



Food and Agriculture
Organization of the
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World Health
Organization

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Agenda Item 13.1

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JOINT FAO/WHO FOOD STANDARDS PROGRAMME

CODEX ALIMENTARIUS COMMISSION

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CODEX BUDGETARY FINANCIAL MATTERS: REPORT 2016 – 2017 AND PROGRESS 2018- 2019¹

(Prepared by the Codex Secretariat)

1. INTRODUCTION

1. In accordance with Rule XIII.1 of the Commission's Rules of Procedure, the Secretariat reports on the expenditure for the biennium 2016-17 and submits an estimate of expenditure for the biennium 2018 – 2019, which is based on past expenditure and on the proposed programme of work of the Commission and its subsidiary bodies.

2. The WHO Programme Budget 2016-2017 was approved by the 68th Session of the World Health Assembly (18-26 May 2015). The FAO Programme of Work and Budget 2016-17 (PWB) was approved by the 39th Session of the FAO Conference (6-13 June 2015) and adjustments were approved by the FAO Council (30 November - 4 December 2015).

3. This report is focused on the regular budget for the Codex Alimentarius Commission (in charge of implementing the Joint FAO/WHO Food Standards Programme). However, the Codex system additionally relies on:

- i. Provision of scientific advice from expert bodies of FAO and WHO;
- ii. The FAO/WHO Fund for Enhanced Participation in Codex (CTF);
- iii. FAO and WHO capacity building projects and events related to Codex at national and regional levels;
- iv. In-kind contributions of host countries to Codex Committee and Task Force sessions and the working group meetings established by them;
- v. Secondment of staff from member countries to the Codex Secretariat through extra-budgetary contributions;
- vi. Contributions by FAO and WHO to Codex work and work management, including technical guidance and legal and communication services.

4. The first part of this document provides information on expenditure for the biennium 2016-17, including information on in-kind contributions from Codex members in this period. The second part of the document provides information about the adjusted total contributions from FAO and WHO based on the approved budget for 2018-19, the progress made during the first quarter of the biennium as well as an update of the work plan for the current biennium in Appendix I.

5. A budget proposal for the biennium 2020-21 is provided separately in document CX/EXEC 16/71/7 Add. 1.

¹ This document has also been included in the agenda CCEXEC75 under item 10.1.

2. REPORT ON EXPENDITURE (2016-17)

2.1 Evolution of FAO and WHO contributions and expenditure

6. **Table 1** shows the evolution of FAO and WHO contributions to the budget of the Codex Secretariat and expenditures per biennium for the period 2006-17.

Table 1: Evolution of Codex programme budget and expenditures (USD thousands), 2006-17

Biennium	Budget			Expenditures			Balance
	FAO	WHO	Total	FAO	WHO	Total	
2006-2007	5 707 82%	1 225 18%	6 932	6 112 83%	1 225 17%	7 337	-405
2008-2009	6 989 85%	1 225 15%	8 214	7 292 86%	1 225 14%	8 517	-303
2010-2011	7 077 85%	1 225 15%	8 302	6 835 85%	1 225 15%	8 060	242
2012-2013	7 031 80%	1 725 20%	8 756	6 366 79%	1 725 21%	8 091	665
2014-2015	7 075 80%	1 725 20%	8 800	6 744 80%	1 725 20%	8 469	331
2016-2017	7 064 80%	1 725 20%	8 789	7 018 80%	1 725 20%	8 743	46

7. The monitoring mechanisms set in place at the beginning of 2016 allowed for a more accurate quarterly forecasting and financial management which resulted in a positive balance of USD 46 000 at the end of the biennium 2016-17.

2.2 Programme expenditure 2016-17

8. **Table 2** provides a detailed breakdown of the Secretariat's regular programme expenditure by cost type.

Table 2: Regular programme budget and expenditure 2016-17 by cost type (USD thousands)

Cost Type	Approved Budget 2016-17	Expenditure 2016	Expenditure 2017	Balance 2016-17
(1) STAFF	4 238	2 172	1 918	148
(2) CONTINGENCY	307	0	307	0
(3) OTHER HUMAN RESOURCES ²	994	432	994	-432
(4) INTERNAL COMMON SERVICES ³	1 670	890	719	61
(5) OTHER OPERATING EXPENSES ⁴	790	131	321	338
(6) TRAVEL	790	387	472	-69
TOTAL	8 789	4 012	4 731	46

² Includes consultants, interns, contracts with external service providers, and overtime of general service staff.

³ Includes translations, interpretation, and printing serviced by the FAO headquarters.

⁴ Includes data processing equipment, furniture, stationery, costs for rental of external premises, general overhead expenses, and operating costs.

9. (1) *Staff* (including salaries of professional and general service staff): The positive balance is due to the vacancy of one P5 post (15 months), one G5 (24 months) and two G4 posts (24 and 14 months respectively). The responsibilities of the vacant posts have been temporarily covered by other permanent staff and consultants while some of the unspent funds have been used for a P4 staff on a fixed term contract to assist the Secretariat with information systems development and maintenance as well as a P3 post as webmaster (in 2016).

10. (2) *Contingency*: With savings made under (1) *staff* and (5) *other operating expenses*, the Secretariat programmed a series of workshops on Codex web tools in five regions which were not initially part of the 2016-17 work plan and budget. These workshops were further financed by the contingency reserve to ensure wide geographical coverage.

11. (3) *Other human resources*: As anticipated in 2017, this budget line shows a negative balance as temporary consultants have been hired to cover some of the duties of the vacant professional and general service staff posts or assist in short term projects mainly related to ICT services. In addition, costs for the workshops mentioned above (i.e. contracts with external service providers) are accounted for under this budget line.

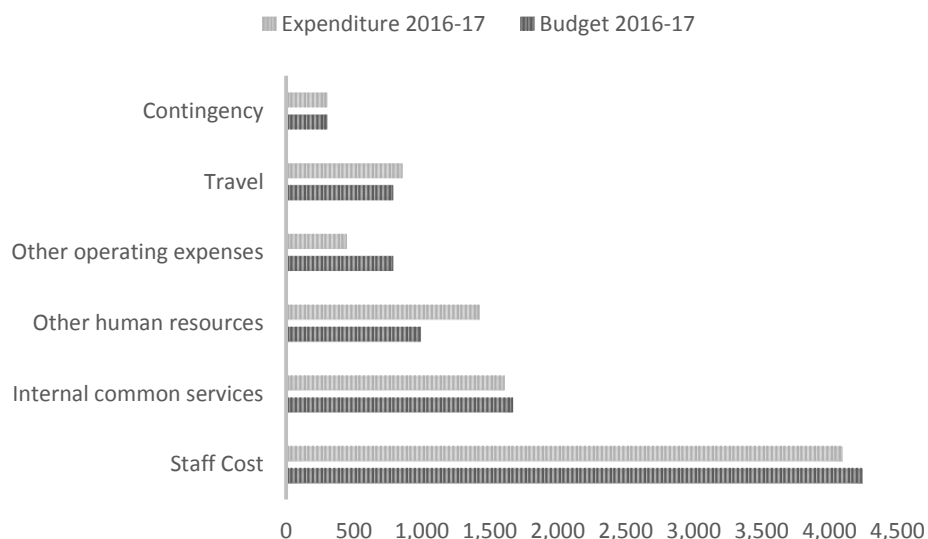
12. (4) *Internal common services*: Differences between the planned budget and expenditures for the biennium are negligible.

13. (5) *Other operating expenses*: As anticipated in 2017, the budget line shows a positive balance. The discrepancy between the planned and actual expenditure mainly derives from careful management of funds at the 40th session of the Codex Alimentarius Commission (CAC40) and the postponement of one event for host country Secretariats to the biennium 2018-19.

14. (6) *Travel*: The small negative balance mainly derives from travel costs for participants of the workshop for Codex Chairs (May 2017, Rome) and members of the Executive Committee (September 2017, Rome).

15. **Figure 1** compares biennial expenditures for 2016-17 with the budget as planned and approved per cost type.

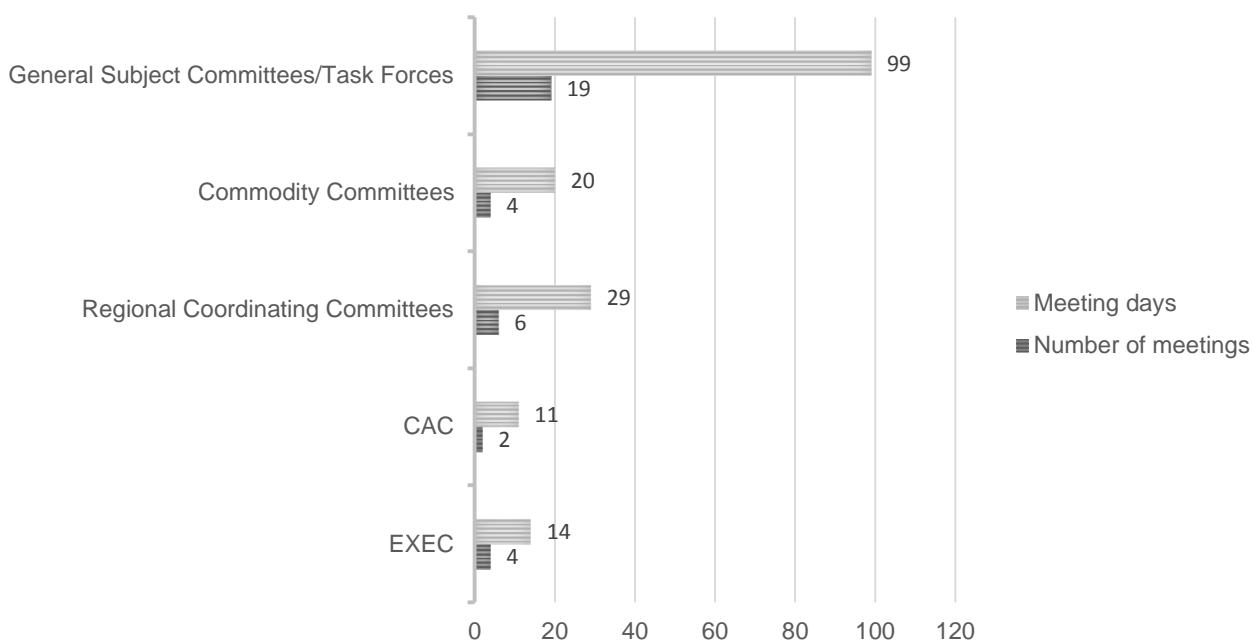
Figure 1: Budget versus Expenditure for 2016-17 by cost type



2.3 Codex sessions and in-kind contributions from Codex members

16. In the biennium 2016-17 a total of two CAC, four EXEC and 29 CAC subsidiary body sessions were held. As shown in **Figure 2** Codex meetings in the biennium covered a total of 173 working days (around 40% of working days in 2 years), excluding preparatory meetings, side events and physical working group meetings held prior to some sessions.

17. Next to FAO and WHO regular budget contributions, host country arrangements for Codex sessions and the provision of human resources at Codex Committees constitute essential additions to the regular programme budget.

Figure 2: Number and days of Codex meetings held in 2016 and 2017

18. Host governments are regularly asked by the Codex Secretariat to provide information about their resource investments in Codex Committee hosting tasks. According to information received from 18 committee hosts for the biennium 2016-17 (representing 86 % of all committee hosts in this period), the total amount spent on Codex Committee sessions held was approximately USD 5.6 million. The average costs for hosting a single session of a Codex Committee was USD 250 000 in the biennium 2016-17. Depending *inter alia* on the meeting location, duration, translation and interpretation service made available, some meetings can cost up to USD 500,000 per year while others have expenditures as low as USD 50,000.

19. In addition, Member States made extra-budgetary contributions with the secondment of two Food Standards Officers (from Japan and Republic of Korea) and the provision of one Associate Professional Officer (from Germany) to the Codex Secretariat.

3. PROGRESS AND WORK PLAN FOR 2018-19

20. The FAO PWB 2018-19 was approved by the 40th Session of the FAO Conference (3-8 July 2017). WHO budget proposals were approved by the 70th Session of the World Health Assembly (22-31 May 2017). The adjustments to the PWB as approved by the FAO Council (4-8 December 2017) are reflected in **Table 3**.

Table 3: Contributions 2018-19 (USD thousands)

Contribution	Budget Proposals (CX/CAC 16/39/14 Add.1)	Adjusted Budget
FAO	7 066 80%	7 106 80%
WHO	1 725 20%	1 725 20%
TOTAL	8 791 100%	8 831 100%

21. CAC38 encouraged the Secretariat to adopt a more effective and realistic process when developing the budget.⁵ As a consequence, efforts have been made to develop a detailed Work Plan and Budget for the biennium 2018-19, with detailed expenditure by activity, linked to the Strategic Plan of the Codex Alimentarius Commission for 2014-2019. This process will also facilitate the development of the 2020-21 budget.

22. **Table 4** shows the estimated distribution of the budget by cost type. The detailed Work Plan and Budget can be found in Appendix I.

Table 4: Overview of budget distribution by cost type (USD thousands)

COST TYPES	Budget	
	Biennium 2018-19	
(1) STAFF	4 280	48%
(2) CONTINGENCY	180	2%
(3) OTHER OPERATING EXPENSES (activity-unspecific)	580	7%
Sub-total activity unspecific budget	5 040	57%
(4) OTHER HUMAN RESOURCES	1 141	13%
(5) INTERNAL COMMON SERVICES	1 700	19%
(6) OTHER OPERATING EXPENSES (activity-related)	200	2%
(7) TRAVEL	750	9%
Sub-total activity specific budget	3 791	43%
Total Budget	8 831	100%

23. Following adjustment of the budget by the FAO Council in December 2017, changes have been made to the categories (1) and (4) as reported below:

- (1) *Staff* (including salaries of professional and general service staff): The budget line has been adjusted based on staff posts allocated to the Codex Secretariat for 2018-19 and the respective rates. As of May 2018, the vacant P5 post has been filled. One P4 staff will continue to assist the Secretariat with information systems development in the biennium 2018-19, as the dependence of the Codex Secretariat on information systems continues to grow. The salary for the P4 is planned to be covered by the savings derived from vacant general service posts in the biennium 2018-19.
- (4) *Other human resources*: The positive balance resulting from adjustments under line (1) are allocated to this budget line which includes consultancy, contracts with external service providers (e.g. communication and design services) and overtime of general service staff. As shown in the Work Plan (Appendix I) roughly half of other human resource costs will be due to the organization of Commission and subsidiary body sessions as well as additional events such as workshops for host countries, committee chairs and Codex Contact Points. The other half is planned for activities under the Codex Communication Strategy and the Strategic Plan objective 4 (implement effective and efficient work management systems and practices).

⁵ REP15/CAC para.133 b).

Appendix I: Codex Work Plan and Budget 2018-19 (USD thousands)

COST TYPES		Biennium 2018-19		OTHER HUMAN RESOURCES		INTERNAL COMMON SERVICES		OTHER OPERATING EXPENSES		TRAVEL		TOTAL (biennium)
STAFF COSTS		4,280	48%									
CONTINGENCY (incl. for extraordinary sessions, host country support, evaluation)		180	2%									
OTHER OPERATING EXPENSES (activity unspecified)		580	7%									
OTHER HUMAN RESOURCES		1,141	13%									
INTERNAL COMMON SERVICES		1,700	19%									
OTHER OPERATING EXPENSES (activity related)		200	2%									
TRAVEL		750	9%									
Total Budget		8,831	100%									
Part of budget broken down by activity		3,791	43%									
Link to Strategic Plan	Activity	Output 2018	Output 2019	2018	2019	2018	2019	2018	2019	2018	2019	
1.1	Hold CAC session	1 session held (Rome), documents produced	1 session held (Geneva), documents produced	55	40	280	250	50	50	5	55	785
1.1	Hold CCEXEC sessions	1 main session (Rome) and 1 follow-up session (Rome) held, documents produced	1 main session (Geneva) and 1 follow-up session (Geneva) held, documents produced	25	25	185	180			10	75	500
1.1, 1.2	Hold General Subject Committee sessions	9 sessions held (10 committees), documents produced	5 sessions held (10 committees), documents produced	50	25	35	20			100	50	280
1.1, 1.2	Hold Commodity Committee sessions	none	3 sessions held (6 committees), documents produced		30		10				30	70
1.1, 1.2	Hold Regional Coordinating Committee sessions	none	6 sessions held (6 committees), documents produced		75		400				90	565
2.1, 2.2, 2.3	Collaborate with parent organizations (FAO, WHO)	Events co-organized/attended (e.g. expert body meetings, contribution to joint publications)	Events co-organized/attended (e.g. expert body meetings, contribution to joint publications)		5		5			20	20	50
1.3	Collaborate with OIE and IPPC on relevant issues	OIE/IIPC annual meetings attended	OIE/IIPC annual meetings attended	20	20					5	5	50
1.3	Cooperate with international intergovernmental and non-governmental organizations (incl. ISO, UNECE, WTO)	min. 6 WTO events and min. 5 other events attended	min. 6 WTO events and min. 5 other events attended							50	50	100
4.2	Develop and roll-out guidance documents (e.g. Chair's Handbook, EWG reporting template, Understanding Codex Series)	2 documents produced	1 document produced	10	5	20	10					45
3.2, 4.2	Hold information activities & trainings, preferably on the margins of Codex meetings (e.g. training of CCPs, CCEXEC)	4 events for RCCs and min.1 other event held	min 1 CCP Training (regional)	300	10	50	10			50	20	440

				OTHER HUMAN RESOURCES		INTERNAL COMMON SERVICES		OTHER OPERATING EXPENSES		TRAVEL		TOTAL (biennium)
Link to Strategic Plan	Activity	Output 2018	Output 2019									
4.1, 4.2	Hold workshops/training for host countries & committee chairs	2 events for host countries and 1 event for chairs held	1 event for chairs	45	20	30	15	30	50	25	10	225
1.2, 4.2	Provide introductions/seminars to RCC coordinators prior to RCC session	none	min. 1 introduction held (Rome) + min 5 briefing events		10						50	60
4.1	Publish revised and new standards	Publication on website, format of standards	Publication on website, format of standards	40	40	30	30					140
4.1	Maintenance/re-design of Codex website	Active and user-friendly website	Active and user-friendly website	20	20	30	30					100
3.1, 4.1	Implement technologies to improve member participation (platform WGs/discussion forum, OCS)	Discussion forum support, commenting system support provided	discussion forum support, commenting system support provided	60	60							120
1.2, 3.1, 3.2	Provide platform for partnership/network set-up, information exchange on national Codex structures, identification of emerging issues	Online platform embedded in website and populated with data	Online platform enhanced and further populated with data	30	30			5	5			70
crosscutting	Other communication activities (e.g. information to governments & stakeholders, Codex promotion, surveys, CAC Magazine)	Events attended, presentations prepared, social media activities conducted	events attended, presentations prepared, social media activities conducted	30	41	40	40	5	5	15	15	191
				685	456	700	1,000	90	110	280	470	3,791
				1,141		1,700		200		750		