



UNAIDS/PCB(30)/12.7
17 April 2012

30th Meeting of the UNAIDS Programme Coordinating Board
Geneva, Switzerland
5-7 June 2012

Interim financial management update for the 2012–2013 biennium
for the period 1 January 2012 to 31 March 2012

Additional documents for this item: Financial report and audited financial statements for the financial period 1 January 2010 to 31 December 2011 (Document: UNAIDS/PCB(30)/12.6).

Action required at this meeting - the Programme Coordinating Board is invited to:

- i. Take note of the interim financial management update for the 2012-2013 biennium for the period 1 January 2012 to 31 March 2012;
- ii. Encourage donor governments to release their contributions towards the 2012-2015 Unified Budget, Results and Accountability Framework as soon as possible;
- iii. Endorse the Executive Director's recommendation to fully fund the organizational staff-related liabilities from the fund balance and approve the funding of an initial amount of US\$ 20 million;
- iv. Authorize the remaining estimated US\$ 30.2 million shortfall in the organizational liabilities for employees to be covered from the fund balance over a period of five years or less, subject to availability of funds.
- v. Endorse the establishment of a Building Renovation Fund with an initial amount of US\$ 2.6 million and approve replenishment of the Building Renovation Fund on an annual basis out of the fund balance for the amount of accumulated depreciation to the UNAIDS building, or such other amount as might be determined by the Programme Coordinating Board;
- vi. Authorize the Executive Director to use the Building Renovation Fund to meet the costs of major repairs of, alterations to, and investments in, the UNAIDS office building and report on the use of the Fund to the Programme Coordinating Board; and
- vii. Take note of the Executive Director's approach to mitigate the long term impact of currency fluctuations.

Cost implications of decisions: US\$ 22.6 million

I. Introduction

1. This document presents interim financial management information on the 2012–2013 biennium, for the period 1 January 2012 to 31 March 2012. The presentation at the 30th meeting of the Programme Coordinating Board will include financial information up to 31 May 2012. The audited financial statements of UNAIDS up to the end of 2011 covered two consecutive calendar years, beginning with an even-numbered year. However, to comply with the International Public Sector Accounting Standards (IPSAS) which are being applied as from 1 January 2012, annual audited financial statements shall be prepared at the end of 2012 and subsequent years.
2. The accounts and operations of UNAIDS are subject to continuous examination and review by both internal and external auditors of WHO, which provides administration in support of the Programme as per Economic and Social Council of the United Nations (ECOSOC) resolution 1994/24, and Article XI of the Memorandum of Understanding among Cosponsors establishing UNAIDS.

II. The Unified Budget, Results and Accountability Framework for the 2012–2013 biennium

Approved Budget and Workplan

3. The 2012-2015 Unified Budget, Results and Accountability Framework (UBRAF) is guided by the UNAIDS 2011-2015 Strategy, adopted by the Programme Coordinating Board in December 2010. It aims at achieving UNAIDS long term vision of *zero new HIV infections, zero AIDS-related deaths, and zero discrimination*.
4. The 2012-2015 UBRAF has been developed to translate UNAIDS Strategy into action, responding to recommendations of the Second Independent Evaluation and decisions of the Programme Coordinating Board and focuses on areas and activities where the Joint Programme can make the most difference. The UBRAF contributes to the achievement of following targets laid out in the 2011 Political Declaration of the United Nations General Assembly¹:
 - Reduce sexual transmission
 - Prevent HIV among drug users
 - Eliminate new HIV infection among children
 - 15 million accessing treatment
 - Avoid TB deaths
 - Close resource gap
 - Eliminate gender inequalities
 - Eliminate stigma and discrimination
 - Eliminate travel restrictions
 - Strengthen HIV integration
5. At its 28th meeting in June 2011, the Programme Coordinating Board approved the 2012-2015 UBRAF with a request to further strengthen the results, accountability and budget matrix through a consultative process with all constituencies and to report back to the Programme Coordinating Board at its 29th meeting. At its 28th meeting, the Programme Coordinating Board also approved the core budget for 2012-2013 in the amount of US\$ 484.8 million (the same level as for the previous two biennia) and the distribution of US\$ 320.3 million for the Secretariat and US\$ 164.5 million to be shared among 10 Cosponsors.

¹ Resolution 65/277 "Political Declaration on HIV and AIDS: Intensifying Our Efforts to Eliminate HIV and AIDS" which was adopted at the sixty-fifth session of the UN General Assembly.

6. At its 29th meeting held in December 2011, the Programme Coordinating Board took note of the consultative process with all constituencies to further strengthen UNAIDS results, accountability and budget matrix and endorsed the outcome of the process.²

Revenue for the year 2012

7. During the period under review, revenue of US\$ 33.3 million from nine governments was made available towards year 2012 of the Unified Budget, Results and Accountability Framework. Table 1 provides the details of revenue attributed towards the 2012-2013 Unified Budget, Results and Accountability Framework during the period 1 January 2012 to 31 March 2012.

Table 1: Unified Budget, Results and Accountability Framework – details of revenue for the period 1 January 2012 to 31 March 2012

Voluntary contributions	Funds made available towards year 2012 of the Unified Budget, Results and Accountability Framework
Flemish Government	1 111 111
Germany	3 474 867
Israel	62 500
Japan	3 006 325
New Zealand	2 938 950
Sweden	1 527 559
Switzerland	5 376 344
Thailand	100 000
United Kingdom of Great Britain and Northern Ireland	15 698 587
TOTAL	33 296 243

8. Table 2 compares the funds contributed towards the Unified Budget and Workplan for 2006–2007, 2008–2009, 2010–2011 and the Unified Budget, Results and Accountability Framework for 2012–2013 by 31 March of 2006, 2008, 2010 and 2012 for the relevant biennium. The percentage of funds made available against year 2012 of the 2012–2013 Unified Budget, Results and Accountability Framework stands at 6.9 per cent which is lower than in previous biennia. This highlights the need for donors who have already made commitments, to pay the outstanding amounts and for those donors who have not yet done so, to pledge and pay their contributions to UNAIDS for 2012 in full.

Table 2: Percentage of revenue recognized against the UBW/UBRAF by 31 March in 2006, 2008, 2010 and 2012

	31 March 2006	31 March 2008	31 March 2010	31 March 2012
Approved level of the UBW/UBRAF in the concerned biennium (in thousands of US dollars)	406 700	484 820	484 820	484 820
Revenue recognized against the UBW/UBRAF (in thousand of US dollars)	67 483	44 624	167 860	33 296
Percentage of revenue recognized against the UBW/UBRAF funding requirement	16.6%	9.2%	34.6%	6.9%

² Decision 8.1 of the 29th meeting of the Programme Coordinating Board refers.

III. Other funds (non-core funds)

9. During the period under review, other resources amounting to US\$ 3.5 million were made available to UNAIDS to provide support to a number of global, regional and country activities that are not included in the Unified Budget, Results and Accountability Framework and do not specifically fall under any Cosponsor's mandate. Out of the above amount, US\$ 1.6 million was made available from the Multi-Donor Trust Fund (MDTF) Office; US\$ 1.1 million from the European Commission; US\$ 0.4 million from Japan and US\$ 0.4 million from the United States Center for Disease Control (CDC).

IV. Funds expended and encumbered under the 2012-2013 Unified Budget, Results and Accountability Framework

10. During the period 1 January 2012 to 31 March 2012, expense and encumbrance (including transfers to Cosponsors) totaling US\$ 172.2 million were incurred against the budget of US\$ 484.8 million approved for the 2012–2013 Unified Budget, Results and Accountability Framework, which corresponds to a financial implementation rate of 35.5 per cent.³ The total expense and encumbrance for the implementation of the AIDS activities contained in the Unified Budget, Results and Accountability Framework were distributed as follows:
- US\$ 82.2 million was transferred to Cosponsors; and
 - US\$ 31 million was expended and US\$ 59 million encumbered for Secretariat activities and staff.
11. Table 3 provides details on the 2012-2013 Unified Budget, Results and Accountability Framework approved allocations, expense and encumbrance broken down by the four strategic directions for the period 1 January 2012 to 31 March 2012.

Table 3: 2012–2013 Unified Budget, Results and Accountability Framework approved allocations, expense and encumbrances for the period 1 January 2012 to 31 March 2012
(in thousands of US dollars)

Strategic Directions	2012-2013	Expense	Encumbrance ^{3/}	Total	Balance	Percentage implementation
	Approved allocations					
	(a)	(b)	(c)	(d) = (b + c)	(e) = (a - d)	(f) = (d / a)
1 Revolutionize HIV Prevention	82 225 700	41 112 850	-	41 112 850	41 112 850	50.0%
2 Catalyse the next phase of treatment, care and support	46 484 500	23 242 250	-	23 242 250	23 242 250	50.0%
3 Advance human rights and gender	26 297 300	13 148 650	-	13 148 650	13 148 650	50.0%
4 Leadership, coordination and mutual accountability	329 812 500	35 708 011	58 999 899	94 707 910	235 104 590	28.7%
Total	484 820 000	113 211 761	58 999 899	172 211 660	312 608 340	35.5%

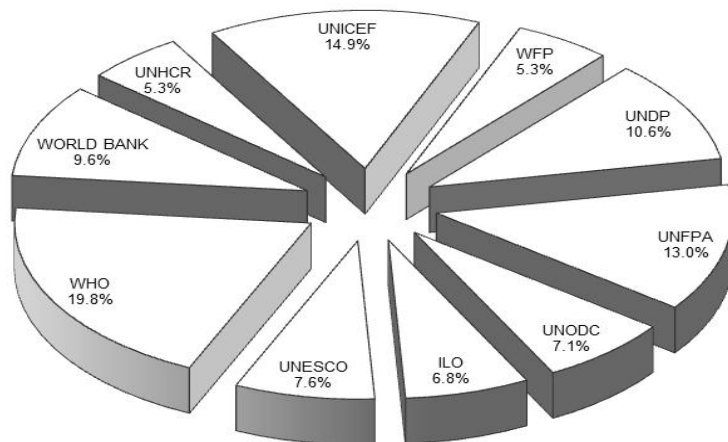
i) Funds transferred to Cosponsors

12. As of 31 March 2012, a total amount of US\$ 82.2 million has been transferred against the Cosponsors' budget, representing 50 per cent of the Cosponsors' share under the 2012-2013

³ Encumbrance equals a firm commitment for goods and/or services which have not yet been delivered.

Unified Budget, Results and Accountability Framework. Figure 1 provides information on the proportion of funds transferred against each individual Cosponsor versus total funds allocated.

Figure 1: Cosponsors' share of funds transferred as of 31 March 2012



ii) Funds expended and encumbered against the Secretariat budget

13. During the period under review, a total amount of US\$ 31 million was expended and US\$ 59 million was encumbered against the Secretariat biennium budget of US\$ 320.3 million which together represent a financial implementation rate of 28.1 per cent of the Secretariat part of the 2012-2013 Unified Budget, Results and Accountability Framework.

V. Fund Balance

14. At its 26th meeting held in June 2010, the Programme Coordinating Board considered that the maximum level for UNAIDS fund balance should be equivalent to 35 per cent of the UNAIDS biennial budget. Progress is being made to attain this goal. The fund balance stood at US\$ 218.3 million or 45 per cent of the biennial budget at the end of 2009, and amounted to US\$ 195.6 million⁴ or 40 per cent at the end of 2011 (i.e. a reduction of US\$ 22.7 million). This reduction is due to a high implementation rate and lower income received during the financial period which ended on 31 December 2011.
15. To reduce the fund balance further, the Executive Director requested the Programme Coordinating Board at its 28th meeting held in June 2011 to endorse the utilization of a portion of the fund balance to: (i) fund UNAIDS' liabilities for employees; and (ii) to establish a Building Renovation Fund.
16. The Programme Coordinating Board acknowledged the efforts by the Secretariat to monitor and reduce the fund balance. Furthermore it endorsed the principle of prudent financial management, including ways to fund unfunded staff-related liabilities and potential major repairs to the building, and requested the Secretariat to present a revised proposal to the 30th meeting of the Programme Coordinating Board.
17. In light of the above, a revised proposal is included in this document for consideration and endorsement by the Programme Coordinating Board.

⁴ Please refer to Programme Coordinating Board document (UNAIDS/PCB(30)/12.7, page 5, paragraph number 11.

VI. Provisions for staff-related liabilities under IPSAS and options for their funding

18. UNAIDS, similar to all UN System Organizations, is adopting the International Public Sector Accounting Standards (IPSAS). UNAIDS and nine UN organizations, including WHO, are implementing IPSAS as of 1 January 2012. Among other issues, IPSAS requires an entity to recognize, measure and disclose all its liabilities, which include staff-related liabilities.⁵ These liabilities are dealt under the following categories, namely:

- Short-term staff liabilities, such as salaries, social security contributions and annual leave.
- Post-employment liabilities such as pensions and after service health insurance (ASHI).
- Other long-term staff liabilities, such as long-term disability.
- Termination.

Detailed descriptions of these liabilities are listed in annex I.

19. Therefore, in accordance with IPSAS 25, UNAIDS would have required an additional amount of US\$ 49 million as at 31 December 2011 to provide for all staff-related liabilities, summarized as follows:

Staff-related liabilities	Accrued end 2011	Actuarial requirement end 2011	Under provision
	(in millions of US \$)	(in millions of US \$)	(in millions of US \$)
ASHI	29.2	63.2	34.0
Annual Leave	4.4	9.8	5.4
Terminal Payments	4.5	14.1	9.6
Total	38.1	87.1	49.0

Financial implications

20. To prepare IPSAS compliant financial statements, UNAIDS must disclose this shortfall of US\$ 49 million in its financial statements which will have implications on the net assets/equity of the Programme. Based on the 2011 Financial Statements, the net assets/equity would be US\$ 246.4 million instead of US\$ 295.4 million.⁶

21. The majority of organizations in the UN System are in similar situations, as borne out by a survey conducted by the Chief Executive's Board (CEB) Secretariat, which indicated that only one organization (IFAD) had its ASHI liability fully funded. Most of the organizations which were underfunded had proposed, or are in the process of proposing, to their governing bodies various options of making up the shortfall, such as:

- A payroll charge included in the staff costs;
- A transfer from reserves;
- A special budgetary allocation; and/or
- A transfer from an accumulated surplus.

⁵ Note 1.7 to the financial statements for the financial period ended on 31 December 2011 states:

"Employee benefits are recognized as expense on an accrual basis. Similarly, terminal payments to staff members, including repatriation grant, accrued annual leave, repatriation travel and removal on repatriation, are expensed on an accrual basis. As per actuarial valuations, the current accruals for employee benefits are not sufficient to cover all future costs."

⁶ Statement III of the 2010-2011 Financial Report and audited financial statements for the financial period 1 January 2010 to 31 December 2011 refers.

A summary detailing the results of the survey can be found in annex II.

22. Furthermore, it should be noted that since the Executive Director made his proposal to the 28th meeting of the Programme Coordinating Board, WHO disclosed a total ASHI liability of US\$ 1,236 million of which US\$ 792 million was unfunded as of 31 December 2011. In order to ensure long term financial stability of the Staff Health Insurance (SHI) Fund, WHO has decided that:
 - An additional funding reserve in respect of future retirees will be created; and
 - In order to improve long term sustainability and full funding of the SHI Fund, the rates of organization's contributions and lump sum rates will be increased by 10 per cent in 2012 and by 4 per cent (compounded rate) starting in 2013.⁷
23. In addition to the shortfall in the provision for ASHI, there is an actuarial under provision of US\$ 15 million (US\$ 23.9 million less US\$ 8.9 million) in the funding of the required provision for terminal payments, including annual leave. WHO is in a similar situation and as a result has decided to increase the terminal payments accrual rates for fixed term and short term staff from 2.5 per cent to 3.5 per cent and 5.5 per cent for fixed term and short term staff, respectively, with the objective of eliminating the deficit by 2025.
24. UNAIDS concurs with WHO's position on the need to achieve long term sustainability and full funding of the SHI Fund and terminal payments, which is also in line with the decision of the Programme Coordinating Board taken at its 28th meeting.
25. Accordingly, in the interest of prudent financial management, the Executive Director requests the Programme Coordinating Board to fully fund these liabilities. The Executive Director proposes to fund an initial amount of US\$ 20 million from the fund balance in 2012, with the remaining shortfall, currently US\$ 29 million, to be covered in equal yearly amounts over a period of 5 years, or less, subject to the availability of funds. Thereafter, adjustments to the funding would be made annually to maintain the full funding of the provision.
26. Having considered the proposal of the Executive Director on the staff-related liabilities, the Programme Coordinating Board is requested to :
 - a) Endorse the Executive Director's recommendation to fund the organizational staff-related liabilities from the fund balance and approve the funding of an initial amount of US\$ 20 million in 2012 from the fund balance; and
 - b) Authorize the remaining shortfall, currently US\$ 29 million, to be covered from the fund balance over a period of five years or less, subject to availability of funds.

VII. Building Renovation Fund

27. Following the discussion at the 28th meeting of the Programme Coordinating Board on the establishment of a Building Renovation Fund to be used to meet the costs of major repairs of, alterations to, or investments in the UNAIDS' office building, consultations have taken place with representatives of other international organizations. While the building is currently in good condition, no provision has been made for major repairs or renovations that are habitually required over time for the good management of real estate. Other organizations in the UN system have major problems in maintaining their buildings, and especially the financing thereof. It has therefore been concluded that the establishment of such a Building Renovation Fund would spread out the expenditure and ensure that appropriate resources would be available without having a negative impact on programme implementation at any given time.

⁷ See WHO's Information Note 37/2011 of 21 December 2011.

28. Bearing in mind that the cost of the UNAIDS Headquarters building amounted to US\$ 25.6 million and that under IPSAS it is expected to be depreciated over 50 years as from November 2006, the Fund should match the equivalent of the accumulated depreciation up to 31 December 2011. Thereafter, the Fund could be increased in annual tranches of 2 per cent of its initial cost, or another amount as might be determined by the Programme Coordinating Board. This would entail an initial transfer of US\$ 2.6 million with an annual appropriation thereafter of US\$ 0.5 million from the fund balance.⁸
29. Having considered the proposal of the Executive Director, the Programme Coordinating Board is requested to:
 - a. Endorse the establishment of a Building Renovation Fund in the amount of US\$ 2.6 million and approve the replenishment of the Fund on an annual basis out of the fund balance for the amount of depreciation accumulated to the UNAIDS buildings or such other amount as might be determined by the Programme Coordinating Board; and
 - b. Authorize the Executive Director to use the Fund to meet the costs of major repairs of, alterations to, or investments in, the UNAIDS office building and report on such use of the Fund to the Programme Coordinating Board.

VIII. Possible approaches to address the impact of currency fluctuations

30. In accordance with decision 7.9 of the 20th meeting of the Programme Coordinating Board⁹ and following consultations with the Bureau of the Programme Coordinating Board, the Executive Director exercised his discretion to increase the 2010-2011 Unified Budget and Workplan by US\$ 30 million, equivalent to 6 per cent of the approved budget of US\$ 484.8 million for the biennium. The planned increase in the budget was necessary to offset the impact of the unprecedented exchange rate fluctuations and in particular the significant appreciation of the Swiss franc against other currencies, including the US dollar, which is UNAIDS budgeting and reporting currency.
31. During the inter-sessional process which considered the increase in UNAIDS budget as well as at the 29th meeting of the Programme Coordinating Board, members of the Board requested the Secretariat to explore and to submit to the 30th meeting of the Programme Coordinating Board, long-term solutions to address the impact of currency fluctuations in the future.
32. In considering this issue, it is important to note that currency fluctuations are inherent in all multi-currency environments. The issue that the Executive Director brought to the attention of the Board and, on which a long-term solution has been requested, resulted from the extraordinary appreciation of the Swiss franc against most other major currencies in the past biennium. However, the current situation with a strong Swiss franc could change, which must be borne in mind when considering the possible options to alleviate the exposure to currency fluctuations.

⁸ At its 12th meeting in May 2004, the Programme Coordinating Board endorsed UNAIDS' negotiation of a direct loan with the Swiss Confederation for the construction of a new building in Geneva for the UNAIDS' Secretariat and the World Health Organization (WHO) at an estimated cost of CHF 66.0 million, of which UNAIDS' share was 50 per cent or CHF 33.0 million. In December 2003, the Swiss Confederation agreed to provide an interest-free loan of CHF 59.8 million, of which UNAIDS' share is CHF 29.9 million. The repayment over a 50-year period of UNAIDS' share of the interest-free loan provided by the Swiss Confederation is made through the reallocation of funds otherwise expended on the rental of office space with effect from the first year of the completion of the building. The building was completed in November 2006 at a cost to UNAIDS of US\$ 25.6 million which represents its 50 per cent share.

⁹ Decision 7.9 of the 20th meeting of the UNAIDS Programme Coordinating Board grants the Executive Director, subject to certain conditions, discretion to programme and disburse funds received by way of contributions over and above the level of the approved Unified Budget and Workplan. The amount should not exceed 10 per cent of the budget.

33. A review of documentation on the actions of other organizations in similar situations, shows that most of the organizations have proposed to their governing bodies various options to mitigate the impact of currency fluctuations, such as:
 - Annual budget re-costing mechanisms;
 - Setting up a currency equalization reserve;
 - Hedging foreign exchange exposure through forward purchasing contracts.
34. The setting up of an annual budget re-costing mechanism as is practice in some United Nations Organizations, would entail revaluing the non-US dollar currencies used in the development of UNAIDS budget to the rate of exchange applicable at the time the budget was approved. The dollar value of the respective budget would then be greater or less dependent on the rates of exchange. UNAIDS is entirely voluntarily funded and without assessed contributions this option would, however, not guarantee any necessary increase in income.
35. The setting up of a currency equalization reserve would protect the budget to a certain extent; however, the funding of the reserve would need to be resourced. An option could be to utilize a portion of the fund balance and set aside an initial amount of e.g., US\$ 20 million as a currency equalization reserve. The currency equalization reserve could be drawn upon in the event of major upward movements in the Swiss franc and replenished in those years where there are downward movements in the Swiss franc. The Board could then assess annually the level of the currency equalization reserve during the approval of the annual audited financial statements and adjust it upwards or downwards if required.
36. The hedging through forward purchasing of both income and expenditure has been put in place and is already used by UNAIDS. Forward currency contracts have been put in place to partially protect the value of UNAIDS budget against any further appreciation in the value of the Swiss franc vis-a-vis the US dollar. However, hedging comes at a cost and is best suited for mitigating small and short-term currency fluctuations and cannot address the longer term impact on the UNAIDS budget of the erosion in the purchasing power of the US dollar.¹⁰
37. In addition to the hedging, UNAIDS has actively looked for ways of containing costs, increasing cost-effectiveness and efficiency through better planning, prioritization and utilization of resources. This includes zero-growth budgeting, a freeze in recruitment of staff, joint procurement and use of long-term agreements together with other UN agencies, outsourcing functions such as web publishing, better use of technology, video conferencing, Skype, IP telephony and reducing meetings and travel.
38. The Programme Coordinating Board is requested to take note of the information contained above on the Executive Director's approach to mitigating the long term impact on currency fluctuations. The Board is also requested to encourage donor governments and others to release their contributions towards the 2012-2015 Unified Budget, Results and Accountability Framework as soon as possible to ensure smooth operations and effective implementation.
39. The Programme Coordinating Board is also requested to approve the Executive Director's proposal concerning the utilization of a portion of the fund balance to fund staff-related liabilities and to establish a Building Renovation Fund described in paragraphs 26 and 29 above.

¹⁰ In a research study report on "Managing in the Face of Exchange-rate Uncertainty", Deloitte stated that "the ability [of hedging] to limit the risks posed by large, long-term exchange rate shifts is either unavailable or very expensive".

Annex I

Staff-related liabilities

Short-term staff liabilities

In accordance with the Staff Rules and Regulations, at separation, eligible staff members who have an accrued annual leave credit will be paid for such leave, up to a maximum of 60 days. The latest actuarial calculation shows the required accrual for annual leave to be US\$ 9.8 million of which US\$ 4.4 million is already provided, leaving an under provision of US\$ 5.4 million.

Post employment liabilities - pensions

UNAIDS participates in the United Nations Joint Staff Pension Fund (UNJSPF) through WHO, which is a member organization in the UNJSPF. The UNJSPF was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to staff. The pension fund is a funded defined-benefits plan. The financial obligation of the Programme 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 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 Fund as of the valuation date. At the time of this report, the United Nations General Assembly has not invoked this provision.

Post employment liabilities - after service health insurance (ASHI)

UNAIDS staff are covered by the WHO's Staff Health Insurance (SHI). Revenue to this fund consists of contributions by both active and retired staff (of which one-third is paid by participants and two-thirds by the Programme), as well as interest earned on investments. Under IPSAS, the present value of the Programme's contributions for retired staff needs to be accrued during the time they are in active service. As disclosed in note 4.11 to the Financial Statements for the financial period ended on 31 December 2011, the latest actuarial calculation as at 31 December 2011 estimates the full liability for UNAIDS to be US\$ 63.2 million. The net unfunded liability is US\$ 34.0 million (i.e. US\$ 63.2 million less plan assets specific to UNAIDS of US\$ 29.2 million).

Other long term staff liabilities

UNAIDS has no long term staff liabilities that fall in this category and which are not already accrued in the accounts.

Termination

On termination of their contracts, eligible staff members are entitled to certain terminal benefits and, in particular, repatriation grants, repatriation removal and repatriation travel. The latest actuarial calculation as at 31 December 2011, shows the required accrual for such terminal benefits to be US\$ 14.1 million of which US\$ 4.5 million is already provided, leaving an under provision of US\$ 9.6 million.

Annex II
Summary analysis of ASHI liability for UN- System organizations
(in millions of US dollars)

Organization	Liability	Funded	Status as at 31 Dec. 2010	Percentage of Funding	Source of funds	Comments
FAO	983	219	Partially funded	23%	Member nations and investment income	Presented recommendation to the Finance Committee and will pursue for the Board's approval
IAEA	244		Not funded	-	-	
ICAO	66	1	Partially funded	2%	Transfer from surplus	ICAO was not funded at all in 2009 and in 2010 the funding level is very low; Pursued the Board (Assembly) for funding in Aug 2010)
IFAD	56	67	Fully Funded	119%	Payroll charge; budgetary allocations; transfer from reserves	IFAD is OVER Funded
ILO	564	40	Partially funded	7%	Payroll charge; accumulated reserves of health fund	-
IMO	27	-	Not funded	-	-	IMO was partially funded as of 2009 but no funding was available in 2010
ITC	39	-	N/A	-	-	No information is available for 2010
ITU	188	-	N/A	-	-	No information is available for 2010
PAHO	258	25	Partially funded	10%	Payroll charge; transfer from reserves	-
UN	2473	-	Not funded	-		Issue before General Assembly
UNDP	430	373 ^{a/}	N/A	87%	Payroll charge; budgetary allocations	In 2009 UNDP was 86.7% funded
UNCDF	11	-	N/A	-	-	In 2009 UNCDF was not funded at all
UN WOMEN	20	-	N/A	-	-	In 2009 UN WOMEN was not funded at all
UNESCO	736	-	Not funded	-	-	UNESCO was partially funded (low level around 4.1%) as of 2009 but no funding was available in 2010
UNFPA	88	-	Partially funded	97%	Payroll charge; transfer from reserves	High level of funding as of 2010 (almost fully funded)
UNHCR	287	-	N/A	-	-	No information is available for 2010
UNICEF	507	240	Partially funded	47%	Transfer from fund balance	Is pursuing its Board for the funding of ASHI
UNIDO	124	-	Not funded	-	-	Presented a paper to its PB committee in 2010 and a proposal to the DG in June 2011
UNRWA	N/A	-	N/A	-	-	UNRWA does not report separate ASHI liabilities as its staff related ASHI liabilities are paid by UN NY office
UNWTO	4	-	Partially funded	29%	Budgetary allocations	-
UPU	21	-	N/A	-	-	No information is available for 2010. The Executive Board was informed of the ASHI liability but no formal proposal was submitted.
WFP	204	113	Partially funded	55%	Payroll charge; budgetary allocations	Pursued the Governing Body
WHO	1236	444 ^{b/}	Partially funded	36%	Payroll charge; transfer from reserves	WHO has additional unrecorded liabilities were not taken in the percentage calculation
UNAIDS	63	29 ^{b/}	Partially funded	46%	Payroll charge; transfer from reserves	Revised proposal will be submitted to the Board
WIPO	112	-	Not funded	-	-	Proposal was submitted to governing body to progressively fund employment liabilities (including ASHI)
WMO	65	-	Not funded	-	-	-

^{a/} As at 31 December 2009

^{b/} As at 31 December 2011