Solution

$[[\text{fn } f \Rightarrow \text{fn } x \Rightarrow \text{if } x > 0 \text{ then } f\ x \text{ else } f\ (-1 * x)]]_{FUN}\ w \to \text{report } w$

$= (\text{FUN } w \to \text{report } w)(\text{FN } f\ k0 \to [[\text{fn } x \Rightarrow \text{if } x > 0 \text{ then } f\ x \text{ else } f\ (-1 * x)]]_{k0})$

$= (\text{FUN } w \to \text{report } w)(\text{FN } f\ k0 \to k0(\text{FN } x\ k1 \to [[\text{if } x > 0 \text{ then } f\ x \text{ else } f\ (-1 * x)]]_{k1}))$

$= (\text{FUN } w \to \text{report } w)$
$\quad(\text{FN } f\ k0 \to k0(\text{FN } x\ k1 \to [[x > 0]]_{FUN}\ a \to \text{IF } a \text{ THEN } [[f\ x]]_{k1} \text{ ELSE } [[f\ (-1 * x)]]_{k1}))$

$= (\text{FUN } w \to \text{report } w)$
$\quad(\text{FN } f\ k0 \to k0(\text{FN } x\ k1 \to [[x > 0]]_{FUN}\ a \to \text{IF } a \text{ THEN } [[f]]_{FUN}\ b \to [[x]]_{FUN}\ c \to b\ c\ k1 \text{ ELSE } [[f\ (-1 * x)]]_{k1}))$

$= (\text{FUN } w \to \text{report } w)$
$\quad(\text{FN } f\ k0 \to k0(\text{FN } x\ k1 \to [[x > 0]]_{FUN}\ a \to \text{IF } a \text{ THEN } [[f]]_{FUN}\ b \to (\text{FUN } c \to b\ c\ k1)\ x \text{ ELSE } [[f\ (-1 * x)]]_{k1}))$

$= (\text{FUN } w \to \text{report } w)$
$\quad(\text{FN } f\ k0 \to k0(\text{FN } x\ k1 \to [[x > 0]]_{FUN}\ a \to \text{IF } a \text{ THEN } (\text{FUN } b \to (\text{FUN } c \to b\ c\ k1)\ x)\ f \text{ ELSE } [[f\ (-1 * x)]]_{k1}))$

$= (\text{FUN } w \to \text{report } w)$
$\quad(\text{FN } f\ k0 \to$
$\quad\quad k0(\text{FN } x\ k1 \to$
$\quad\quad\quad [[x > 0]]_{FUN}\ a \to \text{IF } a \text{ THEN } (\text{FUN } b \to (\text{FUN } c \to b\ c\ k1)\ x)\ f \text{ ELSE } [[f]]_{FUN}\ b \to [[-1 * x]]_{FUN}\ c \to b\ c\ k1))$

$= (\text{FUN } w \to \text{report } w)$
$\quad(\text{FN } f\ k0 \to$
$\quad\quad k0(\text{FN } x\ k1 \to$
$\quad\quad\quad [[x > 0]]_{FUN}\ a \to \text{IF } a \text{ THEN } (\text{FUN } b \to (\text{FUN } c \to b\ c\ k1)\ x)\ f$
$\quad\quad\quad\quad\quad\quad\quad\quad \text{ELSE } [[f]]_{FUN}\ b \to [[(-1)]]_{FUN}\ d \to [[x]]_{FUN}\ e \to (\text{FUN } c \to b\ c\ k1)(d * e)))$

$= (\text{FUN } w \to \text{report } w)$
$\quad(\text{FN } f\ k0 \to$
$\quad\quad k0(\text{FN } x\ k1 \to$
$\quad\quad\quad [[x > 0]]_{FUN}\ a \to \text{IF } a \text{ THEN } (\text{FUN } b \to (\text{FUN } c \to b\ c\ k1)\ x)\ f$
$\quad\quad\quad\quad\quad\quad\quad\quad \text{ELSE } [[f]]_{FUN}\ b \to [[(-1)]]_{FUN}\ d \to (\text{FUN } e \to (\text{FUN } c \to b\ c\ k1)(d * e))\ x))$

$= (\text{FUN } w \to \text{report } w)$
$\quad(\text{FN } f\ k0 \to$
$\quad\quad k0(\text{FN } x\ k1 \to$
$\quad\quad\quad [[x > 0]]_{FUN}\ a \to \text{IF } a \text{ THEN } (\text{FUN } b \to (\text{FUN } c \to b\ c\ k1)\ x)\ f$
$\quad\quad\quad\quad\quad\quad\quad\quad \text{ELSE } [[f]]_{FUN}\ b \to (\text{FUN } d \to (\text{FUN } e \to (\text{FUN } c \to b\ c\ k1)(d * e))\ x)\ -1))$

$= (\text{FUN } w \to \text{report } w)$
$\quad(\text{FN } f\ k0 \to$
$\quad\quad k0(\text{FN } x\ k1 \to$
$\quad\quad\quad [[x > 0]]_{FUN}\ a \to \text{IF } a \text{ THEN } (\text{FUN } b \to (\text{FUN } c \to b\ c\ k1)\ x)\ f$
$\quad\quad\quad\quad\quad\quad\quad\quad \text{ELSE } (\text{FUN } b \to (\text{FUN } d \to (\text{FUN } e \to (\text{FUN } c \to b\ c\ k1)(d * e))\ x)\ -1)\ f))$

$= (\text{FUN } w \to \text{report } w)$
$\quad(\text{FN } f\ k0 \to$
$\quad\quad k0(\text{FN } x\ k1 \to$
$\quad\quad\quad [[x]]_{FUN}\ g \to [[0]]_{FUN}\ h \to (\text{FUN } a \to \text{IF } a \text{ THEN } (\text{FUN } b \to (\text{FUN } c \to b\ c\ k1)\ x)\ f$
$\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad \text{ELSE } (\text{FUN } b \to$
$\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad (\text{FUN } d \to (\text{FUN } e \to (\text{FUN } c \to b\ c\ k1)(d * e))\ x)\ -1)\ f)(g > h)))$

$= (\text{FUN } w \to \text{report } w)$
$\quad(\text{FN } f\ k0 \to$
$\quad\quad k0(\text{FN } x\ k1 \to$
$\quad\quad\quad [[x]]_{FUN}\ g \to (\text{FUN } h \to (\text{FUN } a \to \text{IF } a \text{ THEN } (\text{FUN } b \to (\text{FUN } c \to b\ c\ k1)\ x)\ f$
$\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad \text{ELSE } (\text{FUN } b \to$
$\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad (\text{FUN } d \to (\text{FUN } e \to (\text{FUN } c \to b\ c\ k1)(g * h))\ x)\ -1)\ f)(e > g))\ 0))$

$= (\text{FUN } w \to \text{report } w)$
$\quad(\text{FN } f\ k0 \to$
$\quad\quad k0(\text{FN } x\ k1 \to$
$\quad\quad\quad (\text{FUN } g \to (\text{FUN } h \to (\text{FUN } a \to \text{IF } a \text{ THEN } (\text{FUN } b \to (\text{FUN } c \to b\ c\ k1)\ x)\ f$
$\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad \text{ELSE } (\text{FUN } b \to$
$\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad (\text{FUN } d \to (\text{FUN } e \to (\text{FUN } c \to b\ c\ k1)(d * e))\ x)\ -1)\ f)(g > h))\ 0)\ x))$