



JOINT FAO/WHO FOOD STANDARDS PROGRAMME

CODEx ALIMENTARIUS COMMISSION

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FINANCIAL AND BUDGETARY MATTERS

1. BACKGROUND

In accordance with Rule XIII.1 of the Commission's Rules of Procedure, the Secretariat submits an estimate of expenditure for the 2016-17 biennium based on the proposed programme of work of the Commission and its subsidiary bodies, together with information concerning expenditures for the previous financial period. This document provides information on the budget for the expenditure for 2014, an estimate for 2015 and an outlook to 2016/17. The FAO/WHO reports regarding the budget for scientific advice are contained in CX/CAC 15/38/14 and the information for the discussion on Sustainable Funding for the Provision of Scientific Advice to Codex and Member States is contained in CX/CAC 14/37/12 Add.2 and CX/CAC 15/38/15.

1.1 Budget Processes in FAO and WHO

The budget processes of both organizations have been reported in document CX/CAC 13/36/13 and in Part C of CX/CAC 14/37/12 and are not repeated here. It should be noted that the budget for the Codex Secretariat has so far remained protected within the FAO PWB.

2. BUDGET 2014-15

2.1 Contributions

2.1.1 FAO and WHO

2.1.1.1 The FAO Programme of Work and Budget 2014-15 was approved by the 38th Session of the FAO Conference (15-22 June 2013) and Adjustments were approved by the Council (2-6 December 2013).¹ As regards WHO, the Organization's budget proposals were approved by the 66th Session of the World Health Assembly (May 2013) (Contribution to the budget of the Codex Secretariat).

2.1.1.2 The FAO and WHO contributions to the budget of the Codex Secretariat contained therein are shown in **Table 1**.

Table 1. Contributions 2014-15 (US\$'000)

Contributions	Budget Proposals at the CAC36 (2013)	Approved PWB 2014-15
FAO	7,031 (80.3%)	7,075 (80.4%)
WHO	1,725 (19.7%)	1,725 (19.6%)
TOTAL	8,756 (100%)	8,800 (100%)

2.1.2 Contributions from member countries

2.1.2.1 In addition to the FAO and WHO regular budget contributions, two food standards officers were seconded to the Codex Secretariat from Member States (Japan and Republic of Korea).

2.1.2.2 An important contribution to the Codex activity results from the host country arrangements for convening Codex sessions as well as contributions of Coordinators for hosting the FAO/WHO Coordinating Committees. This information will be collected from host governments and reported to the Commission in 2016.

¹ www.fao.org/pwb

2.2 Expenditure

2.2.1 The expenditure for 2014 and an estimate for 2015 is contained in **Table 2**.

2.2.2 The detailed expenses for 2014 are presented in **Annex 1**. Future versions will provide a more informative breakdown of costs and to also better link staff costs to outputs (e.g. business plan).

2.2.3 A complete expenditure report for 2014-15 will be presented at CAC39 (2016).

Table 2. Budget 2014-15, Expenditure 2014 and Estimate 2015 (US\$'000)

Expenditure	Budget Proposals at CAC36 (2013)	Approved PWB 2014-15	Approved 2014 budget (50% PWB)	Expenditure 2014	Balance from 2014 carried over to 2015	Expenditure 2015 (Estimate)	Balance 2015 against PWB (Estimate)
Salaries Professional	2,887 [32.9%]	2,928 [33.2%]	1,464	1,381 [37.4%]	83	1,666	-202
Salaries General Service	1,444 [16.5%]	1,371 [15.6%]	686	589 [15.9%]	97	476	210
Staff Costs	4,331 (49.5%)	4,299 (48.8%)	2150	1,970 (53.3%)	180	2,142	8
Other Human Resources ²	1,350 [15.4%]	1,300 [14.8%]	650	327 [8.9%]	323	1,216	-566
General Expenses ³	350 [4.0%]	400 [4.6%]	200	175 [4.7%]	25	200	0
Non Expendable Equipment ⁴	125 [1.4%]	150 [1.7%]	75	73 [2.0%]	2	100	-25
Internal Common Services ⁵	1,750 [20.0%]	1,751 [19.9%]	875	790 [21.4%]	85	1,000	-125
Travel	850 [9.7%]	900 [10.2%]	450	358 [9.7%]	92	450	0
Non-Staff Costs	4,425 (50.5%)	4,501 (51.2%)	2,251	1,723 (46.7%)	528	2,966	-700
TOTAL ESTIMATED COSTS	8,756 (100%)	8,800 (100%)	4,400	3,693 (100%)	708	5,108	-708

2.3 Analysis for expenditure in 2014

2.3.1 **Table 2** shows a positive total balance of US\$ 708,000 for the year 2014, which is further examined in the following paragraphs.

2.3.2 *Salaries professional*: The positive balance is due to vacancies (D1 (7 months), P5 (2 months), P4 (2 months) and P3 (7 months)). This balance is partly compensated by the costs for one additional P4 who was partly employed from the Codex budget and partly from other units and divisions in the department to assist with systems development.

2.3.3 *Salaries general service*: The positive balance is due to a G4 vacancy (Spanish reviser) for the year of 2014 due to retirement of the staff member in 2013. Since that time no general service recruitment has been authorized and the recruitment modalities for general service staff in FAO have been changed; duties

² Includes consultants, contracts and the overtime of the General Service staff.

³ Includes expendable equipment, general operating expenses, general overhead expenses and hospitality.

⁴ Includes data processing equipment and furniture.

⁵ Includes temporary assistance, translation, interpretation and printing serviced by the relevant units of the FAO Headquarters.

have been taken up by temporary assistance, paid at the G2 level and included under *internal common services*.

2.3.4 *Other human resources*: The positive balance is partly due to delays in major work items foreseen for contracts and outside consultants being delayed (communication strategy, online commenting system, scanning project and translation projects). Systems work was partly covered by the professional staff member mentioned in paragraph 2.3.2. In addition the use of paid overtime continues to be strictly limited. Overtime is normally compensated through leave.

2.3.5 *Internal common services* has a positive balance mainly due to lower costs for the Commission in Geneva and less printing costs (only one paper publication printed; the procedural manual was published in electronic format only).

2.3.6 *Travel*: The positive balance is due to the Secretariat not being fully staffed and FAO travel policies, which have been clarified to allow staff of secretariats such as Codex to participate in their international meetings if this is an integral part of their work.

2.4 Estimates for 2015

2.4.1 *Salaries professional*: Will show a negative balance as all posts are filled and in addition one P4 staff member is employed to assist in systems development.

2.4.2 *Salaries general service*: The positive balance could be as high as US\$ 210,000 on the assumption that the G4 vacancy (Spanish reviser) will remain vacant for all of 2015 and in addition one G5 post could be vacant for 8 months (retirement end of April 2015) and one G4 could be vacant for 5 months (retirement end of July 2015).

2.4.3 *Equipment*: the expenditure could be slightly higher as a number of workstations and notebooks need to be renewed and more staff members (including secondments) will be arriving.

2.4.4 *Internal common services*: the expenditure could be higher, as 2015 will see a six day Commission meeting with a number of night sessions as well as more temporary assistance due to G4/G5 vacancies.

2.4.5 The remaining funds available are planned to be mainly used for "*other human resources*" (maximum US\$ 1,216,000) to be invested in a number of projects through contracts and consultants: online commenting system; improvement of the Codex document storage and distribution system; support to electronic working groups and regional websites development; development and implementation of communication strategy; scanning and uploading of historical Codex documents; and increased availability of Codex standards in Arabic, Chinese and Russian.

2.4.6 Depending on decisions of the Commission related to the review of Codex work management some changes may be made to these plans.

3. PLANNING AND BUDGET PROPOSALS FOR 2016-17

In accordance with Rule XIII.2 of the Commission's Rules of Procedure, 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.

3.1 Session planning

The budget is based on the following session planning during the 2016-2017 biennium:

- Annual sessions of the Codex Alimentarius Commission (2016 and 2017)
- Two sessions of the CCEXEC prior to the Commission sessions.⁶
- Other subsidiary bodies, including Coordinating Committees, according to the established meeting schedule.

3.2 Staff planning

3.2.1 The current professional structure of the Codex Secretariat is: one D1 (Secretary), two P5 (Senior food standards officers), two P4 and two P3 (food standards officers): The P3 and P4 officers deal with the main standard setting work (committee operations); the two P5 officers assist at key meetings and cover

⁶ Following the decision of the CCEXEC that no regular additional session was needed (REP 11/EXEC, para. 60)

general issues such as communications and work planning and management and the Secretary is covering the overall organization, management and cooperation with the parent organizations.

3.2.2 The current general service staff structure is: two G5, three G4 and one G3. One G5 assists the Secretary directly with all administrative issues related to the Commission preparation and related tasks. One G4 covers all travel and contracts for the Secretariat as well as procurement issues. Two G4 cover quality control of document translations. One G5, G4 and G3 take care of document management and distribution and publications.

3.2.3 In an exercise carried out by all units and divisions in the Agriculture and Consumer Protection department of FAO (in which the Codex Secretariat is located), scenarios for optimizing staff composition were developed. The exercise showed two possibilities to optimise the present situation in the Codex Secretariat: (1) The four food standards officers overall have to cover the same tasks thus it will be considered in the future in cooperation with FAO and WHO if it would be more appropriate to classify all four Codex food standards officers as P4. (2) More professional assistance would be helpful to coordinate and optimize Codex document management, website content and to ensure timeliness of document distribution. Acknowledging the changed needs in document production and distribution it is proposed to abolish one G5 post from the present documents office and to create one additional P3 position in the same office.

3.2.4 In addition it is proposed for the next biennium to continue to fund (in cooperation with other divisions and units) one P4 data management officer in order to assist in the implementation of the major systems that will be put in place. This is a fixed term position that exists at the department level and will be maintained by the department as long as need exists and funding can be found.

3.3 Other expenses

3.3.1 *Other human resources*: It is proposed to reduce the planned amount for this item in order to finance the additional professional posts. The remainder will be used for the various contracts related to ongoing projects (commenting system, website support and implementation of the communication strategy).

3.3.2 *General expenses*: No change expected.

3.3.3 *Non expendable equipment*: No change expected.

3.3.4 *Internal common services*: Costs for internal common services are expected to be higher because of a Commission session held in Rome.

3.3.5 *Travel*: No change expected.

3.4 Budget proposals for 2016-17

The FAO Programme of Work and Budget 2016-17 was approved by the 39th Session of the FAO Conference (June 2015). As regards WHO, the Organization's budget proposals were approved by the 67th Session of the World Health Assembly (May 2015) (Contribution to the budget of the Codex Secretariat). See **Table 3** for the expected contributions from FAO and WHO. **Table 4** shows the proposed expenditure taking into account the session and staff planning in sections 3.1 and 3.2.

Table 3. Expected contributions 2016-17

Contribution	Budget Proposals (without cost increases)
FAO	7,100 (80.4%)
WHO	1,725 (19.6%)
TOTAL	8,825 (100%)

Table 4. Budget proposals 2016-17

Expenditure	Proposed distribution of expenditure (without cost increases)
Salaries Professional	3,654 [41.4%]
Salaries General Service	1,153 [13%]
Staff Costs	4,807 (54.5%)
Other Human Resources ⁷	717 [8.1%]
General Expenses ⁸	400 [4.5%]
Non Expendable Equipment ⁹	150 [1.7%]
Internal Common Services ¹⁰	1,851 [21%]
Travel	900 [10.2%]
Non-Staff Costs	4,018 (45.5%)
TOTAL ESTIMATED COSTS	8,825 (100%)

⁷ Includes consultants, contracts and the overtime of the General Service staff.

⁸ Includes expendable equipment, general operating expenses, general overhead expenses and hospitality.

⁹ Includes data processing equipment and furniture.

¹⁰ Includes temporary assistance, translation, interpretation and printing serviced by the relevant units of the FAO Headquarters.

Annex 1

	Salaries Professional	Salaries General Service	Other Human Resources	Travel	GOE / Equipment	General Operating Expenses (external common services)	General Operating Expenses (internal common services)	Total
Secretariat provided to the Codex Alimentarius Commission and its subsidiary bodies	480.724	235.646	5.115	662	65.268	5.724	3.962	797.101
Secretariat provided to the Codex Alimentarius Commission and the Executive Committee	0	0	24.216	86.558	85.046	27.364	336.388	559.572
Secretariat provided to Codex Committees on food safety	0	0	0	60.802	0	3.272	43.822	107.896
Secretariat provided to Codex Committees on general subjects	0	0	13.284	41.144	196	1.276	150.129	206.029
Secretariat provided to Commodity Committees	0	0	0	40.798	1.473	18.863	37.593	98.727
Secretariat provided to FAO/WHO Coordinating Committees	0	0	23.464	89.485	0	7.368	140.449	260.766
Publication of Codex standards and effective communication implemented	438.590	176.735	170.833	0	65.497	0	8.579	860.234
Publication of final texts after adoption including update of databases	0	0	7.297	0	0	61	0	7.358
Communication and information on Codex standards and related texts and Codex work to governments and stakeholders	0	0	20.984	4.178	25.800	3.803	1.263	56.028
Upgrade of website, including development of IT tools to facilitate standard setting and interactive communication	100.872	0	11.982	361	4.852	0	0	118.067
Coordination with FAO, WHO, UN agencies, intergovernmental organisations and standard setting bodies ensured	360.543	176.735	0	20.274	0	1	0	557.553
Cooperation with other organisations, including standard setting bodies	0	0	0	6.380	0	0	0	6.380
Participation in technical cooperation or training activities of FAO, WHO and other organisations as required	0	0	49.445	7.574	0	0	0	57.019
GRAND TOTAL	1.380.729	589.116	326.620	358.216	248.132	67.732	722.185	3.692.730