



منظمة الأغذية  
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للأمم المتحدة

联合国  
粮食及  
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Food  
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Agriculture  
Organization  
of  
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United  
Nations

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des  
Nations  
Unies  
pour  
l'alimentation  
et  
l'agriculture

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

## FINANCE COMMITTEE

### Hundred and Fifteenth Session

Rome, 25 – 29 September 2006

### Progress Report on Actuarial Valuation of the Staff-Related Liabilities

#### I. Introduction

1. The main focus of recent Finance Committee meetings when reviewing the After-Service Medical Scheme (ASMC), has been the determination of the recommended biennial funding of the amortization of this scheme. The Committee at its 110<sup>th</sup> session decided to recommend to Council to continue the ASMC amortization funding for the 2006-07 biennium at the 2004-05 level of \$14.1 million and to review the funding issue in the light of the forthcoming report of the United Nations Secretariat to the General Assembly on the liabilities and proposed funding of UN after-service health insurance liability (ASHI).

2. The Committee at its 113<sup>th</sup> session noted that the recommended ASMC amortisation funding for the 2006-07 biennium as per the 31 December 2005 actuarial valuation had increased to \$46.5 million. It also considered the UN ASHI report and expressed the view that the decisions of the General Assembly with respect to the recommendations of the report could be expected to provide valuable insight regarding the accounting and funding of ASHI liabilities at the UN common system level which should guide Member Nations towards a more efficient and cost effective approach in addressing ASMC within the UN system.

#### II. General Assembly Resolution on ASHI

3. The General Assembly considered the UN ASHI report in its sixtieth session. In its resolution 60/255 the Assembly requested the Secretary-General to submit a report to the sixty-first Assembly session, providing updated information on the status of the liabilities, clarifications regarding the assumptions used to determine the liabilities and alternative strategies to fund the liabilities. It also requested the Secretary-General to take the necessary steps to disclose those liabilities in the UN financial statements. (As has been brought to the attention of this Committee the adoption of International Public Sector Accounting Standards [IPSAS] by the UN system requires full recognition of after- service liabilities in the financial statements).

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### **III. Actuarial Valuation Tender**

4. The Organization is currently engaged in a joint tender for the provision of an annual actuarial valuation to cover all the Rome-based agencies, including WFP who had previously had an individual contract for actuarial services. It is expected that a tender to cover all the Rome-based agencies will lead to a reduced cost for an actuarial valuation. Annual actuarial valuations instead of biennium-end valuations will now be performed in order to provide more up to date cost estimates for budgetary and funding purposes in addition to allowing conformity with annual IPSAS requirements.