

codex alimentarius commission



FOOD AND AGRICULTURE
ORGANIZATION
OF THE UNITED NATIONS

WORLD
HEALTH
ORGANIZATION



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Agenda Item 9

JOINT FAO/WHO FOOD STANDARDS PROGRAMME

CODEX ALIMENTARIUS COMMISSION

Thirty-first Session

International Conference Centre, Geneva (Switzerland), 30 June - 4 July 2008

FINANCIAL AND BUDGETARY MATTERS

BACKGROUND

1. In accordance with Rule XIII.1 of the Commission's Rules of Procedure, the Secretariat submits an estimate of expenditure based on the proposed programme of work of the Commission and its subsidiary bodies, together with information concerning expenditures for the previous financial period. The estimate of expenditure shall make provisions for the operating expenses of the Commission and the subsidiary bodies of the Commission established under Rule XI.1(a) and XI.1(b)(ii) and for the expenses relating to staff assigned to the Programme and other expenditures incurred in connection with the servicing of the latter. The present report provides information on expenditures in the previous budget period (2006-2007). It also provides updated information on the budget for the current period (2008-2009), the estimate of which was presented to and noted by the 30th Session of the Commission¹.

A. BUDGET AND EXPENDITURE FOR 2006-2007

2. Resources for the biennium 2006-2007 were obtained from the FAO contribution to the Joint FAO/WHO Food Standards Programme (Codex Alimentarius) as listed in Programme Entity 2DP03 in FAO's Programme of Work and Budget 2006-2007 as well as the WHO contribution for the same period. The resources and the expenditures for the biennium 2006-2007 are shown in Table 1 (Annex).

3. Compared with the expenditure of the Codex programme in the preceding biennium (2004-2005)², the total expenditure increased from USD 6,637,000 to USD 7,378,000, which was greater than the budget as previously presented in ALINORM 06/29/10, Table 2. The resulting gap between the budget and the expenditure was compensated by the increase in the FAO contribution as the WHO's contribution was fixed at the level of its previous commitment. In particular, the staff salaries were exposed to significant exchange rate fluctuations (i.e. the weakened US dollar against the euro). Contrary to the increase in the salaries of the professional staff, whose posts remained totally filled throughout the biennium, the expenditure in salaries of the general service staff was lower than expected due to sustained vacancies of some posts. These vacancies

¹ ALINORM 07/30/9; ALINORM 07/30/REP paras 115-123.

² ALINORM 06/29/9 Table 1

had to be compensated by recruitment of temporary staff and consultants, whose costs are listed under “Other Human Resources” (the expenditure under this account category was USD 978,000 in 2004-2005) and “Chargeback”. The expenditure under “Chargeback” in 2006-2007 however was significantly reduced, by some USD 670,000, compared to the preceding biennium, owing to the discontinuation of hardcopy distribution of working papers to Codex members and observers.

4. In addition to the contribution from the Regular Budget, WHO has contributed the costs of a WHO staff member assigned to the Codex Secretariat as a Senior Food Standards Officer since February 2005. Furthermore, FAO has received from member governments the secondment of two professional staff members assigned to the Codex Secretariat as Food Standards Officers.

B. BUDGET FOR 2008-2009

5. The budget proposals for the 2008-2009 biennium were presented at the 30th Session of the Codex Alimentarius Commission (July 2007)³. At the time when these proposals were prepared, FAO’s budget for 2008-2009 had not yet been approved by its governing bodies, while WHO’s budget for 2008-2009 had been approved by the 60th Session of the World Health Assembly (May 2007).

6. The 30th Session of the Commission:

- Noted the Codex budget proposals for 2008-2009 and expressed its strong desire that FAO and WHO allocate, to the Codex programme, a budget level that would allow the Secretariat to conserve, at least, the same purchasing power as in the 2006-2007 biennium, calling upon Codex members to voice their support to Codex in the governing bodies of FAO and WHO;
- Requested FAO and WHO, pending the adoption of Russian by the FAO Conference as an FAO language, to increase the Codex budget to allow the use of Russian in the Commission and in the FAO/WHO Coordinating Committee for Europe; and
- Requested FAO and WHO to study the possibility to add Portuguese as a language of interpretation in the FAO/WHO Coordinating Committee for Africa in line with the policy applied at the FAO Regional Conference for Africa and the WHO Regional Committee for Africa.⁴

7. The 34th FAO Conference met in November 2007 and considered the Programme of Work and Budget proposals for the 2008-2009 biennium. The Conference noted that the “maintenance budget” aimed at keeping with the substantive priorities recently expressed by the membership, while factoring anticipated cost increases and other requirements to maintain the purchasing power of FAO’s programmes at the level approved for the 2006-2007 biennium⁵. The FAO Conference had approved a total net appropriation of USD 929.8 million, while reserving the right at its Special Session in November 2008 to re-examine the appropriations (net) above with a view to approving any adjustment that may be required as a result of decisions on the Immediate Plan of Action in relation to the Independent External Evaluation of FAO (IEE)⁶.

8. The 60th Session of the Executive Committee of the Codex Alimentarius Commission, held in December 2007, was informed of the budgetary situation regarding the 2008-2009 biennium, including the outcome of the 34th FAO Conference. The Committee noted the information provided on the budget process for 2008-2009 and urged FAO and WHO to establish, as soon as possible, the final Codex budget for planning purposes and not only protect the Codex budget from reductions but to increase it to allow for accommodation of additional language coverage.⁷

9. In accordance with FAO Conference Resolution 3/2007 on Budgetary Appropriations 2008-2009, the FAO Secretariat formulated revised budget proposals for 2008-2009, in the light of the priorities expressed by the FAO governing bodies. The FAO contribution to the Codex programme in the PWB 2008-2009 is USD 7,195,500, while the WHO contribution is USD 1,225,000. Both WHO and FAO contributions

³ ALINORM 07/30/9 paras 5-14 and Tables 2A and 2B

⁴ ALINORM 07/30/REP para. 123

⁵ C 2007/3 (Programme of Work and Budget 2008-2009)

⁶ C 2007/REP paras 89-103 and Resolution 3/2007

⁷ ALINORM 08/31/3 paras 52-60

to Codex are covered by the Regular Budgets, in accordance with the provisions of Article 9 of the Statutes of the Codex Alimentarius Commission.

10. The initial Codex Budget Proposals presented to the 30th Session of the Commission and the approved PWB 2008-2009 are summarised in Table 2 (Annex). The difference between the proposals and the final budget is due to cost increases and shifts in exchange rates.

11. Attention is drawn to the efficiency savings that are being applied across the technical programmes of FAO to the 2008 allotment; the actual FAO allotment to Programme Entity 2DP03 will be smaller than the budgeted figure by USD 103,000 in 2008 (i.e. USD 206,000 on a biennial basis).

12. The implications of the budgetary situation as described above to the activities of the Codex Alimentarius Commission in 2008-2009 are considered to be as follows:

- **Meetings:** All Codex sessions planned for in the current biennium will be maintained, including two sessions of the Commission, three sessions of the Executive Committee and one session each of the six FAO/WHO Coordinating Committees;
- **Languages:** Russian will not be added as a language of the Commission due to lack of sufficient resources, while Portuguese will be introduced, on an experimental basis, as a language of interpretation (not of documentation) to the FAO/WHO Coordinating Committee for Africa. The impact of the added language will be evaluated by the Commission in 2009;
- **Audio recording:** Audio recordings and web-based publicizing of the proceedings of the Executive Committee and of the Commission will be maintained;
- **Publication:** Codex standards and related texts will continue to be published in CD-ROMs and on the Codex website, while a limited number of special publications by thematic areas will be issued in hardcopy, together with Commission reports and the Procedural Manual (see CAC31/INF8 for details).;
- **Documentation:** Hardcopy distribution of Invitations to Codex sessions for Codex Members and Observers will be discontinued and be replaced by electronic curculation of scanned copies. Hardcopy distribution of Invitations to the official FAO distribution list will be maintained. Exclusive electronic distribution of working documents will remain in place (see CAC31/INF8 for details);
- **Secretariat staff:** All existing Regular Budget posts in the Codex Secretariat will be maintained (1 Executive Secretary, 2 Senior Food Standards Officers, 4 Food Standards Officers, 1 Secretary, 2 Documents Clerks, 3 Clerks, and 1 Clerk Typist);

13. The Commission is invited to take note of the information provided above and provide observations if any.

C. ALTERNATIVE FUNDING MECHANISMS

14. The 29th Session of the Commission agreed to request the Secretariat to prepare a discussion paper, in collaboration with FAO and WHO, on the possibilities for more sustainable funding including through other funding sources and alternative ways of achieving it. The discussion paper, ALINORM 07/30/9 Add.1, was prepared and presented to the 59th Session of the Executive Committee and the 30th Session of the Commission. However, due to lack of time, the paper could not fully be considered at these sessions and the 30th Session of the Commission requested the Executive Committee to consider the discussion paper at its 60th Session.⁸

15. The Commission is invited to note the discussion at the 60th and 61st Sessions of the Executive Committee on this matter⁹ and to provide any observation and guidance as appropriate.

⁸ ALINORM 07/30/REP paras 124-125

⁹ ALINORM 08/31/3 paras 43-51

BUDGET AND EXPENDITURES TABLES

Table 1: Budget and Expenditure 2006-2007 - Combined Accounts (USD'000)

Account Description	Budget ¹⁰	Expenditure
FAO Contribution	5,707 (82.3%)	6,112 (82.8%)
WHO Contribution	1,225 (17.7%)	1,225 (16.6%)
Miscellaneous Income ¹¹		41 (0.6%)
TOTAL REVENUE	6,932 (100%)	7,378 (100%)
Salaries Professional	2,161 [31.2%]	2,670 [36.2%]
Salaries General Service	986 [14.2%]	875 [11.9%]
Staff Costs	3,147 (45.4%)	3,545 (48.0%)
Other Human Resources ¹²	471 [6.8%]	1,284 [17.4%]
General Expenses ¹³	225 [3.2%]	359 [4.9%]
Non Expendable Equipment ¹⁴	113 [1.6%]	133 [1.8%]
Chargeback ¹⁵	2,279 [32.9%]	1,349 [18.3%]
Travel	697 [10.1%]	708 [9.6%]
Non-Staff Costs	3,785 (54.6%)	3,833 (61.0%)
TOTAL ESTIMATED COSTS	6,932 (100%)	7,378 (100%)

¹⁰ Revised Programme of Work 2006/2007, as presented in ALINORM 06/29/10, Table 2.

¹¹ Includes reimbursement from external agencies for activities undertaken for them.

¹² Includes consultants, contracts and overtime.

¹³ Includes expendable equipment, general operating expenses, general overhead expenses and hospitality.

¹⁴ Includes data processing equipment and furniture.

¹⁵ Includes temporary assistance, translation, interpretation and printing serviced by other units of the FAO Headquarters.

Table 2. Codex Budget 2008-2009 (USD '000)

Account Description	Initial Budget Proposals at 30 th Session of Codex Commission ¹⁶	Approved PWB 2008-2009
FAO Contribution	5,720 (82.4%)	7,195 (85.5%)
WHO Contribution	1,225 (17.6%)	1,225 (14.5%)
TOTAL REVENUE	6,945 (100%)	8,420 (100%)
Salaries Professional	2,161 [31.1%]	2,676 [31.8%]
Salaries General Service	983 [14.2%]	1,317 [15.6%]
Staff Costs	3,144 (45.3%)	3,993 (47.4%)
Other Human Resources	484 [7.0%]	533 [6.3%]
General Expenses	225 [3.2%]	244 [2.9%]
Non-expendable Equipment	134 [1.9%]	145 [1.7%]
Chargeback	2,261 [32.6%]	2,758 [32.8%]
Travel	697 [10.0%]	747 [8.9%]
Non-Staff Costs	3,801 (54.7%)	4,427 (52.6%)
TOTAL ESTIMATED COSTS	6,945 (100%)	8,420 (100%)

¹⁶ Codex Budget 2008-2009 Proposal (without cost increase), as presented in ALINORM 07/30/9, Table 2A