea	2	421	36	385
Ethiopia	5	1,703	983	720
Gabon	2	344	125	219
Gambia	3	1,051	708	343
Ghana	4	993	452	541
Guinea	2	597	471	126
Guinea-Bissau	2	510	132	378
Kenya	2	700	118	582
Lesotho	5	1,555	792	763
Liberia	3	1,124	484	640
Madagascar	5	1,759	912	847
Malawi	2	546	225	321
Mali	3	974	518	456
Mauritania	3	718	479	239
Mauritius	1	165	45	120
Mozambique	4	1,431	495	936
Namibia	2	700	178	522
Niger	3	955	496	459
Nigeria	2	623	156	467
Regional Africa	16	5,626	1,856	3,770
Rwanda	1	145	87	58
Sao Tome and Principe	2	447	417	30

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex I: Status of Technical Cooperation Programme Projects Funded Against
2010-11 Appropriation at 31 December 2011**

Country	No. Projects	Budget	Expenditure	Balance
		(USD '000)	(USD '000)	(USD '000)
Senegal	7	2,457	1,025	1,432
Seychelles	2	299	111	188
Sierra Leone	2	508	576	(68)
South Africa	1	164	114	50
Swaziland	3	862	171	691
Togo	5	1,826	1,435	391
Uganda	3	1,155	674	481
United Republic of Tanzania	3	1,067	231	836
Zambia	2	509	353	156
Zimbabwe	3	1,061	806	255
TOTAL AFRICA	147	45,967	20,661	25,306
ASIA				
Bangladesh	3	1,224	131	1,093
Bhutan	2	411	353	58
Cambodia	3	828	118	710
China	4	1,419	372	1,047
Democratic People's Republic of Korea	4	1,100	796	304
India	3	729	97	632
Indonesia	3	860	306	554
Kazakhstan	1	400	14	386
Lao People's Democratic Republic	3	994	446	548
Maldives	1	54	21	33
Mongolia	4	1,580	801	779
Myanmar	2	821	374	447
Nepal	3	808	435	373
Pakistan	1	285	26	259
Philippines	2	607	170	437
Regional Asia Pacific	13	5,113	1,454	3,659
Sri Lanka	4	1,372	594	778
Thailand	6	1,611	662	949
Timor-Leste	1	144	42	102
Viet Nam	3	1,097	170	927
TOTAL ASIA	66	21,457	7,382	14,075
EUROPE				
Albania	1	390	228	162
Armenia	2	512	110	402
Azerbaijan	3	994	376	618
Bosnia and Herzegovina	2	632	66	566
Georgia	1	86	63	23

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex I: Status of Technical Cooperation Programme Projects Funded Against
2010-11 Appropriation at 31 December 2011**

Country	No. Projects	Budget	Expenditure	Balance
		(USD '000)	(USD '000)	(USD '000)
Kosovo	1	89	72	17
Montenegro	1	28	0	28
Regional Europe	3	683	378	305
Republic of Moldova	2	617	130	487
The Former Yugoslav Republic of Macedonia	2	424	244	180
Ukraine	1	199	118	81
TOTAL EUROPE	19	4,654	1,785	2,869
TOTAL GLOBAL INTERREGIONAL	2	935	552	383
LATIN AMERICA				
Antigua and Barbuda	1	110	14	96
Argentina	2	385	98	287
Bahamas	1	183	148	35
Barbados	1	162	0	162
Belize	1	186	167	19
Bolivia (Plurinational State of)	4	1,410	142	1,268
Brazil	1	166	131	35
Chile	3	822	335	487
Colombia	3	772	87	685
Costa Rica	2	339	97	242
Cuba	1	43	9	34
Dominica	1	30	26	4
Dominican Republic	3	1,129	97	1,032
Ecuador	2	462	103	359
El Salvador	2	524	15	509
Grenada	2	271	40	231
Guatemala	2	563	454	109
Guyana	1	211	112	99
Haiti	1	500	373	127
Honduras	1	119	6	113
Jamaica	2	630	349	281
Mexico	1	166	134	32
Nicaragua	5	1,805	971	834
Panama	3	851	186	665
Paraguay	4	1,229	212	1,017
Peru	3	1,017	616	401
Regional Latin America	14	5,082	1,074	4,008

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex I: Status of Technical Cooperation Programme Projects Funded Against
2010-11 Appropriation at 31 December 2011**

Country	No. Projects	Budget	Expenditure	Balance
		(USD '000)	(USD '000)	(USD '000)
Saint Kitts and Nevis	1	97	86	11
Saint Lucia	1	97	36	61
Suriname	2	357	75	282
Trinidad and Tobago	1	258	81	177
Uruguay	2	535	246	289
Venezuela (Bolivarian Republic of)	1	200	0	200
TOTAL LATIN AMERICA	75	20,711	6,520	14,191
NEAR EAST				
Afghanistan	2	769	139	630
Djibouti	3	791	179	612
Egypt	3	868	320	548
Iran (Islamic Republic of)	1	40	41	(1)
Kyrgyzstan	4	1,371	752	619
Lebanon	2	407	178	229
Morocco	3	872	786	86
Regional Near East	6	1,468	338	1,130
Somalia	2	450	0	450
Sudan	2	659	343	316
Syrian Arab Republic	5	1,562	565	997
Tajikistan	3	789	296	493
Tunisia	4	1,117	99	1,018
Uzbekistan	1	360	14	346
Yemen	3	872	96	776
TOTAL NEAR EAST	44	12,395	4,146	8,249
SOUTHWEST PACIFIC				
Cook Islands	2	405	103	302
Fiji	3	813	97	716
Kiribati	1	300	0	300
Marshall Islands	1	296	0	296
Micronesia (Federated States of)	2	518	99	419
Nauru	1	59	23	36
Niue	2	298	40	258
Palau	1	54	31	23
Papua New Guinea	1	161	16	145
Samoa	2	417	187	230
Solomon Islands	2	281	4	277
Tonga	3	691	155	536

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

**Annex I: Status of Technical Cooperation Programme Projects Funded Against
2010-11 Appropriation at 31 December 2011**

Country	No. Projects	Budget	Expenditure	Balance
		(USD '000)	(USD '000)	(USD '000)
Tuvalu	1	293	0	293
Vanuatu	1	109	57	52
TOTAL SOUTHWEST PACIFIC	23	4,695	812	3,883
TOTAL	376	110,814	41,858	68,956
2010-11 Project Appropriation				106,563
Total Expenditure				(41,858)
Unobligated Balance carried forward in accordance with Financial Regulations 4.3 (Statement II)				64,705

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex II: Status of Technical Cooperation Programme Projects Funded Against
2008-09 Appropriation at 31 December 2011**

Country	No. Projects	Expenditure
		(USD '000)
AFRICA		
Algeria	2	86
Angola	4	659
Benin	4	488
Botswana	1	51
Burkina Faso	2	184
Burundi	3	134
Cameroon	5	554
Cape Verde	3	286
Central African Republic	1	(26)
Chad	4	909
Comoros	4	252
Congo	3	236
Cote d'Ivoire	2	211
Democratic Republic of the Congo	3	758
Equatorial Guinea	1	37
Eritrea	4	546
Ethiopia	3	667
Gabon	3	666
Gambia	5	660
Ghana	1	20
Guinea	4	713
Guinea-Bissau	2	144
Kenya	3	883
Lesotho	2	469
Liberia	4	921
Madagascar	4	407
Malawi	4	402
Mali	2	48
Mauritania	1	7
Mauritius	3	352
Mozambique	5	517
Niger	1	38
Nigeria	3	464
Regional Africa	14	1,614
Rwanda	3	150
Sao Tome and Principe	3	112

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex II: Status of Technical Cooperation Programme Projects Funded Against
2008-09 Appropriation at 31 December 2011**

Country	No. Projects	Expenditure
		(USD '000)
Senegal	2	85
Seychelles	1	0
Sierra Leone	4	166
South Africa	1	180
Togo	4	507
Uganda	4	1,460
United Republic of Tanzania	1	(4)
Zambia	3	441
Zimbabwe	3	406
TOTAL AFRICA	139	17,860
ASIA		
Bangladesh	6	680
Bhutan	2	(161)
Cambodia	4	937
China	4	877
Democratic People's Republic of Korea	5	344
India	2	280
Indonesia	3	589
Kazakhstan	2	473
Lao People's Democratic Republic	3	257
Malaysia	1	0
Maldives	3	358
Mongolia	6	861
Myanmar	4	460
Nepal	4	301
Pakistan	3	315
Philippines	4	988
Regional Asia Pacific	16	3,491
Sri Lanka	3	681
Thailand	4	668
Timor-Leste	1	32
Viet Nam	3	460
TOTAL ASIA	83	12,891
EUROPE		
Albania	2	13
Armenia	5	400
Azerbaijan	3	590

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex II: Status of Technical Cooperation Programme Projects Funded Against
2008-09 Appropriation at 31 December 2011**

Country	No. Projects	Expenditure
		(USD '000)
Bosnia and Herzegovina	1	70
Croatia	1	171
Georgia	2	157
Poland	1	150
Regional Europe	7	778
Republic of Moldova	2	202
Russian Federation	1	7
Serbia	3	497
The Former Yugoslav Republic of Macedonia	2	242
Turkey	3	428
Ukraine	1	135
TOTAL EUROPE	34	3,840
TOTAL GLOBAL INTERREGIONAL	5	2,381
LATIN AMERICA		
Antigua and Barbuda	1	5
Argentina	3	528
Bahamas	3	205
Barbados	1	(7)
Belize	4	468
Bolivia (Plurinational State of)	4	791
Brazil	2	170
Chile	2	376
Colombia	2	180
Costa Rica	3	218
Cuba	2	155
Dominica	3	169
Dominican Republic	3	272
Ecuador	4	736
El Salvador	3	279
Grenada	1	0
Guatemala	1	29
Guyana	1	53
Haiti	3	159
Honduras	4	836
Jamaica	3	191
Mexico	3	345

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex II: Status of Technical Cooperation Programme Projects Funded Against
2008-09 Appropriation at 31 December 2011**

Country	No. Projects	Expenditure
		(USD '000)
Nicaragua	2	108
Panama	2	65
Paraguay	3	589
Peru	1	124
Regional Latin America	17	3,766
Saint Kitts and Nevis	2	39
Saint Lucia	2	354
Saint Vincent and the Grenadine	2	(4)
Suriname	2	192
Trinidad and Tobago	1	92
Uruguay	2	243
Venezuela (Bolivarian Republic of)	1	97
TOTAL LATIN AMERICA	93	11,823
NEAR EAST		
Afghanistan	2	95
Djibouti	4	236
Egypt	2	26
Iran (Islamic Republic of)	2	247
Jordan	2	273
Kyrgyzstan	6	639
Lebanon	2	59
Morocco	2	225
Regional Near East	4	561
Sudan	2	90
Syrian Arab Republic	2	386
Tajikistan	2	394
Tunisia	3	382
Turkmenistan	1	3
Uzbekistan	2	313
Yemen	3	69
TOTAL NEAR EAST	41	3,998
SOUTHWEST PACIFIC		
Cook Islands	1	24
Fiji	3	265
Kiribati	1	26
Marshall Islands	1	16
Micronesia (Federated States of)	1	67

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
**Annex II: Status of Technical Cooperation Programme Projects Funded Against
2008-09 Appropriation at 31 December 2011**

Country	No. Projects	Expenditure
		(USD '000)
Nauru	1	31
Palau	1	25
Papua New Guinea	2	74
Samoa	3	146
Solomon Islands	2	103
Tonga	2	81
Tuvalu	1	191
Vanuatu	1	168
TOTAL SOUTHWEST PACIFIC	20	1,217
Surrender to miscellaneous income		89
TOTAL	415	54,099
Appropriation 2008-09		103,412
Expenditure against 08/09 Project Appropriation:		
2008-09		(49,313)
2010-11		(54,099)
Balance		0



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